



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Meeting Notice and Agenda

Town Council

Mayor Mark Stanton
Vice Mayor Ellen Andeen-Keller
Councilmember Christine Labelle
Councilmember Karen Liepmann
Councilmember Scott Moore
Councilmember Julie Pace
Councilmember Anna Thomasson

Thursday, December 11, 2025

3:00 PM

Council Chambers

1. CALL TO ORDER / ROLL CALL

Notice is hereby given that members of the Town Council will attend either in person or by electronic conference system, pursuant to A.R.S. §38-431(4).

2. STUDY SESSION ITEMS - IMMEDIATELY FOLLOWING THE EXECUTIVE SESSION

The Study Session is open to the public for viewing, and the following items are scheduled for discussion among the Council, Staff, and their designees. The Town Council will be briefed by staff and other Town representatives. There will be no votes and no final action taken on discussion items. The Council may give direction to staff and request that items be scheduled for consideration and final action at a later date. The order of discussion items and the estimated time scheduled to hear each item are subject to change.

[25-291](#)

Zoning Code Update Check In
45 Minutes

Staff Contact:

Chad Weaver, 480-348-3522

[25-290](#)

Update on Short Term Rental Ordinance
30 Minutes

Staff Contact:

Chad Weaver, 480-348-3522

[25-287](#)

Discussion of Community Services Funding Process
45 Minutes

Staff Contact:

Amy Rebenar, 480-348-3544

3. EXECUTIVE SESSION

[25-279](#)

Discussion and consultation with Town Attorney to consider the Town Council's position and instruct the attorney regarding the City of Phoenix v. Town of Paradise Valley, SDB Contracting Services, SDB Inc. et al. matter as authorized by A.R.S. §38-431.A.4.

[25-270](#)

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).

4. BREAK

5. RECONVENE FOR REGULAR MEETING 6:00 PM**6. ROLL CALL****7. PLEDGE OF ALLEGIANCE*****8. PRESENTATIONS*****[25-281](#) Presentation of Paradise Valley Vintage Car Show Proceeds to the Sentinels of Freedom and the Military Assistance Mission**

Recommendation: Present checks to the Sentinels of Freedom and the Military Assistance Mission on behalf of the Paradise Valley Veterans' Appreciation Vintage Car Show.

Staff Contact: Andrew Ching, 480-348-3690

[25-273](#) Discussion and Possible Action to Recognize 6122 East Quartz Mountain Road as a Historic Property in the Town of Paradise Valley

Recommendation: Approve the Historical Advisory Committee's recommendation to recognize 6122 East Quartz Mountain Road as an official historic property in the Town of Paradise Valley

Staff Contact: Duncan Miller, 480-348-3610

[25-274](#) Discussion and Possible Action to Recognize 5312 East Royal Palm Road as a Historic Property in the Town of Paradise Valley

Recommendation: Approve the Historical Advisory Committee's recommendation to recognize 5312 East Royal Palm Road as an official historic property in the Town of Paradise Valley

Staff Contact: Duncan Miller, 480-348-3610

[25-288](#) Results of Paradise Valley Street Sweeper Naming Contest

Staff Contact: Amy Rebenar, 480-348-3544

9. CALL TO THE PUBLIC

Citizens may address the Council on any matter not on the agenda or any item on the Study Session (Section 3 on the agenda). In conformance with Open Meeting Laws, Council may not discuss or take action on this matter at this Council meeting, but may respond to criticism, ask that staff review a matter raised, or ask that it be placed on a future agenda. Those making comments shall limit their remarks to three (3) minutes. Please fill out a Speaker Request form prior to addressing the Council.

10. CONSENT AGENDA

All items on the Consent Agenda are considered by the Town Council to be routine and will be enacted by a single motion. There will be no separate discussion of these items. If a member of the Council or public desires discussion on any item it will be removed from the Consent Agenda and considered separately. Please fill out a Speaker Request form prior to the start of the meeting and indicate which item you would like to address.

[25-272](#)

Minutes of Town Council Meeting November 13, 2025

[25-276](#)

Discussion and Possible Action to Approve Amendments to the Town of Paradise Valley Employee Handbook

Recommendation: Approve amendments to the Town of Paradise Valley Employee Handbook in Section 202: Smokefree Workplace and Section 1402: Appeals effective December 21, 2025

Staff Contact: Gina Monger, 480-348-3542

[25-277](#)

Discussion and Possible Action to Approve an Agreement with the Arizona Department of Administration for Law Enforcement Records Management System Funding

Recommendation: Approve the agreement between the Town of Paradise Valley, through the Paradise Valley Police Department, and the Arizona Department of Administration for the purpose of receiving funds allocated to support the statewide Law Enforcement Records Management System initiative.

Staff Contact: Freeman Carney 480-948-7410

[25-289](#)

Discussion and Possible Action to Approve an Agreement with the Arizona Department of Public Safety and Authorize Acceptance of Grant Funds for Anti-Human Trafficking

Recommendation: Authorize the acceptance of grant funds from the Arizona Department of Public Safety in the amount of \$34,450 for Anti-Human Trafficking efforts and authorize the Police Chief to execute the funding agreement.

Staff Contact: Amy Rebenar, 480-348-3544

[25-278](#)

Discussion and Possible Action to Approve a Linking Agreement for Cooperative Purchase between the Town of Paradise Valley and B2B Direct Sales, Inc dba the HVAC Company for Replacement of HVAC Systems/Components within Town Facilities

Recommendation: Approve the linking agreement (CON-25-035-PBW-A1) with B2B Direct Sales Inc, dba The HVAC Company for replacement of HVAC System Components in the amount of \$101,224.95; and authorize the Town Manager to execute the agreement.

Staff Contact: Robert Deserano, 480-348-3589

25-280 **Discussion and Possible Action to Approve a Linking Agreement for Cooperative Purchase of an Articulating Telescopic Aerial Device (Bucket Lift Truck)**

Recommendation: Approve a contract with ALTEC Industries, Inc (CON-26-031-PW) for the purchase of an Articulating Telescopic Aerial Device in the amount of \$204,287.00 and authorize the Town Manager to execute the agreement.

Staff Contact: Andrew Ching, 480-348-3690

25-282 **Discussion and Possible Action to Approve Settlement Agreements in the City of Phoenix v. Town of Paradise Valley et al. Matter Relating to Settling the Matter and Attorney's Fees**

Recommendation: Approve the Settlement Agreements in the matter of *City of Phoenix v. Town of Paradise Valley et al.* resolving the underlying lawsuit and attorney's fees claims and authorize the Town Manager to execute the agreements.

Staff Contact: Andrew McGuire, 480-348-3691

25-284 **Discussion and Possible Action to Approve Amendment No. 3 to the Professional Service Agreement with Gust Rosenfeld P.L.C. for Town Attorney Services**

Recommendation: Authorize the Town Manager to execute amendment No. 3 (CON-21-162-ATY-A3) to the Professional Service Agreement with Gust Rosenfeld P.L.C. for Town Attorney Services

Staff Contact: Andrew McGuire, 480-348-3691

11. PUBLIC HEARINGS

The Town Council may hear public comments and take action on any of these items. Citizens may address the Council regarding any or all of these items. Those making comments are limited to three (3) minutes. Speakers may not yield their time to others. Please fill out a Speaker Request form prior to the start of the meeting and indicate which item you would like to address.

12. ACTION ITEMS

The Town Council May Take Action on This Item. Citizens may address the Council regarding any or all of these items. Those making comments are limited to three (3) minutes. Speakers may not yield their time to others. Please fill out a Speaker Request form prior to the start of the meeting and indicate which item you would like to address.

25-293 **Discussion and Possible Action to Adopt Resolution 2025-13
Accepting the FY2024-25 Annual Comprehensive Financial Report,
Annual Expenditure Limitation Report and other Associated
Reports, and Results of the Annual Audit**

Recommendation: Adopt Resolution Number 2025-13.

Staff Contact: Leslie DeReche, 480-348-3696

25-268 **Discussion and Possible Action to Adopt Ordinance 2025-05
Amendments to Administrative Review of Certain Plat Applications**

Recommendation: Adopt Ordinance 2025-05

Staff Contact: Chad Weaver, 480-348-3522

25-292 **Discussion and Possible Action to Approve the Third Amendment
to the Linking Agreement with Axon Enterprises, Inc for the
Purchase of Axon AI Products**

Recommendation: Approve the Third Amendment to the Linking Agreement (CON-24-016-POL-A3) with Axon Enterprises, Inc to increase the scope of work to include Axon AI products in an amount not to exceed \$953,398 spread out over the contract term ending June 30, 2033.

Staff Contact: Freeman Carney, 480-948-7418

13. FUTURE AGENDA ITEMS

The Town Council May Take Action on This Item. The Mayor or Town Manager will present the long range meeting agenda schedule and announce major topics for the following meeting. Any member of the Council may move to have the Town Manager add a new agenda item to a future agenda. Upon concurrence of four more Members, which may include the Mayor, the item shall be added to the list of future agenda items and scheduled by the Town Manager as a future agenda item within 60 days, or longer with Council approval.

25-275 **Consideration of Requests for Future Agenda Items**

Recommendation: Review the current list of pending agenda topics.

Staff Contact: Town Manager, 480-348-3690

14. MAYOR / COUNCIL / MANAGER COMMENTS

The Mayor, Council or Town Manager may provide a summary of current events. In conformance with Open Meeting Laws, Council may not have discussion or take action at this Council meeting on any matter discussed during the summary.

15. ADJOURN*AGENDA IS SUBJECT TO CHANGE*

**Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the Town Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the Town Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the Town will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.*

The Town of Paradise Valley endeavors to make all public meetings accessible to persons with disabilities. With 72 hours advance notice, special assistance can also be provided for disabled persons at public meetings. Please call 480-948-7411 (voice) or 480-483-1811 (TDD) to request accommodation to participate in the Town Council meeting.



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-291

AGENDA TITLE:
Zoning Code Update Check In

STAFF CONTACT:

TOWN *Of* PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Chad Weaver, Community Development Director

DATE: December 11, 2025

DEPARTMENT: Community Development
Chad Weaver, 480-348-3522

AGENDA TITLE:
Zoning Code Update Check-in

SUMMARY STATEMENT:

Michael Baker will report on progress of the zoning code update project.

BACKGROUND:

There have been approximately 140 text amendments to the Town's Zoning Ordinance since the Town's incorporation on May 24, 1961. The first Zoning Ordinance was modeled after Maricopa County at the time of incorporation with the first Town Council adopted Zoning Ordinance approved in October 1961.

The next major changes to the Zoning Ordinance occurred in the early 1970s. This included the readoption of the Zoning Map in October 1972 (due to the original being lost), adoption of hillside building regulations in May 1973, and a readoption of the Zoning Ordinance in March 1974.

The next notable text changes to the Town's Zoning Ordinance occurred in the 1980 decade. This included the R-10 District (for approximate ¼-acre lots) in June 1984 in response to the annexation of the Colonia Miramonte subdivision near the Camelback Inn resort. The hillside building regulations were modified in September 1984, with a full repeal and replacement of these provisions in November 1989. July 1985 added wall and fence regulations (beyond the requirements for subdivision walls and fences). The decade closed with the addition of the R-175 District (minimum 4-acre lots).

The 1990 decade included several minor revisions to the Zoning Ordinance, with more substantive changes during the 2000 decade. This included the repeal and replacement of the nonconforming use regulations in September 2001, hillside building regulations in October 2003, and Special Use Permit regulations in November 2005. The 2005 amendments also included an overhaul of the subdivision regulations, modifications to walls and fences, and reorganization (in part) of the Town's Zoning Ordinance.

The Town made a few amendments during the 2010 decade. These amendments included modifications to the Special Use Permit process in November 2012. There were also modifications to the lighting provisions in June 2017 and the inclusion of small wireless service facilities (as required by state statute) in August 2017. The decade closed with another repeal and replacement of the hillside building regulations in May 2018, along with some minor changes in 2019 to the Managerial Special Use Permit process and the cluster plan zoning (in response to the Ironwood Golf Villas subdivision off Scottsdale Road at the Indian Bend wash).

The predominant amendments to the Town's Zoning Ordinance in the present 2020 decade include changes to align with state statute on marijuana establishments and the provision of a Managerial Special Use Permit process for personal wireless service facilities.

In 2023 an item was added to the Community Development Budget for a 'Unified Procedural Manual' that was intended to improve building and development experiences for all users. The \$200,000 item has appeared in the FY24 and 25 approved budgets.

During the past two years some other efforts have also been in process that assisted in the overall goal of improving user experience. Accela system development has, and continues to improve access to process and information, while adding efficiency to staff reviews. SOP's (standard operating procedures) and checklists are also being created to assist in understanding various processes and their required order of operations. Additionally, the Town website updates and planned major improvements continue to be used to clarify requirements of development processes.

When considering the utility and planning for a procedural manual, staff has considered all of the component parts. Some changes already in process are mentioned above, but a desire to consider the zoning code itself became task one needing evaluation. In order to facilitate a swift and thorough check of needs and issues, staff entered into a Professional Services Agreement (No. CON-25-012-ENG) on September 12, 2024 with Michael Baker International, Inc. This consultant was selected based upon their knowledge of zoning codes generally, and previous experience with the Town and our zoning code

Based upon information obtained, interviews with staff, and their own review, the attached Zoning Ordinance Analysis was provided in December of 2024. Their work considered supporting documentation, the General Plan and the content, wording and organization of the code itself.

Based upon the review, the consultant recommended a suggested action plan that includes changes required for legal compliance, refinements and clarifications to ensure maximum usability and clarity, updates based upon user experience and best practice and overall document reorganization to better match the Town code and more typical municipal codes.

UPDATE: Since Council approved the Michael Baker contract in June, staff has worked with the consultant team on revisions to the format of the zoning code. These improvements will enhance usability and improve the transition to the Municode site hosting. Work on relevant legal changes has continued and refinement to enhance conformity with relevant State and Federal standards continues. Lastly, refinement and clarification to existing standards is ongoing.

Next Steps:

Consultant team and staff will answer questions and accept feedback. Staff will proceed with outreach as directed and return with suggestions on requested changes and additions based upon previous Council direction. These will then be incorporated into the final draft documents.

ATTACHMENTS:

- A. Staff Report
- B. Zoning Ordinance Analysis
- C. Annotated Outline
- D. Presentation

Town of Paradise Valley

Zoning Ordinance Analysis

December 2024

Prepared for:



Town of Paradise Valley
6401 E. Lincoln Drive
Paradise Valley, AZ 85253

Prepared By:

Michael Baker
INTERNATIONAL

2929 N Central Ave
Suite 800
Phoenix, AZ 85012

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1. INTRODUCTION AND BACKGROUND

The Town of Paradise Valley has embarked upon an effort to review its Zoning Ordinance (“Ordinance”), which was last reviewed comprehensively in 2005. Since that time, the Ordinance has been amended from time to time to respond to the changing needs of the community and address impacts of specific development proposals.

This report summarizes the findings of a technical review of the existing Paradise Valley Zoning Ordinance performed by the Town’s professional land use and zoning consultant, Michael Baker International. This report also introduces recommendations for structural and content changes that set the direction for the preparation of a comprehensively updated, modernized Zoning Ordinance.

1.1. Process Overview

The goal of Phase 1 is to gather observations and best practices from staff and the consultant to reach a general agreement on proposed revisions and address any unresolved issues. Establishing this project “road map” early is crucial, as significant, or new, changes during the drafting process can lead to wasted time and effort. Clear policy direction at this stage ensures an efficient drafting process and a consistent final product. This report is intended to be general, with specific details of individual regulations to be thoroughly examined in the next phase. Additionally, as discussions with town staff and stakeholders continue, the information presented here will likely evolve and be refined in future phases.

1.2. Key Goals

The key goals draw upon preliminary information described in the project scope and initial observations made by town staff at the project kick off meetings on September 23, 2024. The following overarching project needs and goals were developed (in no particular order) to help guide the Ordinance Update process:

- Identify existing inconsistencies, conflicts and duplications.
- Ensure compliance with Arizona Revised Statutes.
- Benchmark select zoning concepts and processes against other peer municipalities.

1.3. What We Heard

The Zoning Ordinance significantly influences the daily lives, jobs, and activities of Paradise Valley residents by regulating the land and shaping the areas where they live, work, and play. To ensure the updated Zoning Ordinance effectively governs the town’s built environment, it is essential to gather input from those who regularly use and depend on the ordinance in their professional roles, as well as in public hearings to evaluate the suitability of various development application requests.

As part of initial reconnaissance efforts, on September 23, 2024, the project team conducted a kick-off meeting to identify key issues and challenges associated with the current zoning ordinance. This section summarizes the views expressed at the meeting as well as those provided to the project team via other means. In no order, the observations and Zoning Ordinance Update needs include:

Article	Proposed Change:	Reason:
	SUP Sign Amendments be MINOR	Align with current processes
Article 7, Section 702 4	R-18/A Pool Setbacks	Issue on smaller lots, adhering to larger setbacks
Section 2207 2b	Cantilever	Negative impact/additional disturbance
Section 1023	Lighting Compliance?	Homes/resorts below hillside shielding up in home in hillside. "Hooded/shielded" clarification.
Article XXIV Section 2413 & 2404	Walls/fences on major arterials allowed at 8' tall - Gates	Clarify language to allow gates on adjoining major arterial streets to have a maximum height limit of 8' tall. Gate match wall height.
Article XXIV	Combo View fence along side or rear with frontage	Consider a combo view fence be allowed at a 10' setback at a side or rear yard adjoining a right-of-way - overall hedge maintenance agreement on side/rear adjacent to ROW?
Article XXIV 2407(b)	Retaining wall height	Update language to identify that the height of the retaining wall is measured from the low side of grade (either finished or natural grade, whichever is lower).
Article XXIV 2404	Grade difference between properties, pertaining to common wall Interpretation?	Add language to address the issue when the neighboring property lowers their grade and its effects on the height measurement of fence since it is measured from the low side of natural grade
Article XXIV	Raised outdoor living areas - clarify and add requirements	Add language to the code (similar to hillside code) in which raised outdoor living areas (raised decks, platforms, etc.) must meet pool/spa setback. Require setback?
Article X 1001(D)	30-Day Rental Limit	Recommend removing last part of the sentence "and such rental shall be for less than a contiguous 30-day period." Issue that this is worded incorrectly
Article XXII 2307 & Interpretation	How calculate 50% on nonconforming structure	Codify the zoning interpretation (roof square area and exterior lineal footage)
Various	Consider codifying all or part of the zoning interpretations at https://www.paradisevalleyaz.gov/775/Zoning-Interpretations	Please review all and provide guidance

Article	Proposed Change:	Reason:
Guidelines	Special Use Permit Guidelines	It had been years since this were reviewed/approved. Some Council mentioned adding FAR guidelines.
Article II & XVII	Review to make sure the Assisted Living Home provisions meet current state/federal requirements	Idea of increasing the 1320' radius or other changes?
Article II	Rear yard - See what other communities do to determine	Staff many times has issues in determining the rear yard particularly of odd-shaped lots or what is opposite results in two rear yards. May require no edits, but good to discuss
Various	Keeping of animals - new state law? Provide more clarity.	The Zoning Code covers horses, but there is limited information on the keeping of other animals (goats, pigeons, etc).
Various	Pickleball/Game Courts	These follow the game court guideline and not tennis courts. Hot button issue for 2024 - case studies?
Article 12, Section 1211.B	Removed this section or modify it so a building permit for the approved improvements must be obtained within the 5-year time from noted in Section 1211.A. State law alteration?	Sections 1211 A&B appear to conflict with each other. Section A states the CUP is good for 5 years and Section B identified they need to get a building permit within 1 year of the approval. I would like to change Section B to identify that a building permit must be obtained within 5 years of the CUP approval OR look at changing the time frames in both Sections A&B.
	Ground Mounted Solar - Flat Land (Provide guidance)	Is this considered 'mechanical equipment' warranting screening? Under 6' in height, meets fence wall setbacks. Over 6', meets accessory structure setbacks. FAR?
Article 25	Subdivision Signage	Number of signs allowed & approval process. Council approval? Follow Managerial SUP process?
Hillside	Undisturbed Area	Undisturbed vs Restored - If planting and trenching for watering is added to disturbed area would it be considered disturbed then?
Various	Application expiration	There is currently no expiration for applications other than a Hillside or pre-application. Applications can stall or just sit with no action being taken.
Various	FAR & Lot Coverage	Clarify the difference between FAR and Lot Coverage throughout the Ordinance

2. ZONING CODE ANALYSIS

The following pages of this report discuss the individual sections of the existing Paradise Valley Zoning Ordinance in greater detail. This section-by-section analysis includes additional observations, comparisons to other codes/practices and recommendations directly from the consultant team regarding the status of the existing Zoning Ordinance.

Again, this section is intended to highlight the primary issues and recommendations impacting the Zoning Ordinance today based on project objectives and Ordinance needs expressed by town staff, as well as the consultant team's technical experience. The work of identifying specific, detailed solutions to individual regulations and/or observations will occur during a subsequent process.

2.1. General Observations

General Plan Comparison

Paradise Valley, Together, ratified in 2022, represents the community's overall vision for where and how it wants to grow and develop in the future. The Code is one of the primary tools for implementing that vision and should reflect the plan's goals, policies, and actions concerning the long-term physical development of the Town.

One of the strengths of Paradise Valley's General Plan is that it included robust community involvement as part of the development and approval process. Consequently, the challenge of updating the Zoning code is to align with community input and provide a set of regulations that enable the incremental evolution of the Town, while preserving the unique qualities that define the Town's built character and sense of community.

In order to achieve this outcome, the General Plan outlines several conditions that directly relate or align with specific aspects of the Zoning code update such as:

- Favor utilizing the Town's long-standing Special Use Permit zoning (SUP) process to guide future development outside of single-family homes. The Town's SUP process is used more comprehensively than other communities to ensure compatibility between non-residential and residential uses, with a specific focus on preserving the principal single-family residential character of the Town.
- Maintain the Town's primarily owner-occupied low-density residential character while allowing less than one acre per residence housing only as allowed by the Town Zoning Code or on Special Use Permit resort properties.
- Through the Outdoor Lighting and Illumination and Hillside Development zoning regulations, shall minimize outdoor lighting pollution and uses that are inappropriately directed or excessive illuminated, or found to be unnecessary.
- Through its Hillside Development zoning regulations, shall require new development and remodel/additions to avoid the creation of excessive glare that makes seeing difficult due to the presence of reflected sunlight from material types and paint color or artificial light from outdoor lighting fixtures and landscape floodlights.

- Evaluate and amend, as necessary, the Landscape Design Guidelines to address public landscape design along our public rights-of-way and associated open spaces, integrate applicable components of the Visually Significant Corridor Master Plan, and incorporate a native, drought tolerant, low water use plant list. In addition, consider incorporation of the key provisions of the Landscape Guidelines into the Zoning Ordinance.

Other Documents

Visually Significant Corridors Master Plan

The Visually Significant Corridors Master Plan was adopted by the town via resolution in 2018. Developed with community input and professional guidance, the plan aims to enhance the visual appeal and quality of life along key corridors, specifically Lincoln Drive and Tatum Boulevard. It outlines guidelines for streetscape improvements, including landscaping, lighting, and pedestrian amenities, to create cohesive and aesthetically pleasing environments. The plan is divided into sections detailing design guidelines for different character zones, existing conditions, and implementation strategies, emphasizing the preservation of mountain views and the town's unique character.

Storm Drainage Design Manual

The Storm Drainage Design Manual for the Town of Paradise Valley, Arizona, provides comprehensive guidelines for managing stormwater, floodplains, and erosion. It outlines standards and methodologies for preparing drainage reports and grading plans, ensuring compliance with federal, state, county, and town regulations. The manual covers floodplain management, stormwater storage, street drainage, channel conveyance, and stormwater quality, emphasizing the preservation of natural wash corridors and the use of low impact development techniques. It also includes requirements for drainage easements, grading permits, and maintenance agreements, aiming to protect both the environment and the community from flooding and erosion hazards.

Special Use Permit Guidelines

The Special Use Permit (SUP) Guidelines for Paradise Valley outline standards for non-residential developments, including lighting, open space, and specific criteria for resorts, medical offices, religious facilities, country clubs, and guardhouses. These guidelines ensure developments are compatible with the town's character, minimize impacts on adjacent properties, and provide clear standards for building heights, setbacks, parking, and signage.

Landscape Guidelines

The Landscape Guidelines for Paradise Valley, adopted in 1996, aim to enhance the natural environment with tree-shaded streets, native plants, and desert-compatible landscaping. Key points include planting canopy trees at 30-foot intervals, maintaining landscaping in a healthy condition, screening parking areas, designing recreational paths with desert-colored materials, and screening utility boxes. The guidelines also recommend low-water-use plants and advise against allergen-producing species.

Document Organization

Most individuals who reference the Zoning Ordinance, particularly those who do not use the Ordinance on a regular basis, desire to quickly find information to answer specific questions they may have. With the current format of the Ordinance, this outcome is generally feasible, however it could be improved.

The hierarchy of the Ordinance document utilizes a format sequence that references primary headings as “Articles” which are listed in roman numerals. Each Article is then divided into associated “Sections” which are identified with a corresponding three-digit number that begins with the Article number.

While this approach is straightforward and workable for the size of this Ordinance, a more intuitive listing of Article (e.g. Chapter) headings to organize the Ordinance could help to make the document more user friendly. For example, grouping all districts within a single “Zoning Districts” Article or grouping formal zoning procedures in an “Administrative Procedures” Article could help casual users better navigate the document while also allowing them to become more informed about the hierarchy of the individual Ordinance sections.

Further, placing each zoning district and its associated permitted uses in individual sections separate from development standards for the districts requires users to “flip” to multiple sections for information on the same topic. A preferred format is to group permitted uses, development standards, and design guidelines together and place them into one unified article/table. For example, zoning districts would be combined with permitted uses into one article/table with development standards for all zoning districts in another article/table. This would allow a user easy navigation of the Ordinance to quickly identify zoning type, permitted uses, and development standards.

Furthermore, the goal of the new document should be to place frequently used information earlier in the document where it can be easily referenced, and place more technical and seldom used information later in the Ordinance for reference only as needed. Conforming to this approach would consist of organizing the Ordinance more in the logical order of the land development process (i.e., what is allowed in my zoning district?, what can I build?, how do I build? I want to make a change?) by placing all language related to zoning districts, permitted uses, and development standards ahead of language related to administration, zoning procedures, enforcement, and nonconformities.

Document Format

Once an intuitive regulatory hierarchy is established, a more comprehensive and nuanced numbering system, similar to that in the Town Code (Figure 1), should be utilized, and each page layout should be revised so that specific reference standards are communicated more effectively.

Figure 1: Document Hierarchy

CHAPTER 3 ADMINISTRATION

Article 3-1	<u>OFFICES IN GENERAL</u>
3-1-1	Offices ^{446 614 2023-04}
3-1-2	Additional Offices ^{614 623 687 2018-12 2020-01 2023-04}
3-1-3	Bond
3-1-4	Vacancies; Holding More Than One Office
3-1-5	Additional Powers and Duties
3-1-6	Oath of Office
3-1-7	Criminal History Record Information for Employment and Licensing Purposes and for Public Safety Volunteers ⁴²²

Currently, the intended hierarchy of the code language is obscured by the absence of effective indents, margins, reference numbers, and paragraph spacing. The monotonous text layout used within most sub-sections immediately discourages the user, and ultimately, impedes the effectiveness of the document. When evaluating the extent of numbering system changes, consideration for cross referencing amongst other Town code documents and/or applications will need to be contemplated to avoid creating unintended conflicts between these coordinated documents.

Last, the header on each page simply says, “Zoning Ordinance”. We feel that the inclusion of a running header with the article number and title would be useful and would help the user when navigating through the ordinance.

Document Graphics

Lengthy sections of uninterrupted text are hallmarks of typical zoning codes. Unfortunately, the Town’s code fits this description. The zoning code should be more effectively communicated by consolidated tables and/or concise illustrations. The use of tables and graphics can be a quick and effective way to clarify specific regulations. When used properly, tables and graphics can communicate information without eliminating the regulatory details needed to support desirable development outcomes and answer day-to-day questions that arise in the enforcement of the ordinance.

Graphics should only be used however to provide clarity and illustrate specific regulatory intent. Images used just for the sake of making the ordinance more attractive often do more harm than good by creating confusion. Examples of graphics which could be included are shown below in Figures 2 & 3.

Figure 2: Setbacks

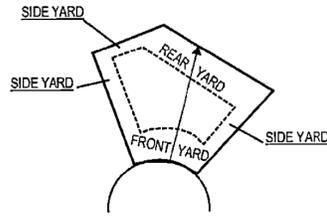
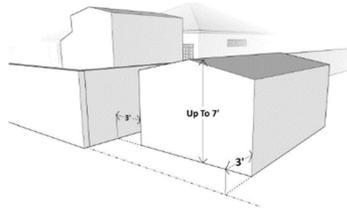


Figure 3: Accessory Building Setbacks



Zoning Interpretations

Over the course of time there have been numerous zoning interpretations that have been made as questions arise from users of the Zoning Ordinance. While some of those interpretations have been incorporated into the text of the ordinance there are many that have not been. Table 1 below is a list of the interpretations that have not been codified in the zoning ordinance. If an interpretation is not found in this table, the project team determined that it was either already codified or was not applicable to the Zoning Ordinance.

Table 1: Zoning Code Interpretations for Codification

Subject	Code Section Affected	General Explanation	Action
Accessory Structure Area	Section 1005	The area of accessory structures is compared to the main building's area based in the space within the exterior walls at ground level, including roof projections of covered patios and similar structures.	Add "ground area" definition to definitions article
Attached Structure Requirements	Article X	Structures are considered attached to the main building if connected by a continuous roof, with an opening between them not exceeding 20 feet, and must blend architecturally.	Codify into appropriate article/section of the Zoning Ordinance
Basements and F.A.R.	Section 1001	A partially subterranean basement is classified as a basement if more than 50% of its volume is below grade, with the above-grade portion included in the Floor Area Ratio.	Codify into appropriate article/section of the Zoning Ordinance
Building setbacks on lots adjacent to tracts	Section 1001	Lots adjacent to tracts are subject to either Side or Rear Setback requirements based on lot orientation, a outlined in Section 1001 District Regulations.	Codify into appropriate article/section of the Zoning Ordinance
Cantilevered and Raised Decks	Sections 1008 and 1010 (B)	Cantilevered or raised decks below three feet above grade can extend two feet into the setback and are excluded from the FAR, while those above three feet must comply with setbacks, include the area beneath in the FAR, and count towards building height.	Codify into Sections 1000 & 1010 of the Zoning Ordinance

Subject	Code Section Affected	General Explanation	Action
Chimney Height/Decorative Shrouds	Article X	Chimney height including shrouds, must not exceed building height, except within 10 feet of the main building and then the height of the chimney and decorative shroud may exceed the building height by 3 feet, or a height of 24 feet, whichever is greater. A chimney at the ridge of a 24-foot roof may not have a decorative shroud.	Codify into Article X of the Zoning Ordinance
Cluster Plan Guest Houses	Section 2109	Guest houses may be permitted on lots in R-43CP or R-35CP zoning if the lot size remains the same as when the original Cluster Plan was approved. However, lots reduced in size cannot have guest houses.	Codify into Section 2109 of the Zoning Ordinance
Construction Commencement	Section 1005B	"Actual commencement" of the main building is marked by the payment of building permit fees and activation of the permit, allowing for the construction of a six-foot perimeter wall prior to footing excavation to enhance site security.	Codify the determination of actual commencement into Section 1005B.
Construction Trailers, Dumpsters, Storage Containers, Port-A-Potty & Security Monitoring Equipment	Section 1014 (Section 1014 has been repealed)	Construction trailers, storage containers, and port-a-potty must meet setback requirements, with approval needed for placement and duration, while security and monitoring equipment has height and setback limitations.	Section 1014- Code states section 1014 has been repealed. Codify into appropriate section of Article X.
Courtyard	Section 2411	Accessory structures in a courtyard wall must meet accessory structure setbacks unless the courtyard is included in the F.A.R., in which case they must meet building setbacks.	Codify into Section 2411 of the Zoning Ordinance and potentially Article X
Courtyards	Section 2411	A courtyard is included in the 25% maximum F.A.R. if the 4th or additional sides of the house enclose enough of the courtyard to qualify as part of the structure.	Codify into Section 2411 of the Zoning Ordinance and potentially Article X
Decorative Features for Pools & Spas	Section 1005	Decorative features around pools and spas under six feet must meet fence/wall setbacks, while those over six feet are treated as accessory structures and must meet accessory structure setbacks.	Codify into Section 1005 of the Zoning Ordinance
Detached BBQs, Fireplaces, Fire Pits & Sculptures	Section 1005	Detached BBQs, fireplaces, fire pits, and sculptures under six feet must follow fence wall setbacks, while those over six feet must meet accessory structure setbacks.	Codify into Section 1005 of the Zoning Ordinance

Subject	Code Section Affected	General Explanation	Action
Existing Accessory Buildings & New Single-Family Residences	Section 1005	Existing detached accessory buildings may remain if a new single-family residence is constructed, provided the new home meets all zoning requirements and a building permit is submitted before the demolition of the existing home.	Codify into Section 1005 of the Zoning Ordinance
Expiration of Hillside Applications	Section 2005	Hillside applications expire if no building permit is submitted within 18 months, with possible extensions granted under specific circumstances.	Codify into Section 2005 of the Zoning Ordinance
Fence setbacks from alleys	Section 2404(B)	Fence setbacks are required for properties adjoining local, collector, and arterial streets, but not for properties adjoining alleys or non-street right-of-ways, as these do not serve as primary access routes.	Codify into Section 2404 of the Zoning Ordinance
Flag Lot Yard Designations & Setbacks	Section 1002	Flag lots are treated like cul-de-sac lots, with the front yard and building envelope determined by a radial arch from the flagpole or access easement.	Codify into Section 1002 of the Zoning Ordinance
Flagpole Height & Setback	Section 1003	Flagpoles must have a setback equal to or greater than their height, measured from the property line.	Codify into Section 1003 of the Zoning Ordinance as well as the definitions section
Game Courts (Multi-use and Basketball Courts & Hoops)	Article 24	Game courts must meet specific setbacks for play areas and poles, with one or two 16-foot lights allowed depending on court size, and setbacks for sunken courts and lighting must comply with zoning regulations.	Codify into appropriate article/section of the Zoning Ordinance
Nonconforming Structures Remodeling	Section 2302	A non-conforming structure must comply with current zoning if structural alterations or repairs exceed 50% of the original square footage, roof area, or exterior wall length within a 36-month period	Add the threshold in the appropriate section of Article 23
Plat vs. Zoning Ordinance Setbacks for Primary Buildings	Sections 908 & 1001	In specified zoning districts, setbacks follow Section 1001 of the Zoning Ordinance, while R-10 and CP zones, setbacks are based on the recorded plat or the least restrictive option if no building envelope is recorded.	Need to add to 908 Cluster Plan Procedure
R-18 CP SUP		In Via Vista subdivision, the FAR is capped at 7,000 square feet excluding the basements, with setbacks per the 1994 plat; in Cheney Estates, the livable area ranges from 2,000 to 5,000 square feet, with accessory buildings limited to 50% of the main residence.	Initial review suggests this is a one-off interpretation of the mentioned plats and does not need to be addressed within the code.

Subject	Code Section Affected	General Explanation	Action
Section 1005A Ground Area	Section 1005A	Ground area is defined as the first floor of a structure, including livable space, storage, covered patios, attached trellises and garages, but excluding overhangs. Accessory buildings and structures cannot occupy more than half of this ground area and must comply with the height limits in Table 1001B of the Town Zoning Ordinance.	Add Ground Area to definitions
Statues & Sculptures	Article X	Setback requirements for statues and sculptures vary by height, with no setbacks for those under three feet, ten-foot setbacks for those between three and eight feet, and accessory structure requirements for those over eight feet.	Potentially add to Height and Area Regulations
Basements and subterranean outdoor space in F.A.R. calculations and setbacks	Article X	Basement exits must meet setbacks and area included in the FAR, if exceeding specific dimensions, fully subterranean areas and certain subterranean outdoor spaces are excluded from FAR calculations, with additional guidelines for amenities and retaining walls based on their height and location.	Ensure this is captured in the Height and Area Regulations
Tennis Courts	Article IV & V and/or Article X	Setbacks for tennis courts must be measured from property lines, with specific setbacks for lighting (20 feet from side and rear, 40 feet from front) and walls (20 feet for fences over 6 feet, 60 feet from the front). Non-conforming courts are allowed if part of the court meets zoning regulations and requires site plans to detail all related structures.	Ensure the setbacks are included in either the tennis courts sections of R-175 and R-43 or in the Heights and Area regulations
Trampolines	Article X	Trampolines are classified as recreational structures, requiring them to adhere to swimming pool setback regulations and limiting their height to 6 feet; trampolines exceeding this height must follow accessory structure regulations.	Ensure the setbacks are included in Height and Area Regulations
Underground Driveways and Underground Garages	Article X	Underground garages and driveways are permitted with height measured from the Lowest Natural or Restored Grade, restored grades around the garage, no visible garage doors from the street, compliance with Fire Department standards, and adherence to setback and FAR requirements for retaining walls over 6 feet.	Codify into Article X of the Zoning Ordinance. May consider including a graphic example of this

2.2. Article 01 – Title, Purpose, and Interpretation

Article 01 contains a common language that sets out the purpose of the ordinance for the town. We find that the existing language is routine and consistent with the purpose of a modern-day zoning ordinance.

Much of the existing language is standardized and generally satisfactory. However, we suggest a subtle refinement of the language, organization, and the addition of provisions found later in the Ordinance be considered.

2.3. Article 02 –Definitions

Definitions are an integral component of zoning ordinances. They should provide the single definitive source of information that effectively clarifies the intent or specific meaning of provisions and avoids the need for users, staff, or decision makers to subjectively interpret the Zoning Ordinance.

Currently, the list of definitions in the Zoning Ordinance appears to be complete, however, in tandem with the rewrite of each section of the Zoning Ordinance, the definitions should be reviewed and revised as appropriate. They should also appear at the latter sections of the Zoning Ordinance, since most Ordinance users do not typically need to refer to the lengthy specific definitions to understand how the Ordinance applies to their specific need or inquiry. Additionally, definitions for specific topics such as Hillside and Personal Wireless Service Facilities are located within their respective sections. It would be our recommendation that all definitions be moved to the same section.

2.4. Article 03 – Districts, Boundaries and Amendments

This Article establishes the zoning district classifications in paragraph format without providing a purpose statement for each district, as well as the zoning map and zoning map district boundary determination language regarding the rules that guide the uncertainty of actual zoning district boundaries illustrated on the map, rules for establishing zoning in newly annexed areas and the rules for establishing the zoning of newly vacated streets.

Additionally, this Article addresses procedural requirements for a zoning amendment which as part of the reorganization of the ordinance we would suggest the town consider placing under a new “Administration Procedures” article. More detail regarding other stand-alone zoning procedures is also needed, such as clarifying procedural differences between zoning text and map amendments, as well as clarifying the General Plan Amendment and Variance processes (see section 2.8 for more detail). Within each of these procedures, several pieces of key information (such as flow diagrams, application material, posting/noticing information, etc.) appear to be missing, and should be included to encourage more consistent implementation.

2.5. Articles 04-08 - Single Family Residential Districts

These Articles contain the purpose and use regulations for each of the residential zoning districts identified in Article 4 – Zoning Districts & Boundaries

Due to the nature of Paradise Valley consisting of mostly Single-Family Residential zoning districts, these articles are likely some of the most frequently used by staff and the development community. As such, it is imperative that its content is accessible, orderly, and provided in a clear manner. That said, the following analysis will bring attention to a variety of items that should be considered for revision. Additionally, this analysis will provide commentary on certain items such as uses and development standards along with associated recommendations.

The current format of these Articles needs reorganized in a manner that places all permitted uses in one article. This approach would combine the residential zoning district articles into a more user-friendly, understandable format that will be easier for users to navigate and staff to administer. For example, currently, the Zoning Ordinance lists permitted uses in lengthy sentences whereas, the new format would include one easy-to-read table of permitted uses for all single-family residential districts that will identify permitted, conditional use and not permitted uses for all the zoning districts.

Another area of improvement that would make the zoning ordinance more user friendly is the establishment of a “supplemental use standards” section. This section would provide further guidance for unique uses that may be permitted by right or conditionally permitted in a particular zoning district, but by virtue of their unique nature, the type of use may require additional development standards to mitigate or buffer their operational characteristics. Examples in the Single-Family Residence districts would be the following uses are currently recognized as permitted with additional guidance: the keeping of horses, tennis courts.

Furthermore, the introduction of an additional column in the future “allowed uses table” that identifies where “Supplemental Use Regulations” are located within the Zoning Ordinance is a needed addition. Once a user locates a specific use type in the permitted use table, rather than require them to navigate through the remaining sections of the Zoning Ordinance to determine if (at all) there are any additional regulations associated with that use, this simple column can be utilized to directly guide the user to applicable regulations.

Table 1: Example Table of Allowed Uses

Use Category	Specific Use Type	P = Permitted Use S = Special Use Permit X = Prohibited Use		
		Zoning Districts		
		R-43	R-35	Supplemental Use Regulations
Residential Use Category	Assisted Living	P	P	X.X.X
	Home Occupation	P	P	X.X.X
	Tennis Court	P	X	X.X.X

In terms of the list of uses, their descriptions should be reviewed to ensure they are sufficient to accommodate modern development. A more comprehensive list of uses that is consistent with current development trends should also be considered for all general zoning districts.

2.6. Article 09 – Cluster Plan

This article outlines the regulations and procedures for the Cluster Plan District in the Town of Paradise Valley. This district serves as an alternative to the R-43 and R-35 single-family residential districts, allowing for variations in lot sizes within tracts of eight acres or more while maintaining open space requirements. Tools like this are extremely common in zoning ordinances and are generally very effective in promoting creative development approaches.

The current format of this article is organized in a generally understandable manner and addresses alternative development standards within the district along with the procedural requirements staff uses to implement the district. As this district is similar to that of an overlay district found in other zoning codes it would be our suggestion that the content in this article remain within its own article with only minor potential revisions necessary.

2.7. Article 10 – Height & Area Regulations

This Article consists of development standards for single family development as well as those associated with variety of other development types, such as tall structures, flagpoles and antennas, and medical marijuana facilities. Additionally, this article contains the outdoor lighting and illumination requirements for the town.

Having an article for general development standards is important for any Zoning Code; however, portions of the content in this Article should be dispersed throughout the Code either as a stand-alone Article or perhaps as supplemental regulations.

While the content of each item in this Article will be evaluated for clarity, completeness and desirability, the following list is representative of sections that we suggest the town consider moving to a new “General Provisions”, or other appropriately named section in the zoning ordinance or to their own Article:

- Section 1005. Accessory Building/Structure Regulations – In addition to moving this section, changes may need to be made to ensure these regulations are compliant with recently adopted state law (SB1415).
- Section 1007. Parking of Vehicles and Trailers
- Section 1023. Outdoor Lighting and Illumination – In addition to moving this section, this section will be reviewed to ensure it aligns with current best practices and addresses all types of lighting technologies.
- Section 1026. Prohibition of Time-Share Projects
- Section 1027. Prohibition of Specific Types of Medical Marijuana Facilities and Other Marijuana-related Facilities or Uses

2.8. Article 11 – Additional Use & Special Uses

This Article combines additional regulations for specific types of uses that require review and approval on a case-by-case basis, while also providing specific detail on procedural conditions associated with Special Use, Conditional Use, and Temporary Use permit requests.

Although this zoning code update does not contemplate robust changes to the applicability or procedural aspects of the Towns long established Special, Conditional, or Temporary Use permit processes, adding (for new terms or uses) or removing (out of date terms or uses) specific use types may be necessary. The modern approach to use regulation focuses on the impacts of the use. Thus, use standards in this section should directly reflect reduction of potential impacts, which also helps to limit unnecessary over-regulation.

More specifically, review of what specific use guidelines are captured in this Article, what they include/address and how these regulations are applied is needed. To ensure regulations associated with specific use types are universal in their application, it is recommended that this Article be dedicated to a listing of uses and any unique conditions associated with them.

With the application of this formatting change, each Use Permit application, along with its associated administrative detail, would be moved to a standalone “Administrative Procedures” Article that would further include all other Town specific zoning procedures. This organizational change would also allow associated regulations, like Special Use Permit Guidelines (see Section 2.19) to be relocated and combined with like regulations as well as allow all administrative procedures to be located in a centralized location where common procedures can be consolidated, which removes excessive redundancies and makes the overall code more succinct and user friendly.

2.9. Article 12 – Personal Wireless Facility

Although not expressly identified as a topic of immediate concern as this article was recently updated, it is appropriate to ensure the provisions within the article properly regulate the ever-changing technology associated with wireless telecommunications and are in line with the most recent version of Federal Law.

In that regard, we feel that this section may need to incorporate a list of exceptions for radio/tv antennae and FCC licensed amateur stations. We will also suggest that the definitions included in this section be reviewed and re-located into the “Definitions” article for unity and clarity.

2.10. Article 13 – Enforcement

Article 13 outlines the responsibilities and procedures for enforcing the zoning ordinance and delegates these responsibilities to the Building Inspector. Additionally, the article has provisions for the keeping of records and reporting procedure which ensure transparency and accountability in the enforcement process.

Enforcement is a standard part of all modern-day zoning ordinances although in most cases it is part of a larger chapter rather than its own individual article. As part of the reorganization of the ordinance we would suggest the town consider moving this information to a section within Article 1.

2.11. Article 14 – Violation & Penalty

Violation & Penalty is a standard part of all modern-day zoning ordinances although in most cases it is part of a larger chapter rather than its own individual article. As part of the reorganization of the ordinance we would suggest the town consider moving this information to a section within Article 1.

2.12. Article 15 – Certificates of Occupancy

Article 15 outlines the requirements and timing for the issuance of a Certificate of Occupancy for a building as well as for land. While an article with this information is a standard part of all modern-day zoning ordinances, in most cases it is part of a larger chapter rather than its own individual article. As part of the reorganization of the ordinance we would suggest the town consider moving this information to a section within Article 1.

2.13. Article 16 – Home Occupation

The conditions in this section consist of standard Home Occupation regulations. Although these baseline regulations generally regulate most home occupation conditions/activities, it is recognized that additional considerations may be beneficial to account for new or emerging home-based businesses as well as to account for more recent legislative changes like House Bill 2042 (the Tamale bill).

2.14. Article 17 – Assisted Living Home

Based on the definition provided in Article II, this Article addresses dwelling units shared as a primary residence by persons who are disabled. More commonly referred to as “Group Homes” in other Codes, this section must balance and address complex Federal and State laws. While the Town does apply a universal “Reasonable Accommodation” policy to account for unique conditions, this Article will require robust and legal review to ensure the Town is regulating all types of assisted living homes (group homes) in a manner that meets Town preferences, but also is in alignment with the Federal Fair Housing Act and Arizona Revised Statutes.

2.15. Article 22 – Hillside Development Regulations

The purpose of this Article is to establish standards for hillside areas which conserve and maintain the character, identity, and image of this important visual aspect of Paradise Valley. This section is one of the most comprehensive hillside ordinances within Arizona. The breadth and depth of this section creates strong controls for hillside development but can also create unintended negative impacts as it relates to viewing development on hillsides, as well as hillside development viewing flat land development.

A detailed review with Town planning and engineering staff will need to be completed to further outline select edits that may be applicable. Staff has indicated clarifying undisturbed vs. restored areas is needed and the provisions with “Cantilevers” creates a negative impact and causes additional disturbance. Interpretations on specific calculations (i.e. nonconforming structures) is also highlighted as potentially needing to be completed.

2.16. Article 23 – Nonconformance

In many communities, the Non-Conforming Use provisions are referenced by both staff and property owners to give guidance on development regulations for land developed or entitled prior to the establishment of the current Zoning Ordinance. We find that overall, the current code contains the primary non-conforming characteristics needed in a modern-day zoning ordinance; buildings/structures, uses, lots/parcels and signs.

While the basic structure of content will remain similar, we do suggest an enhancement of the progression and flow of this section. We will also suggest a possible refinement to some of the individual provisions.

2.17. Article 24 – Walls & Fences

Walls & Fences is one topic that is found in various sections of a typical Ordinance. While this ordinance has Walls & Fences as its own article, generally this topic is found under a “General Provisions” section, but also can be housed with “Landscape” requirements too. Any of the above-mentioned ways can be appropriate but will depend on how the ordinance is outlined moving forward. Our experience has shown that it is often a matter of client preference. Our approach will be to recommend that walls & fences be located under a new “General Provisions” article.

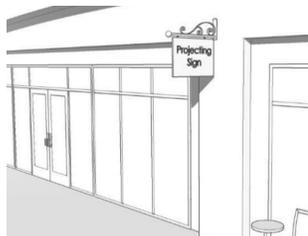
Staff has provided several areas of this Article that will need to be reviewed and potentially updated as part of this process. These areas include but are not limited to retaining wall height, combo view fencing and walls and fences along major arterials.

2.18. Article 25 – Signs

Typical sign regulations address the type, number and height of off-site or on-site signs, consideration of permanent and temporary signs, as well as the size, lighting, and design of most signs. While this article of the code does address the topics mentioned above it only does so for residential zoning districts with non-residential signs being approved as part of the Special Use Permit process. Additionally, all non-residential sign standards are found in the Special Use Permit Guidelines rather than in this article. In order to better align with current best practices and land use law, we recommend updating the Signs article with some of the following suggestions:

- Suggest regulating signs by type and zoning districts, rather than by individual use.
- Incorporate tables/graphics to more clearly identify permitted sign types and design standards.

Figure 4: Example Sign Graphic



- Review the size, number, and approval process for the various sign types.
- Address trends in electronic sign technology.
- Ensure sign regulations will reflect case law guidance from the Reed v. Town of Gilbert Supreme Court decision regulating the content of signage.

2.19. Special Use Permit Guidelines

While these guidelines are not part of the Zoning Ordinance, they supplement the regulations in the Zoning Ordinance and provide a generally accepted vision for site, bulk, density, perimeter, parking, sign, lighting, and other standards for non-residential developments to ensure that these developments are compatible with their surroundings and maintain the character of Paradise Valley.

Overall, this document outlines the suggested minimum standards that developments seeking a Special Use Permit are generally expected to adhere to. Due to the importance of this document in the planning process and the fact that it has been a while since it has been updated, a more in-depth review should be conducted in concert with planning staff. As part of that in-depth review, we suggest looking at the standards in each of the sections to determine if updates need to be made to align the guidelines with current development standard best practices. It should be noted that current best practices may not align with the vision of the town and the current General Plan's Goals and Policies and thus the guidelines may not require any revisions at this time.

3. SUGGESTED ACTION PLAN

Having undertaken a comprehensive review of the Zoning Ordinance to address evolving community needs and align with modern best practices the following action plan outlines the steps necessary to implement these recommendations, ensuring the Zoning Ordinance effectively supports the town's vision for future growth and development while maintaining its unique character and compliance with state and federal regulations.

3.1. Document Reorganization

The initial step in the action plan is the reorganization of Paradise Valley's Zoning Code which would modernize and streamline the ordinance to better align with current best practices and community needs. The reorganization will involve restructuring the document for improved usability, including grouping related sections together, moving specific sections and creating new ones, and incorporating a more comprehensive and nuanced numbering system, like that in the Town Code, with the overall objective to create a more user-friendly, efficient, and effective zoning ordinance. Additionally, doing this reorganization up front will prevent duplicative work when it comes to adding and updating references as part of other code updates.

3.2. Legal Compliance

The second step in the action plan is to ensure that all sections of the zoning code are compliant with the Arizona Revised Statutes and federal laws. Each year, state and federal legislatures enact new laws that can impact the zoning codes of cities and towns. However, not all of these laws are applicable to Paradise Valley. To address this, Michael Baker will collaborate closely with town staff to review and update the existing code language. This process will involve identifying any outdated or non-compliant sections and revising them accordingly. Additionally, any new code language required to comply with recently enacted legislation will be incorporated. This will ensure that the zoning code is current and legally sound, reflecting the latest legal requirements and best practices.

3.3. Updates, Refinements, & Clarifications

The final step in the action plan involves implementing specific changes to the zoning code to ensure it is comprehensive and user-friendly. This includes updating definitions to reflect current terminology and legal standards; refining and reviewing various standards; and enhancing clarity through the use of graphics and tables making the code more accessible and easier to understand for all users. Additionally, this step will incorporate the list of items identified by staff during the project kickoff, ensuring that all initial concerns and suggestions are addressed. Furthermore, it will involve the codification of zoning interpretations that have not yet been formally included in the code to provide clear guidance and consistency in the application of zoning regulations, helping to prevent ambiguities and disputes in the future.

ANNOTATED OUTLINE

This annotated outline establishes the proposed structure and approach for the revised Town of Paradise Valley's Zoning Ordinance.

Article 1 – Authority & Purpose

1.1. Title and Authority

Title of Ordinance and Statutory (A.R.S.) basis for ordinance

1.2. Purpose

Outlines purpose and intent of ordinance...public health, safety, welfare, etc.

1.3. Consistency with the General Plan

Identifies how the ordinance is developed to comply with and implement the provisions of the General Plan

1.4. Applicability

Clarifies who and/or what land is subject to the code

1.5. Conflicting Provisions

Clarifies what provisions stand when a conflict with other regulating documents are identified

1.6. Rules for Interpretation

Provides guidance in understanding how to determine development rights of plans approved and/or submitted under current code

1.7. Severability

Specifies that if parts of the ordinance are held to be illegal, the remainder of the ordinance shall still apply

Article 2 – Zoning Districts

2.1. Zoning Districts Established

This Section will list and define / describe the Town's existing and modified zoning districts.

2.2. Zoning Map

This Section will reference the Town's official zoning map and establish the authority to have such a map.

2.3. Boundary Determination

This Section will define the physical limits of a zoned property (i.e. parcel line, centerline of adjacent road, etc.)

Note, the following format outlined for each grouping of common Zoning Districts effectively organizes permitted uses, development standards, and design guidelines together as sub-sections under each grouping (e.g. residential districts would be combined with residential permitted uses, residential development standards, and residential design guidelines; commercial districts would be combined with their commercial permitted uses, development standards, and design guidelines and so on). This allows a

user the continued convenience of navigating to one Article of the Code to quickly identify the permitted uses and development standards for all zoning types.

2.4. Residential Districts

This Section will provide a purpose statement for each residential zoning district as well as present the residential permitted uses, development standards, and references to other relevant Articles and Sections in a succinct, easy to follow format.

2.4.1. Residential Permitted Uses

All residential permitted uses will be placed here in a unified table.

2.4.2. Residential Development Standards

Similar to the permitted uses, this Section will continue to utilize tables to make this frequently referenced content accessible.

2.5. Open Space Preserve District

This Section will provide a purpose statement for the Open Space Preserve District as well as any other regulations and references to other relevant Articles and Sections.

2.5.1. Purpose

2.5.2. Open Space Preserve Regulations

2.6. Cluster Plan District

This Section will provide a purpose statement for the Cluster Plan zoning district as well as development standards, special regulations and references to other relevant Articles and Sections in a succinct, easy to follow format.

2.6.1. Development Standards

2.6.2. Special Regulations

2.7. Special Use Districts

The Special Use Permit provided within the existing Ordinance were created to address commercial development conditions within the Town. This Section will provide a purpose statement for Special Use Permits as well as permitted uses, special regulations and references to other relevant Articles and Sections in a succinct, easy to follow format

2.7.1. Permitted Uses

2.7.2. Special Regulations

Article 3 – Supplemental Use Standards

This Article replaces provides supplementary regulations and/or development standards for land uses that are allowed in individual or multiple zoning districts, and for activities that require special standards to mitigate their potential impacts.

3.1. Conditional Uses

3.1.1. Dish Antennas

3.1.2. Private Roadways

3.1.3. Municipally Owned Water Booster Facilities

3.2. Temporary Uses

3.2.1. General Regulations and Applicability.

3.2.2. Allowable Temporary Uses.

- 3.3. Personal Wireless Facility**
- 3.4. Accessory Buildings and Structures**
- 3.5. Home Occupations**
- 3.6. Assisted Living Homes**
- 3.7. Parking of Vehicles and Trailers**
- 3.8. Prohibition of Time-Share Projects**
- 3.9. Prohibition of Specific Types of Medical Marijuana Facilities and Other Marijuana-related Facilities or Uses**
- 3.10. Specific Use Regulations**
 - 3.10.1. Pools**
 - 3.10.2. Keeping of Animals**
 - 3.10.3. Tennis Courts**

Article 4 – General Development Regulations

The Article establishes the standards for residential and non-residential development and design regulations. Elements such as landscaping, lighting, signage, and parking will build upon the zoning district specific design guidelines outlined in Article 2.

- 4.1. Height & Area Regulations**
- 4.2. Walls & Fences**
- 4.3. Hillside Development Regulations**
- 4.4. Outdoor Lighting & Illumination**
- 4.5. Signs**

Article 5 – Administration

This Article simply clarifies who enforces the zoning code and what their responsibilities are.

- 5.1. Purpose**
- 5.2. Zoning Administrator**
- 5.3. Planning and Zoning Commission**
- 5.4. Hillside Building Committee**
- 5.5. Board of Adjustment**

Article 6 – Zoning Procedures

This Article will update and relocate the procedures from Article 1 to provide better guidance to the public and the development community as to the specific steps necessary to facilitate each unique zoning and/or development application. This Article will describe each application and procedure and then identify an individual flow chart for each type.

- 6.1. Purpose**
- 6.2. Amendments**
- 6.3. Temporary Use Permit**
- 6.4. Conditional Use Permit**
- 6.5. Special Use Permits**
- 6.6. Variances**
- 6.7. Building Permits and Certificates of Occupancy**

- 6.8. Zoning Permits**
- 6.9. Citizen Review Process**
- 6.10. Public Hearings**
- 6.11. Applications and Fees**

Article 7 – Enforcement

This Article simply clarifies options for enforcement of the zoning code and establishes penalties for noncompliance.

- 7.1. Purpose**
- 7.2. Common Procedures**
- 7.3. Violations and Penalties**
- 7.4. Review Authority**

Article 8 – Nonconformities

- 8.1. Purpose**
- 8.2. Interpretations**
- 8.3. Review Authority**

Article 9 - Definitions

This Article will contain a comprehensive arrangement of definitions and key terms relevant to the Unified Development Code. New definitions will be added, and obsolete definitions will be removed or modified as necessary.

- 9.1. Purpose**
- 9.2. Interpretations**
- 9.3. Review Authority**



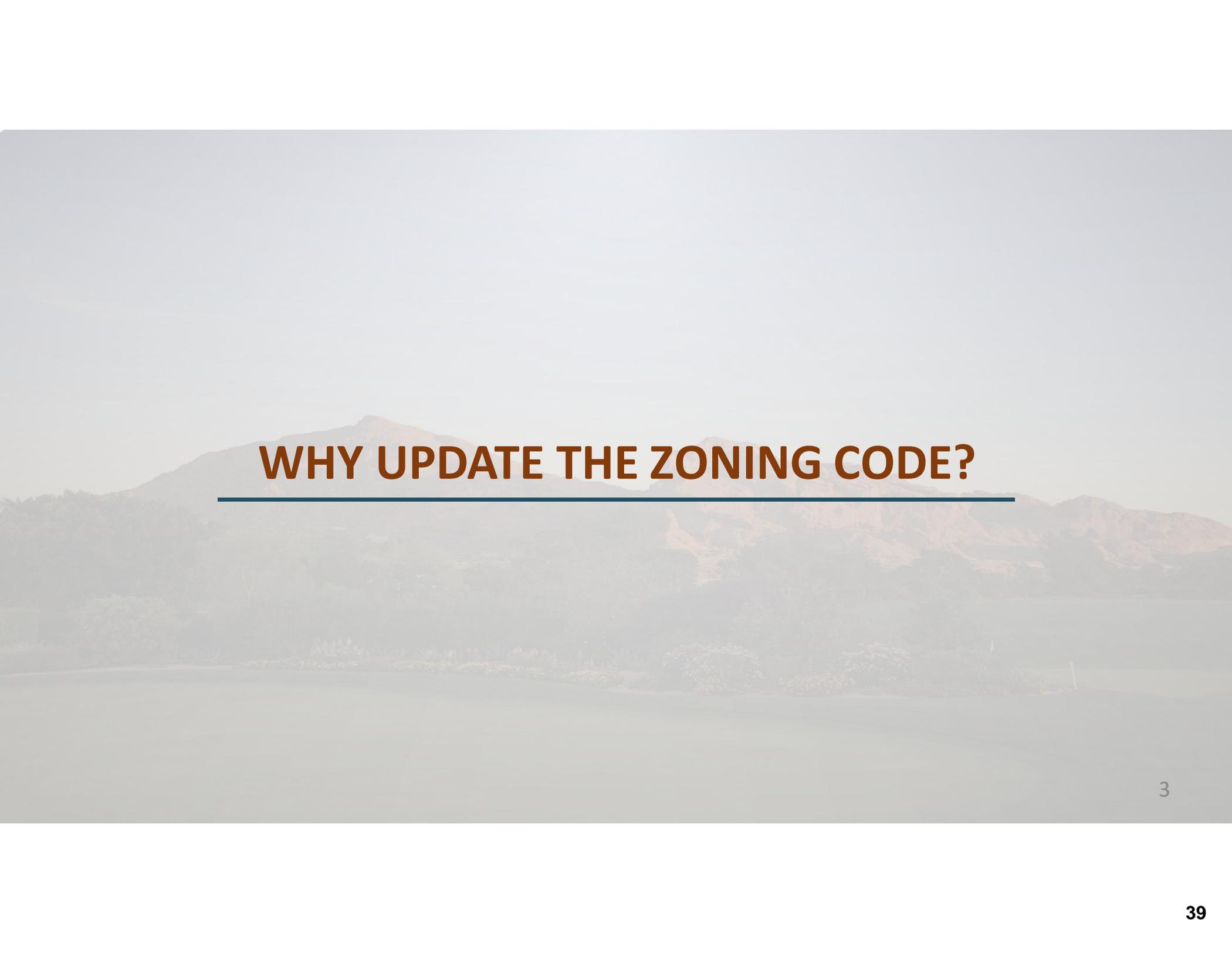
TOWN OF PARADISE VALLEY

ZONING CODE UPDATE

1

AGENDA

1. Why update the Zoning Code?
2. What we found.
3. What we are working on.
4. What should public outreach look like.



WHY UPDATE THE ZONING CODE?

BACKGROUND

1. Last update was completed in 2005.
2. Code has been incrementally updated over time.
3. Incremental revisions have introduced variations in regulatory language, resulting in inconsistencies that may limit the code's ability to fully address the Town's comprehensive needs.
4. A comprehensive assessment of the existing zoning code was completed in September 2024.

KEY GOALS

1. Identify existing inconsistencies, conflicts and duplications and clean them up.
2. Address potential development trends that will impact the town.
3. Make code more use friendly.
4. Ensure compliance with Arizona Revised Statutes and Federal law.



WHAT HAVE WE FOUND?

PRIMARY FINDINGS

1. Successive updates since 2005 have introduced variations in clarity across the code, underscoring the need for a more consistent and cohesive framework.
2. Refinements to development standards, such as height and area, walls and fences, and outdoor lighting, may be warranted to ensure alignment with the Town's long-term vision for a semi-rural character.
3. Enhancing the code's usability through improved formatting and organization would allow for more efficient interpretation and application.



WHAT ARE THE PRIMARY UPDATES?

FORMAT & ORGANIZATION

1. Restructure the document for improved usability including grouping related sections together, moving specific sections and creating new ones.
2. Incorporate a more comprehensive and nuanced numbering system, like that in the Town Code.

FORMAT & ORGANIZATION

Existing Organization

Article 01 – Title, Purpose, and Interpretation

Article 02 – Definitions

Article 03 – Districts, Boundaries and Amendments

Articles 04-08 - Single Family Residential Districts

Article 09 – Cluster Plan

Article 10 – Height & Area Regulations

Article 11 – Additional Use & Special Uses

Article 12 – Personal Wireless Facility

Article 13 – Enforcement

Article 14 – Violation & Penalty

Article 15 – Certificates of Occupancy

Article 16 – Home Occupation

Article 17 – Assisted Living Home

Article 22 – Hillside Development Regulations

Article 23 – Nonconformance

Article 24 – Walls & Fences

Article 25 – Signs

FORMAT & ORGANIZATION

Existing Organization

Article 1	Title, Purpose & Interpretation
Article 2	Definitions
Article 3	Districts, Boundaries and Amendments
Article 4-8	Single Family Residential Districts
Article 9	Cluster Plan
Article 10	Height & Area Regulations
Article 11	Additional Use & Special Uses
Article 12	Personal Wireless Facility
Article 13	Enforcement
Article 14	Violation & Penalty
Article 15	Certificates of Occupancy
Article 16	Home Occupation
Article 17	Assisted Living Home
Article 22	Hillside Development Regulations
Article 23	Nonconformance
Article 24	Walls & Fences
Article 25	Signs



Updated Organization

Article 1	General Provisions
Article 2	Zoning Districts
Article 3	Supplementary Use Standards
Article 4	General Development Regulations
Article 5	Administration
Article 6	Zoning Procedures
Article 7	Enforcement
Article 8	Nonconformities
Article 9	Definitions

FORMAT & ORGANIZATION

Other Specific Sections Needing Relocation

Section 1005. Accessory Building/Structure Regulations.

Section 1007. Parking of Vehicles and Trailers

Section 1023. Outdoor Lighting and Illumination

Section 1026. Prohibition of Time-Share Projects

Section 1027. Prohibition of Specific Types of Medical Marijuana Facilities and Other Marijuana-related Facilities or Uses



Example Proposed Organization

Article 1

General Provisions

Article 2

Zoning Districts

Article 3

Supplementary Use Standards

Article 4

General Development Regulations

Article 5

Administration

Article 6

Zoning Procedures

Article 7

Enforcement

Article 8

Nonconformities

Article 9

Definitions

LEGAL

1. Outdated or legally non-compliant sections
2. Ensure code language complies with recently enacted legislation
 - HB2325 backyard fowl; regulation; prohibition
 - HB2116 municipal zoning; rezoning protests
 - HB2262 municipal zoning; rezoning protest requirements

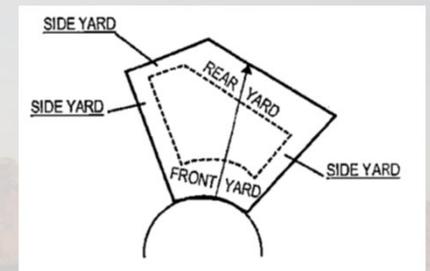
REFINEMENTS & CLARIFICATIONS

Article 22,
2307 Codify the interpretation of how calculate
50% on nonconforming structures

Article 2 Rear yard definition – Evaluate options for
consideration

Various FAR & Lot Coverage – Clarify the difference
between these two calculations

Various Updating certain graphics and tables to assist
in improving clarity.





WHAT ARE WE WORKING ON?

WORK TO DATE

Format	Ordinance has been reformatted & reorganized
Legal	Updates to existing zoning code language to align with recent legislation (ex. keeping of animals and legal protest)
Refinements	Refinements to list of permitted uses



WHAT SHOULD OUTREACH LOOK LIKE?

OUTREACH FORMAT

1. Two primary ways to do outreach:
 - Solicit public comment in conjunction with periodic Council check-ins
 - Solicit public input at dedicated project meetings

Recommendation: Hybrid, one dedicated informational meeting with additional input received in conjunction with Council check-ins.



TIMING & OUTCOMES

TIMING & OUTCOMES

1. The Zoning Code Update is scheduled to be completed by June 2026.
2. Updated and modern code that is compliant with all recent changes to state and federal law.
3. More user friendly, with updated language and other clarifications based on user experience.



QUESTIONS



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-290

AGENDA TITLE:
Update on Short Term Rental Ordinance

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Chad Weaver, Community Development Director

DATE: December 11, 2025

DEPARTMENT: Community Development

AGENDA TITLE: Short Term Rental Update

Background:

On January 27, 2022, the Town Council passed Ordinance 2022-03 (the “Ordinance”), amending the Town Code to address nuisances, unruly gatherings, non-compliant Short-Term Rentals (“STRs”), and the peace, health, safety, and welfare of the general public.

The Ordinance was challenged pursuant to A.R.S. § 41-194.01, resulting in the approval of most of Ordinance 2022-03 and the adoption of Ordinance 2022-04 to address remaining concerns.

Subsequent to this, the State Legislature adopted SB1168, signed by the Governor. This legislation allowed local governments to require:

- The property owner to obtain and maintain a local regulatory permit or license;
- The property owner or designee to display the local regulatory permit number, license number, or transaction privilege tax license number on each advertisement for a vacation or short-term rental; and
- The vacation or short-term rental to maintain liability insurance or advertise through an online lodging marketplace that provides coverage.
- Impose a civil penalty of up to \$1,000 against the owner for every 30 days the owner fails to provide contact information for the owner or owner’s designee who is responsible for responding to complaints or emergencies;
- Deny issuance of a permit under limited circumstances;

- Suspend a local STR permit for up to 12 months for verified violations associated with the property; and
- Impose civil penalties against the owner if the owner receives one or more verified violations related to the same vacation or short-term rental within a 12 month period.

The Town approved a revised ordinance pursuant to SB 1168 in October, 2022.

Update:

Kristi Hillebert has been handling the STR program over these past few years and aside from some remaining neighbor concerns the rentals have proven relatively compliant, and the numbers have stabilized at a lower level than initially expected.

Key elements:

- **Licensing:** STRs must register for a license, which costs \$250/year
- **Violations:** The Town can deny or suspend licenses for up to a year for code violations.
- **Penalties:** Fines can be levied against property owners for violations.
- **Platform Fines:** The ordinance no longer includes fines against online marketplaces.
- **Background Checks:** Both property owners and guests must undergo background checks.
- **Special Event Permits:** Only when owner applies and is present.

The number of STRs peaked at 146 but has since settled closer to 100 (99 as of November). Community Development receives weekend call logs from PD and the number of STR issues are few, but owners are contacted as needed. The PD also is able to contact owners immediately if necessary. Yearly outreach also occurred last month to remind all owners and managers of their responsibilities. Kristi has built good relationships with the owners and handles questions or concerns promptly.

ATTACHMENTS:

- A. Staff Report
- B. Current Ordinance
- C. Presentation

Article 10-14 SHORT-TERM RENTALS RESPONSIBLE PARTY REQUIREMENTS AND OTHER VIOLATIONS¹

Section 10-14-1 Purpose

This Article is adopted to protect the peace, health, safety, and welfare of the Town's residents and visitors by enacting reasonable regulations that mitigate the harmful abuses common to the Short-Term Rental of residential property within the Town while preserving property Owners' rights to rent their property in a manner that does not disturb the peace or harm public health, public safety, or general public welfare. Such harmful abuses deplete Law Enforcement and public safety resources and can leave other areas of the Town with compromised levels of police protection so as to create a significant threat to the safety of both citizens and Police Officers alike. The inclusion of a specific regulation or reference to the Town Code in this chapter does not imply the exclusion of any other applicable law. It shall be unlawful to provide, offer or operate a Short-Term Rental or Vacation Rental within the corporate limits of the Town without first obtaining a Permit as provided in this Article and without complying with any and all applicable laws, regulations and this Code.

Section 10-14-2 Definitions

In this Article, unless the context otherwise requires, the following terms or phrases are defined as follows:

"Banquet Space" means an Event Center that is used for serving and/or consuming food and/or beverages.

"Event Center" means any dwelling unit (i) for which the occupant has made payment for transient use of the dwelling unit and (ii) which is used for Special Events or other Nonresidential Uses.

"Guest" means a person who makes transient use of a Short-Term Rental. For the purposes of this Article, any person who makes payment for the use of a Short-Term Rental, any person identified on the rental agreement for a Short-Term Rental, any person who sleeps or plans to sleep overnight in a Short-Term Rental, and any person present in a Short-Term Rental after 10:00 p.m., are each presumed to be a Guest of that Short-Term Rental.

"Hearing Officer" means a Town judicial officer or another person appointed by the Town Manager to suspend Permits or to hear appeals regarding such suspensions, provided that no administrative employee of the Town shall serve as a Hearing Officer.

"Nonresidential Use" means any use that is not permitted in a residential zoning district pursuant to the Zoning Ordinance, any use that constitutes an Unruly Gathering as defined in Article 10-13, and any use for which entrants pay an entrance fee.

"Online Lodging Marketplace" has the same meaning given to it in A.R.S. § 42-5076, as amended.

"Owner" means the owner of a Short-Term Rental or, in the case of a Short-Term Rental owned by a business entity, the natural persons legally authorized to execute contracts on behalf of that business entity.

¹(Ordinance 2019-12 - 01/09/2020; Ordinance 2022-03 - 01/27/2022; Ordinance 2022-04 - 04/28/2022; Ordinance 2022-06 - 10/13/2022)

"Owner's Representative" means an agent or representative of the Owner, such as a landlord, statutory agent, or property manager, or other designee acting on behalf of the Owner, who controls or otherwise regulates the occupancy or use of the property.

"Permit," as used in this Article 10-14, means a permit issued by the Town to operate a Short-Term Rental as set forth in Section 10-14-3 of this Code.

"Revocation" means the cancellation of a Permit that was wrongfully issued or issued in reliance on false or incorrect information.

"Short-Term Rental" and "Vacation Rental" are interchangeable for purposes of this Article, and mean any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium or cooperative, that is also a transient public lodging establishment or Owner-occupied residential home offered for transient use. Short-Term Rental and Vacation Rental do not include a unit that is used for any Nonresidential Use, including retail, restaurant, Banquet Space, Event Center or similar use.

"Special Event" has the same meaning given to it in Section 8-8-2 of this Code.

"Suspension" means an order temporarily prohibiting the use of a Permit as set forth in Section 10-14-7 of this Code.

"Timely Manner" means: (i) within one (1) hour after the initiation of contact with the Owner or Owner's Representative for a complaint or incident that has been reported to the Police Department or for which Police Officers have been dispatched or are on the scene; and (ii) within twenty-four (24) hours after the initiation of contact with the Owner or Owner's Representative for a complaint or incident for which the police have not been dispatched at the time that such contact is initiated.

Section 10-14-3 Short-Term Rental Registration and Permit Required; Required Information

- A. Short-Term Rental Registration and Permit Required. Before offering for rent or renting a Short-Term Rental within the Town, the Owner of that Short-Term Rental, or that Owner's Representative, shall (i) register the Short-Term Rental with the Town, on a form specified by the Town, (ii) obtain a valid Permit, and (iii) obtain a valid transaction privilege tax license under A.R.S. Title 42. The Owner or Owner's Representative shall notify the Town, in writing, of any change in the information required by this Section, within seven (7) business days of the effective date of such change.

Before any Permit under this Article is issued, an application shall be submitted to the Town. Every Short-Term Rental registration and Permit application must include the following information, which shall be made publicly available:

1. The name and contact information (address, telephone number and email address) of the Owner.
2. The Short-Term Rental's physical address.
3. The name, address, and contact information (address, telephone number and email address) of the Owner, or of an Owner's Representative who is responsible for responding to complaints in person, by telephone, or by email in accordance with Section 10-14-5(A)(1).
4. The name, address, and contact information of a designated emergency contact.
5. The phone number of the Short-Term Rental's phone(s) required under Section 10-14-5(B)(6) of this Code.

- B. Consent and Certification. No Permit shall issue without:

1. Proof that the Short-Term Rental has been registered with the Maricopa County Assessor's Office in accordance with A.R.S. § 33-1902, where applicable; and

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2. A valid transaction privilege tax license issued by the State of Arizona; and
 3. An agreement to comply with all applicable laws, regulations and ordinances.
 4. If an applicant is an individual, proof of lawful presence in the United States in accordance with A.R.S. §§ 1-502 and 41-1080, unless exempted by A.R.S. § 41-1080(B).
- C. Booking Information. To protect the peace, health, safety, and general welfare of the Town's residents and visitors, the Owner of a Short-Term Rental shall (1) provide each booking Guest with a statement of applicable Town rules and regulations, or direct each booking Guest thereto, and inform the booking Guest that rental of the unit constitutes an agreement to comply with such rules and regulations and (2) display the Permit number issued by the Town on each advertisement for such Short-Term Rental.
- D. Failure to Register and Obtain a Permit. Any person or entity who offers for rent or accepts a fee for booking a Short-Term Rental that is not registered with, and permitted by, the Town pursuant to Section 10-14-3(A) or, where applicable, with the Maricopa County Assessor's Office pursuant to A.R.S. § 33-1902, as amended, shall be subject to the penalties set forth in Section 10-14-6. Each day's failure to comply with a notice of violation or any other order shall constitute a separate violation. A Short-Term Rental that fails to apply for a Permit within thirty (30) calendar days of the Permit application process being made available by the Town must immediately cease operations; a Short-Term Rental that continues operations shall be in violation of this Article, and the Owner of such Short-Term Rental shall be subject to the penalties set forth in Section 10-14-6.
- E. The Town Manager or designee shall develop forms necessary to implement this Section.
- F. Permit Fee. The Owner or the Owner's representative shall pay a nonrefundable two hundred fifty dollars (\$250.00) Permit fee prior to issuance of a Permit.
- G. Insurance. The Short-Term Rental Owner shall provide evidence of at least five hundred thousand dollars (\$500,000.00) aggregate amount of general liability insurance for each such Short-Term Rental, either by directly contracting for such insurance or by advertising through Online Lodging Marketplace that provides equal or greater coverage for that Short-Term Rental as part of such advertising agreement.
- H. Permit Application Review Period. The town shall issue or deny a Permit within seven (7) business days of receipt of the information required by Sections 10-14-3(A) and (B) of this Code and otherwise in accordance with A.R.S. § 9-835. A Permit application submitted without all of the information required in this Section 10-14-3 shall be rejected as incomplete, and must be re-submitted before it may be considered.
- I. Permit Denial. Within seven (7) business days of the receipt of a complete application for a Permit, the Town may deny said application for any of the following reasons:
1. Failure to provide the information required by Sections 10-14-3(A) and (B) of this Code.
 2. Failure to pay the required Permit fee.
 3. At the time of application the Owner has a suspended Permit for the same Short-Term Rental.
 4. The applicant provides false information.
 5. The Owner or Owner's Representative of the Short-Term Rental is a registered sex offender or has been convicted of any felony act that resulted in death or serious physical injury or any felony use of a deadly weapon within the past five (5) years.
- J. Permit Revocation. The town shall immediately revoke a Permit upon the discovery of grounds for denial that existed at the time that Permit was issued.
- K. Permits Non-Transferable. No Permit granted pursuant to this article shall be transferable from one person to another or from one location to another.

L. Term of Permit; Renewal.

1. All Permits issued under this Article shall be valid for a period of one (1) year from the date of their issuance.
2. If the owner has received notice of violation of any law or regulation, including disciplinary action against the Permit, the application for renewal shall include a copy of the notice or disciplinary action.
3. A Permit may not be renewed if there are outstanding causes for denial, suspension, revocation, or other sanctions as provided in this Article.
4. Except where the Town has received a complete renewal application along with the requisite fees, it shall be unlawful for any person to operate a Short-Term Rental after the expiration date recorded upon the face of the Permit.

M. Permit Suspension. Pursuant to Section 10-14-7 of this Code, the Town Manager or designee shall initiate an administrative process to suspend a Permit for a period no shorter than three (3) months and no longer than twelve (12) months for any of the following:

1. Three (3) violations of this Article within a 12-month period, not including any such violation based on an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health and safety.
2. One (1) violation of this Article, or of any other legal requirement enacted with the purpose of protecting public health and safety that results in or constitutes any of the following:
 - A. A felony offense committed at or in the vicinity of a Short-Term Rental by the Short-Term Rental Owner or Owner's Representative.
 - B. A serious physical injury or wrongful death at or related to a Short-Term Rental resulting from the knowing, intentional or reckless conduct of the Short-Term Rental Owner or Owner's Representative.
 - C. An Owner or Owner's Representative knowingly or intentionally housing a sex offender, allowing offenses related to adult-oriented businesses, sexual offenses or prostitution, or operating or maintaining a sober living home.
 - D. An Owner or Owner's Representative knowingly or intentionally allowing the use of a Short-Term Rental for a special event that would otherwise require a permit or license pursuant to state law or rule or for a retail, restaurant, banquet space or other similar use.
3. Notwithstanding Subsections 1 and 2 of this Section, any attempted or completed felony act, arising from the occupancy or use of a Short-Term Rental, that results in a death, or actual or attempted serious physical injury, shall be grounds for judicial relief in the form of a suspension of the property's use as a Short-Term Rental for a period of time that shall not exceed twelve (12) months. The Town Attorney or designee may initiate proceedings in the Town Court or other court of competent jurisdiction to enforce this Section.
4. The Town Manager or designee shall give notice of any suspension, and the right of appeal from the suspension, as provided in this Article.

Section 10-14-4 Compliance with Laws; Non-Residential Usage and Other Prohibitions

- A. A Short-Term Rental must at all times comply with the federal, state, and local laws, rules, and regulations related to public health, safety, sanitation, solid waste, hazardous waste, privilege tax licensing, including advertising requirements, property tax registration, traffic control, pollution control, noise, property maintenance, swimming pool barrier requirements and nuisance abatement.

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- B. A Short-Term Rental lacking a valid Permit under Section 10-14-3 and a valid transaction privilege tax license issued by the State of Arizona shall not be rented or offered for rent.
 - C. No person or entity shall operate a Short-Term Rental in violation of this Article.
 - D. No person or entity may receive payment or accept a fee, directly or indirectly, for facilitating the rental of a Short-Term Rental operating in violation of this Code or any other applicable law.
 - E. Any renter who causes, permits, facilitates, aides, or abets any violation of this Article shall be subject to a civil sanction as set forth in Section 10-14-6(B).
 - F. In accordance with A.R.S. § 9-500.39(B)(3), a Short-Term Rental may not be rented, advertised, or used for any of the following uses or purposes: housing sex offenders, operating or maintaining a sober living home, selling illegal drugs, liquor control, or pornography, obscenity, nude or topless dancing, and other adult-oriented businesses, performances, parties, or activities in which consideration is given in exchange for an adult-oriented service. Within twenty-four (24) hours of every booking, the Owner shall perform a background check on every Guest to ensure that there are no sex offenders at the Short-Term Rental; provided, however, that this requirement may be satisfied by the Owner providing evidence that the Online Lodging Marketplace on which the Short-Term Rental is booked conducted a sex offender background check of every Guest. Failure to retain a full copy of the background check on each Guest for twelve (12) months after the booking date shall be a separate violation of this Section. Owners who permit a sex offender to occupy their Short-Term Rental shall be found in violation of this Section.
 - G. None of the following may occur where such acts may reasonably be viewed by the public, whether at ground level or from a reasonable vantage point of a nearby property, such as a deck or balcony:
 - 1. Urination or defecation;
 - 2. Nudity; or
 - 3. Sexual acts.
 - H. Per Section 1007 of the Zoning Ordinance, motor homes, campers, trailers, boats, buses, and similar equipment allowed to be stored on residentially-zoned property shall not be used for sleeping or habitation purposes.
 - I. No Short-Term Rental may be used for any Nonresidential Uses, including but not limited to, an event that requires a permit or license pursuant to a Town ordinance or State law or rule; a retail, restaurant, Banquet Space, Event Center, or other similar use, such as weddings and pop-up bars; or any use prohibited in a residentially-zoned district pursuant to the Zoning Ordinance.
 - J. Any violation of an ordinance related to noise, protection of welfare, property maintenance, and other nuisance issues, where such ordinances are permitted under A.R.S. § 9-500.39(B)(2), constitutes a Nonresidential Use.

Section 10-14-5 Standards and Operating Requirements; Health and Safety

- A. Standards and Operating Requirements.
 - 1. An Owner or Owner's Representative shall (a) affirmatively respond to complaints in person, over the phone, or by email, and (b) abate the incident from which the complaint arose in a Timely Manner regardless of when the Owner receives notice of the complaint. If such a response is due within one (1) hour under this Article's definition of Timely Manner, the response is deemed necessary to protect the peace, health, safety, and welfare of the general public, and the Owner or Owner's Representative shall so respond in person. If the response is due within twenty-four (24) hours, the Owner or the Owner's Representative shall respond either in person, by telephone, or by email. Failure of the Owner or the

Owner's Representative to respond to a complaint as provided herein is a violation of this Article, and the Owner shall be deemed responsible for such violation regardless of whether an Owner's Representative has been designated.

2. Prior to the commencement of the occupancy or during check-in, the Owner shall explain and describe all rules and regulations applicable to the use of the property as a Short-Term Rental including, but not limited to, parking restrictions, restrictions on noise and amplified sound, trash collection schedules, Special Event and Nonresidential Use restrictions, fire evacuation routes, and any other information, as required by this Code, applicable to the Short-Term Rental and the surrounding neighborhood. Prior to or upon the booking Guest's arrival at the Short-Term Rental, the Owner shall provide the booking Guest with a written copy of the statement of rules and regulations acknowledged by the booking Guest at the time of booking as required by Section 10-14-3(C). The Owner shall keep a record of compliance with this Section.
3. Trash and refuse shall not be left stored within public view, except in proper collection containers for the purpose of collection in accordance with the residential collection schedule outlined in Section 8-3-9. Containers shall not be placed for collection before 6:00 p.m. on the day preceding the date of collection, and after the containers are emptied, they shall be removed from the street and stored in a screened area by the end of the collection day.
4. The following notice must be completed in 14-point or larger bold font, on a laminated or otherwise similarly shielded paper, and prominently displayed on the inside of the front door and the primary door to the backyard or in a conspicuous location near each such door. The notice below shall also include information regarding the location of all fire extinguishers and Town of Paradise Valley parking and waste disposal regulations.

NOTICE

USE OF THIS PROPERTY FOR ANY OF THE FOLLOWING PURPOSES IS PROHIBITED; VIOLATORS MAY BE SUBJECT TO SUBSTANTIAL PENALTIES:

1. Housing sex offenders;
2. Operating or maintaining a sober living home;
3. Selling controlled substances, liquor, or pornography;
4. Obscenity, Nude or topless dancing, and other adult-oriented businesses, performances, parties, or activities in which value is given in exchange for an adult-oriented service;
5. Any uses prohibited under A.R.S. § 9-500.39, or federal, state, or local law; or
6. Any use that disturbs neighboring properties' peace and enjoyment including, but not limited to, excessive noise, impeding traffic, obstruction of public streets by crowds or vehicles, use or possession of illegal drugs, drinking in public areas, the service of alcohol to minors or consumption of alcohol by minors, fighting, disturbing the peace, and/or littering.

USE OF THIS PROPERTY FOR ANY OF THE FOLLOWING PURPOSES IS PROHIBITED; VIOLATORS MAY BE SUBJECT TO SUBSTANTIAL PENALTIES:

Use for any nonresidential use, including:

1. For a special event that would otherwise require a permit or license pursuant to Town ordinance or a state law or rule; or
2. Operating a retail business, restaurant, event center, banquet space, or similar use.

Your local contact person's name is _____ and can be reached by phone 24 hours a day, seven days a week, at ____-____-____.

- B. Health, Safety, and Sanitation. To protect the health, safety, and general welfare of all Short-Term Rental occupants, Short-Term Rentals must meet the minimum standards for habitable structures set forth in this Code and the Zoning Ordinance and the following requirements. The town may require inspection if it has a reason for concern that the Short-Term Rental may not be compliant with the Town of Paradise Valley's fire, building, or zoning requirements.
1. Insurance. Owners shall:
 - a. Have either (1) liability insurance to cover the Short-Term Rental in an amount determined appropriate by the insurance company insuring such Short-Term Rental, but in no case, an amount less than five hundred thousand dollars (\$500,000.00), in the aggregate, or (2) equal or greater insurance coverage is provided for the Short-Term Rental through the Online Lodging Marketplace through which the property is booked; and
 - b. Ensure their Short-Term Rental meets the requirements of this subsection 10-14-5(B).
 2. Smoke and Carbon Monoxide (CO) Detection and Notification System. A working smoke alarm and carbon monoxide (CO) alarm system, which may require the installation and maintenance of several detection units, shall be present within the Short-Term Rental and maintained annually as required under NFPA (National Fire Protection Association) 72. The Owner or Owner's Representative shall keep and make available for inspection upon request by the Fire Marshal a record of all inspections and maintenance activities.
 3. Fire Extinguisher. A portable, multi-purpose fire extinguisher shall be installed, inspected, and maintained as required under NFPA 10 in any kitchen area and on each floor of a Short-Term Rental and within twenty (20) feet of every outdoor fire feature, fire pit, patio heater, fireplace, or other areas with fire. The extinguisher(s) shall be installed on the wall in an open common area or in an enclosed space with appropriate markings visibly showing the location of the fire extinguisher.
 4. Fire Safety and Emergency Evacuation Map. The Owner shall provide and prominently display a map of the Short-Term Rental showing the following information: safe routes of egress in the event of a fire or other emergency; the location of telephone(s) required under this Article; the location of fire detection and suppression equipment; and any additional information relevant to such emergency preparedness measures. Such maps shall include the full property address, emergency information (911), and Owner contact information.
 5. Air Filters. As applicable, all HVAC filters in the Short-Term Rental shall be changed every three (3) months or according to the manufacturer's instructions. The Owner or Owner's Representative shall keep and make available for inspection upon request by the Town a record of all HVAC filter changes.
 6. Local Phone Service. At least one (1) working landline, or another similar fixed telephone that operates through cable or a "voice over internet" system, with the ability to call 911 and receive inbound calls shall be available on every floor of the Short-Term Rental.
 7. Cleaning. The Owner shall have the Short-Term Rental cleaned between bookings following CDC guidelines and using household disinfectant products recommended by the United States Environmental Protection Agency.
 8. Pest Control. The Owner shall ensure that the Short-Term Rental receives regular (at least monthly) pest control treatments to keep the interior of all buildings and structures and exterior area of the premises free from infestation of insects, rodents, and other noxious pests where such infestation threatens the health, safety, or welfare of a person or persons.

-
9. Swimming Pool Barrier Requirements. The Owner shall ensure that any swimming pool located at its Short-Term Rental is in compliance with the Town's barrier requirements.
- C. In addition to the transaction privilege tax license number that must be included in the Short-Term Rental's listing, the Owner shall complete and prominently display the following statement in the Short-Term Rental's Online Lodging Marketplace or other listing:

The Owner of this property will provide you with pertinent safety information, explain your responsibilities under the Paradise Valley Town Code, and expect you to certify your compliance therewith.

You must not use this property for any nonresidential or other prohibited activity or use, as defined in Paradise Valley Town Code Section 10-14-4. Any renter who causes, permits, facilitates, aides, or abets such prohibited use of this property shall be subject to a civil infraction carrying a mandatory penalty of a minimum of \$500.00, in addition to any other penalties which the Town may impose.

The use of this Short-Term Rental to house sex offenders is prohibited by State Law and by the Paradise Valley Town Code. The Owner of this Short-Term Rental is required to perform a background check on you and your guests prior to your stay.

Section 10-14-6 Enhanced Penalties

- A. The penalties set forth herein are cumulative, and the Town may proceed under one (1) or more such penalties.
- B. Notwithstanding any other provision of this Code, causing, permitting, facilitating, aiding, or abetting any violation of any provision of this Article, or failing to perform any act or duty required by this Article, is punishable as a misdemeanor, and shall also constitute a civil offense, as set forth in Article 1-9 of this Code. Any person who admits, or is found responsible, for a civil offense pursuant to this subsection shall be subject to a fine in the minimum amount of five hundred dollars (\$500.00).
- C. In addition to any other penalty imposed pursuant to any other provision of this Code, the Town may impose a civil penalty of one thousand dollars (\$1,000.00) per thirty (30) days against the Owner if the Owner or Owner's Representative fails to provide contact information as required by Section 10-14-3(A). The town shall provide notice thirty (30) days prior to initial imposition of such a penalty. Notwithstanding the date of such notice, this penalty shall be calculated from the first day the Short-Term Rental is occupied by a Guest following failure to provide initial or updated contact information.
- D. In addition to any other penalty imposed pursuant to any other provision of this Code, the Town may impose a civil penalty of one thousand dollars (\$1,000.00) per month against the Owner if the Owner or Owner's Representative fails to apply for a Permit within thirty (30) days after receiving written notice of such requirement.
- E. In addition to any other penalty imposed pursuant to any other provision of this Code, and notwithstanding any other law, the Town may impose a civil penalty of the following amounts against an Owner if the Owner or Owner's Representative causes, permits, facilitates, aides, or abets a violation of any provision of this Article or fails to perform any act or duty required by this Article, related to the same Short-Term Rental property within the same 12-month period:
1. Up to five hundred dollars (\$500.00) or up to an amount equal to one (1) night's rent for the Short-Term Rental as advertised, whichever is greater, for the first violation.
 2. Up to one thousand dollars (\$1,000.00) or up to an amount equal to two (2) nights' rent for the Short-Term Rental as advertised, whichever is greater, for the second violation.

-
3. Up to three thousand five hundred dollars (\$3,500.00) or up to an amount equal to three (3) nights' rent for the Short-Term Rental as advertised, whichever is greater, for a third and any subsequent violation.

If multiple violations arise out of the same response to an incident at a Short-Term Rental, those violations are considered one (1) violation for the purposes of assessing civil penalties pursuant to this subsection or suspending a Permit pursuant to Subsection 10-14-3(M).

Section 10-14-7 Process for Suspension

- A. The Town Manager shall appoint one (1) or more Hearing Officers, who shall be charged with the authority to suspend Permits issued pursuant to this Article.
- B. Upon discovery of any suspension criteria, as set forth in Section 10-14-3 of this Code, the Town Manager or designee may file a notice of Permit suspension, setting forth the facts upon which a Permit is subject to suspension.
- C. When filed, a notice of Permit suspension shall be assigned to a Hearing Officer, who shall provide the Owner with a reasonable opportunity to respond in writing. A Hearing Officer may, at that Hearing Officer's discretion, hold a hearing for the purpose of receiving additional information or hearing arguments; the formal rules of evidence shall not apply to any such hearing. If the Hearing Officer finds, by a preponderance of the evidence, that the grounds for suspension set forth in the notice of suspension are true and correct, the Hearing Officer shall suspend the relevant Permit.
- D. The duration of a Permit suspension ordered pursuant to this Article shall be determined by the Hearing Officer, provided that the minimum duration of such a suspension shall be three (3) months, and the maximum duration of such a suspension shall be twelve (12) months.

Section 10-14-8 Appeals

- A. A decision to suspend a Permit, or to impose a penalty pursuant to Section 10-14-6 of this Code, shall be subject to appeal as set forth below.
 1. An appeal may be filed only by the Owner, or by that Owner's Representative, and only within ten (10) days of the decision from which relief is sought. An appeal shall be in writing, and shall include a statement fully setting forth the grounds for appeal.
 2. The Town Manager shall appoint one (1) Hearing Officer to hear suspension appeals pursuant to this Article. That Hearing Officer shall set the time and place for a suspension appeal hearing, and shall preside over any such hearing in a fair and orderly manner.
 3. The town may be represented at a suspension appeal hearing by any member of the Town staff, or by counsel. The Owner may self-represent or be represented by the Owner's Representative, or by counsel. Either party may present evidence through documents, witness testimony, or other materials.
 4. The formal rules of evidence will not apply to a suspension appeal heard pursuant to this subsection; the burden of proof shall be upon the Town, and the standard shall be a preponderance of the evidence.
 5. The Hearing Officer shall issue a written decision on any suspension appeal heard pursuant to this subsection, and such decision shall be final.
- B. A decision to deny or revoke a Permit shall be subject to appeal in accordance with the provisions of Section 4-1-10 of this Code.

-
- C. This section is not applicable to judicial actions brought pursuant to Section 10-14-3(M)(3), or to any penalty imposed by a court.

Section 10-14-9 Town Use of Permit Information

Unless otherwise provided by law, the Town may use any information obtained from a Permit application for any lawful purpose including, but not limited to, communicating or providing reminders, information related to public health and safety, information regarding compliance with laws, and general Town updates.

TOWN OF PARADISE VALLEY

Short Term Rental Update

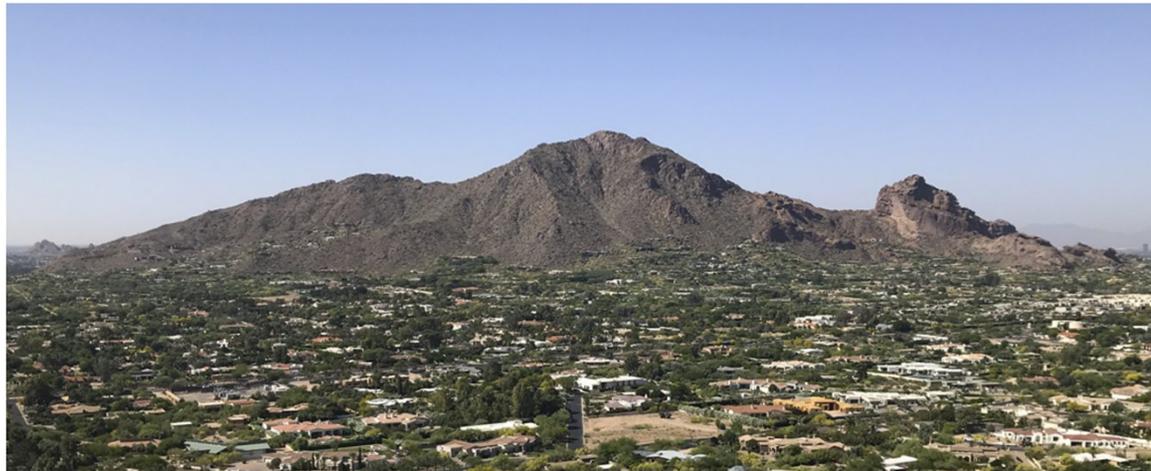


Town Council
December 11, 2025



TODAY'S AGENDA

- **Council has requested an update on the Town's handling of Short Term Rentals (STRs)**



BACKGROUND

2016/2017: The Arizona State Legislature passed a law (A.R.S. §9-500.39) that preempted local governments from regulating STRs unless it was for public health and safety reasons.

Prior to 2022: The town's leaders viewed the increasing prevalence of STRs, including disruptive ones, as a threat to their neighborhoods and sought to enact stronger regulations.

January 2022: The Town Council adopted a new ordinance (Ordinance 2022-03) that attempted to regulate STRs more strictly.

March 2022: The Arizona Attorney General investigated the ordinance, finding that some provisions violated state law, specifically those that limited "social gatherings" and imposed fines on online marketplaces like Airbnb.

2022 Amendments: Following the AG's findings, Paradise Valley amended its ordinance to comply with state law.

November 2022: The new, revised short-term rental ordinance went into effect.



STR RULES

Licensing: STRs must register for a license, which costs \$250.

Violations: The Town can deny or suspend licenses for up to a year for code violations.

Penalties: Fines can be levied against property owners for violations.

Background Checks: Both property owners and guests must undergo background checks.

Special Event Permits: These permits are not granted to an STR unless the owner applies and is present for the duration of the event.



STR UPDATE

- STR licenses down to 99 after a high point of 146
- Complaints are few but are addressed immediately by CD staff or PD outside of business hours
- Regular contact with owners and managers
 - Yearly reminders went out in November



Questions or Comments?

An aerial photograph of Paradise Valley, showing a wide valley with green vegetation and a prominent mountain range in the background under a clear sky.

12/11/2025



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-287

AGENDA TITLE:
Discussion of Community Services Funding Process

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Amy Rebenar, Management Analyst

DATE: December 11, 2025

DEPARTMENT: Town Manager
Amy Rebenar, 480.348.3544

AGENDA TITLE:
Discussion of Community Services Funding Process

SUMMARY STATEMENT:

The Town of Paradise Valley has allocated \$260,000 for charitable giving in the fiscal year 2026 budget. Staff will review council policy options to proceed and provide a history of Paradise Valley community services funding, as well as detail the recommended funding process and timeline for 2026.

ATTACHMENT(S):

- A. Staff Report
- B. Community Services Funding Presentation
- C. Community Services Funding Application Form
- D. Community Services Funding Policy

TOWN OF PARADISE VALLEY

COMMUNITY SERVICES FUNDING
DECEMBER 11, 2025





Key Questions

2

Staff is looking for direction regarding the FY 2026 Community Services Funding.

- 1) Council Policy Options:
 - 1) Do not expend the budgeted funds
 - 2) Invite applications/RFP
 - 3) Conduct needs assessment
 - 4) Council identified program/project

- 2) Council direction on RFP scope of services (slide 8)





Charitable Giving in Paradise Valley

Timeline - Historical

- Town has been supporting community service agencies since 1985
- ~40 different agencies have received funding over the years
- May 2014 - Res. 1304 approved Community Services Funding

Policy

- Applications - FY15 - FY20
- Needs Assessment - FY21 - FY 25





Historical Awardees and Amounts

FY25:

- AZ Friends of Foster Children- \$15,000
- Central Arizona Shelter Services- \$35,000
- Duet Partners in Aging- \$5,000
- MAG Homeless Initiatives- \$200,000
- SUSD Foundation- \$5,000
- Voices for CASA Children- \$5,000

FY24:

- Central Arizona Shelter Services- \$55,000
- Duet Partners in Aging- \$10,000
- MAG Homeless Initiatives- \$200,000

FY23:

- Central Arizona Shelter Services- \$55,000
- Duet Partners in Aging- \$10,000
- MAG Homeless Initiatives- \$200,000
- McCormick-Stillman Ranch Railroad Park- \$50,000

FY22:

- Central Arizona Shelter Services- \$25,000
- Duet Partners in Aging- \$10,000
- MAG Homeless Initiatives- \$25,000

FY21:

- Duet Partners in Aging- \$10,000
- Project Lifesaver- \$15,000





Process

Process:

- Council provides direction about programmatic areas for funding
- Notice of Funding Opportunity Request for Proposals (RFP) goes out
 - Website
 - Social Media
 - Town Manager's Weekly
 - Contact past awardees
- 4-6 weeks between RFP and application deadline
- Applications scored by Town Manager's Advisory Committee on Community Services Funding
- Final Council meeting to approve funding agreements with selected organizations
- Funds disbursed
- Progress report from selected organizations required quarterly

Town of Paradise Valley

Community Services Funding Application

Fiscal Year 2025–2026

Application Deadline: January 30, 2026

The Town of Paradise Valley's Mission is to provide high quality public services to a community which values limited government. One way the Town achieves this mission is to provide grant funding to outside organizations that provide services to residents or support an underserved need. You are invited to complete this application and submit it to the Town's review committee for possible funding.

Section 1: Agency and Contact Information

Agency or Organization Name *

Website Address

Mailing Address

Street Address

Address Line 2

City

State/Province

Zip Code

Physical Address

Street Address

Address Line 2

City

State/Province

Zip Code

Executive Director/President Name *

Telephone Number *

Email Address *

Contact Person (if additional information needed)

Contact Email



Timeline

- **December 11-** Council Study Session
- **January-** Notice of Funding Opportunity Published
- **Mid to Late February-** Application Deadline
- **Late February/Early March-** Advisory Committee meets to review applications
- **Mid March-** Final Council meeting to approve funding agreements
- **April-** Funds Disbursed





Programmatic Areas for Funding

- **Children, Youth, and Family Services**
 - Provide direct services for foster children, family-specific housing, school support, etc.
- **Senior Services**
 - Provide in or out of home services to seniors, senior-specific transportation services, etc.
- **Human Services Transportation**
 - Transportation services specifically for human services purposes
- **Homelessness Services**
 - Shelters, transitional housing services, case management services, substance abuse outreach programs, etc.
- **Health Services**
 - Research organizations, substance abuse treatment programs, suicide awareness and prevention, etc.
- **Veterans' Services**
 - Provide aid or direct services to veterans or families of veterans
- **Parks and Environmental Services**
 - Anti-litter or anti-graffiti initiatives, parks and recreation organizations, sustainability organizations, etc.
- **Public Safety**
 - Services for first responders or families of first responders, crisis response and prevention organizations, etc.
- **Arts**
 - Organizations that promote arts and culture or provide access to the arts





Key Questions

Staff is looking for direction regarding the FY 2026 Community Services Funding.

- 1) Council Policy Options:
 - 1) Do not expend the budgeted funds
 - 2) Invite applications/RFP
 - 3) Conduct needs assessment
 - 4) Council identified program/project

- 2) Council direction on RFP scope of services (slide 8)



Town of Paradise Valley

Community Services Funding Application

Fiscal Year 2025–2026

Application Deadline: January 30, 2026

The Town of Paradise Valley's Mission is to provide high quality public services to a community which values limited government. One way the Town achieves this mission is to provide grant funding to outside organizations that provide services to residents or support an underserved need. You are invited to complete this application and submit it to the Town's review committee for possible funding.

Section 1: Agency and Contact Information

Agency or Organization Name *

Website Address

Mailing Address

Street Address

Address Line 2

City

State/Province

Zip Code

Physical Address

Street Address

Address Line 2

City

State/Province

Zip Code

Executive Director/President Name *

Telephone Number *

Email Address *

Contact Person (if additional information needed)

Contact Email

Section 2: Background Information

Year Organization Was Formed *

Organization Type * (Check one)

- Government Faith-Based Private Non-Profit Other: _____

Mission Statement *

Legal & Compliance Information

1. Tax ID - Is the organization registered as a charitable organization under Section 501(c)(3)? *

- Yes No

(If yes, attach IRS determination letter)

2. Legal Standing - Has the organization ever filed for bankruptcy or are there any lawsuits, judgments, or claims pending?

- Yes No

If yes, explain:

3. Auditor Findings - Does the organization's most recent independent auditor's report find any major deficiencies?

- Yes No

If yes, explain:

4. E-Verify - Is your organization in compliance with A.R.S. §23-214 (employee legal residency verification law)?

- Yes No

If yes, explain:

Describe the services/programs provided by the organization *

What clients or populations are served by the organization? *

Approximate Annual Operating Budget *

Section 3: Funding Request

Program Title *

Amount Requested *

Total Annual Program Budget (from all sources) *

Describe the program or service for which funding is requested *

Include information about the program's goals, population to be served, and how the program serves Paradise Valley residents.

Section 4: Required Documentation

Please check all documents submitted with this application:

- List of Board of Directors**
- IRS 501(c)(3) Determination Letter**

Questions?

Contact the Town of Paradise Valley for assistance.

* Required Fields

RESOLUTION NUMBER 1304

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, ADOPTING THE TOWN OF PARADISE VALLEY COMMUNITY SERVICES FUNDING POLICY

WHEREAS, the Mission Statement of the Town of Paradise Valley states that the Town provides high quality public services to a community which values limited government; and

WHEREAS, the Town is not a “full service government” and relies on private and non-profit organizations to provide valuable services; and

WHEREAS, the Town Council has awarded funds to charitable and educational organizations for 29 year; and,

WHEREAS, the Town Council desires to modify criteria and process by which funding is awarded.

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL AS FOLLOWS:

SECTION 1. That the document known as the Community Services Funding Policy attached hereto as Exhibit A is hereby adopted.

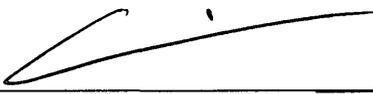
SECTION 2. That all orders or resolutions in conflict shall be, and the same are, to the extent of such conflict, hereby repealed, and that this resolution shall be in full force and effect immediately upon its adoption.

PASSED AND ADOPTED by the Town Council this 8th day of May, 2014.



Scott P. LeMarr, Mayor

APPROVED AS TO FORM:



Andrew M. Miller, Town Attorney

ATTEST:



Duncan Miller, Town Clerk

STATE OF ARIZONA)
 :SS.
COUNTY OF MARICOPA)

CERTIFICATION

I, Duncan Miller, Town Clerk of the Town of Paradise Valley, Arizona hereby certify that the following is a full, true, and correct copy of Resolution Number 1304 duly passed and adopted by a majority vote of the Town Council called and held on the 8th day of May, 2014. Said Resolution appears in the minutes of said meeting, and the same has not been rescinded or modified and is now in full force and effect.

I further certify that said municipal corporation is duly organized and existing, and has the power to take the action called for by the Resolution.


Duncan Miller, Town Clerk





Town of Paradise Valley Community Services Funding Policy

ELIGIBLE PROGRAMS

The Town of Paradise Valley will consider requests for funding assistance from local and regional organizations on an annual basis, subject to budget appropriation. Community services organizations may include government, private non-profit, educational institutions, or civic groups that provide educational opportunities, civic enrichment, valuable services to at-risk youth and the elderly, or services that promote health, safety and welfare. Preference will be given to programs that directly serve the Town and its residents.

PROCESS

Needs Assessment

At the Council's discretion, the Town may conduct a community services needs assessment to identify essential services or under-served populations. Based on those findings, the Town Council may direct Staff to investigate agencies or organizations which addresses the services identified by the Council as priorities. The Council shall vote to approve funding, subject to budget, for all such services identified as priorities.

Application

The Town may also invite applications for funding assistance through local print media, social media, and other direct outreach methods. Following the application deadline, the Mayor shall appoint two Council Members to review the applications and assist the Town Manager, or his designee, in drafting funding recommendations. The Town Council shall approve funding agreements, subject to budget, for organizations based on the recommendations from the Council review group. The agreements shall include a provision stating that award of funding does not obligate the expenditure of Town funds beyond the close of the fiscal year in which this agreement is executed.

APPLICATION EVALUATION CRITERIA

Applications must demonstrate a well-defined sense of purpose, a commitment to maximizing available resources to meet clearly defined objectives, and/or delivering high-quality programs and services. Each application will be scored on:

1. Program Description
 - a. Does the application adequately describe the program to be funded?
 - b. Are the program's goals clear and obtainable?
2. Program Need Assessment
 - a. Does the program or service address needs in Paradise Valley?
 - b. Is the program focused on an important or underserved need?

3. Program Performance Measurement
 - a. Does the application explain how the program or services will be measured and evaluated?
 - b. Are the proposed outcomes meaningful?
4. Demonstrated Ability
 - a. Has the applicant demonstrated the ability to carry out the program or service?
 - b. Can the applicant provide timely performance reporting and contract compliance?
5. Town's Mission
 - a. Is the program or service consistent with the Town's Mission Statement?



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-279



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-270

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).



Action Report

File #: 25-281

AGENDA TITLE:

Presentation of Paradise Valley Vintage Car Show Proceeds to the Sentinels of Freedom and the Military Assistance Mission

RECOMMENDATION:

Present checks to the Sentinels of Freedom and the Military Assistance Mission on behalf of the Paradise Valley Veterans' Appreciation Vintage Car Show.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Mark Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Diane Wayland, Legal Support Specialist
Kristi Hillebert, STR Compliance

DATE: December 11, 2025

DEPARTMENT: Town Manager
Andrew Ching, 480-348-3544

AGENDA TITLE:
Presentation of Paradise Valley Vintage Car Show Proceeds to the Sentinels of Freedom and the Military Assistance Mission.

RECOMMENDATION:
Present checks to the Sentinels of Freedom and the Military Assistance Mission on behalf of the Paradise Valley Veterans' Appreciation Vintage Car Show.

SUMMARY STATEMENT:
Each year the Town of Paradise Valley hosts a vintage car show benefiting Arizona's military families. This year \$17,547.85 was raised. Representatives from the Car Show committee, the Sentinels of Freedom and the Military Assistance Mission will be attending the meeting on December 11, 2025, for the presentation of the checks.

BUDGETARY IMPACT:
None.

ATTACHMENT(S):
None.



Action Report

File #: 25-273

AGENDA TITLE:

Discussion and Possible Action to Recognize 6122 East Quartz Mountain Road as a Historic Property in the Town of Paradise Valley

RECOMMENDATION:

Approve the Historical Advisory Committee's recommendation to recognize 6122 East Quartz Mountain Road as an official historic property in the Town of Paradise Valley

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew B. Ching, Town Manager
Duncan Miller, Town Clerk

DATE: December 11, 2025

DEPARTMENT: Town Manager
Duncan Miller, 480-348-3610

AGENDA TITLE:

Discussion and Possible Action to Recognize 6122 East Quartz Mountain Road as a Historic Property in the Town of Paradise Valley

RECOMMENDATION:

Approve the Historical Advisory Committee's recommendation to recognize 6122 East Quartz Mountain Road as an historic property in the Town of Paradise Valley.

SUMMARY STATEMENT:

In 2018, the Town Council created the Historic Property Recognition Program (Program) to allow property owners to voluntarily apply to the Historical Advisory Committee to recognize buildings, structures, objects and designed landscape features within the Town of Paradise Valley that are:

- 1) At least 50 years old; OR
- 2) Represents an important part of the history or architecture of the Town under one of the following areas:
 - a) **Events/Trends.** The property must be associated with an event or pattern of events that made a significant contribution to the history of the nation, the state or the Town.
 - b) **Persons.** The property must be associated with the life of a person who was significant in the history of the nation, the state, or the Town.
 - c) **Architecture.** The property must embody the distinctive characteristics of a type, period, or method of construction; represent the work of a master (architect, designer, engineer, or builder); possess high artistic values; or be a source of civic pride or identity for the Town.

This is a voluntary program and does not impose any new regulations or future development restrictions on the recognized properties.

The Jordan home was built in 1962 by Ray Wise shortly after the Town's incorporation. The home has a wood frame, slump block exterior, and tar shingles on the roof all of which were typical materials used in the 1960s. The Historical Advisory Committee's full

review of the property and its recommendation to receive the Program designation is attached as Exhibit B.

Following the Town Council's approval to add 6122 East Quartz Mountain Road to the list of historic properties in Town, the owners will receive an official proclamation and a bronze plaque to mount on the property. In addition, a picture along with a historical summary of the property will appear on the Historical Advisory Committee's recognition program webpage.

ATTACHMENT(S):

- A. Staff Report
- B. Historical Advisory Committee Recommendation
- C. Proclamation
- D. Plaque
- E. Historic Property Recognition Program Guidelines

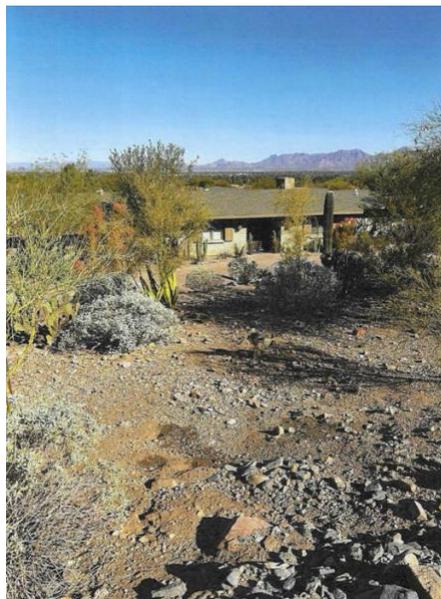
**DOUG AND MARY JORDEN RESIDENCE
6122 EAST QUARTZ MOUNTAIN ROAD
PARADISE VALLEY, AZ 85253
RECOMMENDATION TO TOWN COUNCIL
DECEMBER 11, 2025**

On May 21, 2025, Doug Jordan presented his home located at 6122 East Quartz Mountain Road to the Historical Advisory Committee for consideration to the Historical Property Recognition Program. Back in 2018, it was Doug Jordan who proposed the idea of recognizing historical homes in the Town. Doug and his wife, Mary, have lived in the Town since the 1970s and Doug served as the Town attorney from 1978 - 1982

The Jordan's home was built in 1962 by Ray Wise just after the incorporation of the Town. The home sits on 1.2 acres and is on the northeast side of Mummy Mountain. Much of the lot is undisturbed with natural vegetation and a significant natural wash lies just north of the lot. The home was originally built with a wood frame, slump block exterior and tar shingles on the roof all of which were typical materials used in the 1960s. The mid-century home also features prominent windowsills and exposed ceiling beams in the main living area. The home is situated on the lot to take advantage of the spectacular views of McDowell Mountains and Four Peaks. Juni Hart was the Town inspector at the time and documented on the wood frame the approval of the construction for this home.

Doug and Mary Jordan purchased their home in 2013 and are the fourth or fifth owners. Prior to purchasing the home, the interior was renovated 1991. In 1996 a breezeway was added to an ancillary building. When the Jordan's purchased the home, they remodeled the interior, enclosed the breezeway and added a master closet.

As chair of the Town's Historical Advisory Committee, I would like to recommend the Jordan's home located at 6122 East Quartz Mountain Road to the Town Council for recognition in our Historic Property Program.



Proclamation

WHEREAS by the issuance of this proclamation the Town of Paradise Valley hereby recognizes the Jordan home at 6122 East Quartz Mountain Road as an official historic property; and

WHEREAS on November 1st, 2018, the Town of Paradise Valley and the Historical Advisory Committee established the Historic Property Recognition Program that allows property owners to voluntarily submit their property for consideration if it meets the requirements of the program; and

WHEREAS the property at 6122 East Quartz Mountain Road on the northeast side of Mummy Mountain, owned by Doug and Mary Jordan, was built in 1962 by Ray Wise and features a wood frame, slump block exterior, prominent windowsills, and exposed ceiling beams in the main living room; and

WHEREAS Doug Jordan served as the Town attorney from 1978 - 1982; and

WHEREAS this property exemplifies the beauty of the Town and maintains the values that the Town has exemplified since its founding in 1961;

NOW, THEREFORE, I, Mark Stanton, Mayor of the Town of Paradise Valley, do hereby proclaim the property located 6122 East Quartz Mountain Road as part of the

"HISTORIC PROPERTY RECOGNITION PROGRAM"

IN WITNESS WHEREOF, I have set my hand and caused to be affixed the seal of the Town of Paradise Valley this 11th day of December, 2025.





Mark Stanton, Mayor

Attest:



Duncan Miller, Town Clerk

TOWN OF PARADISE VALLEY
INCORPORATED MAY 1961



6122

East Quartz
Mountain Road



Built in 1962

TOWN OF PARADISE VALLEY

HISTORIC PROPERTY RECOGNITION PROGRAM



The Hermosa Inn circa 1941

OVERVIEW AND APPLICATION

Originally approved by Town Council – Nov 2018
Updated by Town Council – Mar 2021
Updated by HAC – Jan 2023; Jan 2024; Feb 2024; May 2025

1

TOWN OF PARADISE VALLEY HISTORIC PROPERTY RECOGNITION PROGRAM OVERVIEW

The purpose of the Town’s Historic Property Recognition Program is to recognize buildings, structures, objects and designed landscape features within the Town of Paradise Valley that are:

- At least 50 years old; OR
- Represents an important part of the history or architecture of the Town under one of the following areas:
 - a. **Events/Trends.** The property must be associated with an event or pattern of events that made a significant contribution to the history of the nation, the state or the Town.
 - b. **Persons.** The property must be associated with the life of a person who was significant in the history of the nation, the state, or the Town.
 - c. **Architecture.** The property must embody the distinctive characteristics of a type, period, or method of construction; represent the work of a master (architect, designer, engineer, or builder); possess high artistic values; or be a source of civic pride or identity for the Town.

The benefit of the Historic Property Recognition Program is that the Town of Paradise Valley will formally recognize the property owner’s effort to preserve the property and its historical significance with a Town proclamation and a plaque. The property will be included in a list of recognized historic properties published on the Town’s website. **The Program is voluntary and does not impose new regulations nor any restrictions on future remodels or demolitions. The recognition does not become a permanent record of the property.**

To apply for the Historic Property Recognition Program, please complete the application below. The Historical Advisory Committee will review each application and may ask that you present your application to the Committee. Once the Committee has determined that the property meets one of the four criteria, the Committee will make a recommendation to the Town Council to add the property to the Program. The Town Council will make a final decision.

An owner may remove its property from the Program at any time by submitting a written request to the Committee, which shall remove the property and report such removal to the Town Council. If the Committee finds that the property no longer meets the criteria for the Program, then the Committee will make a recommendation to the Town Council to remove the property from the Program. A property will be automatically removed from the Program if its historic buildings, structures, objects, and/or designed landscape feature are demolished. The Town will keep a list of the properties that have been removed from the Program.

**TOWN OF PARADISE VALLEY
HISTORIC PROPERTY RECOGNITION PROGRAM
APPLICATION**

Property Identification:

_____, Paradise Valley, AZ 85253

Date property built: _____

Architect or Builder: _____

Date property purchased: _____

Does the property represent an important part of the history or architecture of the Town under one of the following areas? Yes or No

Events or Trends: Is the property associated with an event or pattern of events that made a significant contribution to the history of the nation, the state or the Town? Yes or No

Describe: _____

Persons: Is the property associated with the life of a person who was significant in the history of the nation, the state, or the Town? Yes or No

Describe: _____

Architecture: Does the property embody the distinctive characteristics of a type, period, or method of construction such as floor plan, lot siting, entry sequence, roof surface and form, gables, porch posts, window and door openings? Yes or No

Describe: _____

Attach Photographs of the property and any significant aspects of the property.

Describe any recognition given to the property.

Does this property have any active code violations? Yes or No

Signature: _____ Date: _____

Printed Name: _____

Email: _____ Phone: _____

You may either send the completed application to the Executive Assistant to Town Manager, 6401 East Lincoln Drive, Paradise Valley, AZ 85253- 4399 or email the completed application to the Executive Assistant to Town Manager (see Town website for email address) with a subject line: TPV-Historic Property Recognition Program.

By signing and submitting this application, you are agreeing to have any pictures of your property and its location on the Town's website once the Town Council has approved your application.

Historic Preservation is not an infringement on private property rights or values. Recognition does not restrict property rights and does not give any government authority over private property.



Action Report

File #: 25-274

AGENDA TITLE:

Discussion and Possible Action to Recognize 5312 East Royal Palm Road as a Historic Property in the Town of Paradise Valley

RECOMMENDATION:

Approve the Historical Advisory Committee's recommendation to recognize 5312 East Royal Palm Road as an official historic property in the Town of Paradise Valley

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew B. Ching, Town Manager
Duncan Miller, Town Clerk

DATE: December 11, 2025

DEPARTMENT: Town Manager
Duncan Miller, 480-348-3610

AGENDA TITLE:

Discussion and Possible Action to Recognize 5312 East Royal Palm Road as a Historic Property in the Town of Paradise Valley

RECOMMENDATION:

Approve the Historical Advisory Committee's recommendation to recognize 5312 East Royal Palm Road as an historic property in the Town of Paradise Valley.

SUMMARY STATEMENT:

In 2018, the Town Council created the Historic Property Recognition Program (Program) to allow property owners to voluntarily apply to the Historical Advisory Committee to recognize buildings, structures, objects and designed landscape features within the Town of Paradise Valley that are:

- 1) At least 50 years old; OR
- 2) Represents an important part of the history or architecture of the Town under one of the following areas:
 - a) **Events/Trends.** The property must be associated with an event or pattern of events that made a significant contribution to the history of the nation, the state or the Town.
 - b) **Persons.** The property must be associated with the life of a person who was significant in the history of the nation, the state, or the Town.
 - c) **Architecture.** The property must embody the distinctive characteristics of a type, period, or method of construction; represent the work of a master (architect, designer, engineer, or builder); possess high artistic values; or be a source of civic pride or identity for the Town.

This is a voluntary program and does not impose any new regulations or future development restrictions on the recognized properties.

Resident Tom Gates submitted his home located 5312 East Royal Palm Road for consideration. The home was designed by Peter Shield in the mid-century western ranch style and built in 1961. The Historical Advisory Committee's full review of the

property and its recommendation to receive the Program designation is attached as Exhibit B.

Following the Town Council's approval to add 5312 East Royal Palm Road to the list of historic properties in Town, the owners will receive an official proclamation and a bronze plaque to mount on the property. In addition, a picture along with a historical summary of the property will appear on the Historical Advisory Committee's recognition program webpage.

ATTACHMENT(S):

- A. Staff Report
- B. Historical Advisory Committee Recommendation
- C. Proclamation
- D. Plaque
- E. Historic Property Recognition Program Guidelines

**TOM GATES RESIDENCE
5312 EAST ROYAL PALM ROAD
PARADISE VALLEY, AZ 85253
RECOMMENDATION TO TOWN COUNCIL
DECEMBER 11, 2025**

On March 5, 2025, Tom Gates presented his home located at 5312 East Royal Palm Road to the Historical Advisory Committee for consideration to the Historical Property Recognition Program.

In 1961, Peter Shield's built this home in a mid-century western ranch style using slump block construction. Mr. Shield's designed this home with entry sequences of a front circular driveway to the front door and a side driveway to the garage. Overhangs were included in both the front and back of the home to minimize the sun exposure. The roof was originally built with shake shingles but has since been replaced with a tile roof. Inside, the home has built-in hallway cabinets with pull out shelves.

In 1979, Tom Gates purchased this home from Paul Masser as its second owner. Mr. Gates added a stain glass window designed by Mary Raneri and installed it next to the front door where it gets southern exposure to high light the artwork. On the day Mr. Gates purchased the home, he added the eagle weathervane he purchased from a service station on 44th Street and McDowell that had been torn down. Richfield Oil Company commissioned these weathervanes when they redesigned their service stations to look more appealing in the 1960s which is the vintage as the home. Mr. Gates also added a diving pool.

In Mr. Gates' interview in October 2024, he noted that there were deed restrictions on the property such as you can have only two cows and two horses, no pigs, no roosters or things that make noise. The house was also restricted to be at least 1600 square feet.

As chair of the Town's Historical Advisory Committee, I would like to recommend the Gates home located at 5312 East Royal Palm Road to the Town Council for recognition in our Historic Property Program.



Proclamation

WHEREAS by the issuance of this proclamation the Town of Paradise Valley hereby recognizes the Gates home at 5312 East Royal Palm Road as an official historic property; and

WHEREAS on November 1st, 2018, the Town of Paradise Valley and the Historical Advisory Committee established the Historic Property Recognition Program that allows property owners to voluntarily submit their property for consideration if it meets the requirements of the program; and

WHEREAS the property at 5312 East Royal Palm Road, owned by Tom Gates, was built in 1961 by Peter Shields in the mid-century western ranch style using slump block and features a front circular driveway, a stained-glass window designed by Mary Raneri, and a vintage weather vane salvaged from a local service station; and

WHEREAS this property exemplifies the beauty of the Town and maintains the values that the Town has exemplified since its founding in 1961;

NOW, THEREFORE, I, Mark Stanton, Mayor of the Town of Paradise Valley, do hereby proclaim the property located 5312 East Royal Palm Road as part of the

"HISTORIC PROPERTY RECOGNITION PROGRAM"

IN WITNESS WHEREOF, I have set my hand and caused to be affixed the seal of the Town of Paradise Valley this 11th day of December, 2025.





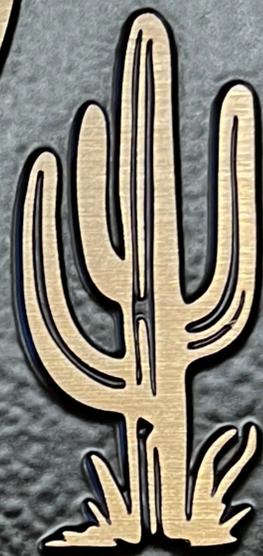
Mark Stanton, Mayor

Attest:



Duncan Miller, Town Clerk

TOWN OF PARADISE VALLEY
INCORPORATED MAY 1961



5312

East Royal Palm
Road



Built in 1961

TOWN OF PARADISE VALLEY

HISTORIC PROPERTY RECOGNITION PROGRAM



The Hermosa Inn circa 1941

OVERVIEW AND APPLICATION

TOWN OF PARADISE VALLEY HISTORIC PROPERTY RECOGNITION PROGRAM OVERVIEW

The purpose of the Town’s Historic Property Recognition Program is to recognize buildings, structures, objects and designed landscape features within the Town of Paradise Valley that are:

- At least 50 years old; OR
- Represents an important part of the history or architecture of the Town under one of the following areas:
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**TOWN OF PARADISE VALLEY
HISTORIC PROPERTY RECOGNITION PROGRAM
APPLICATION**

Property Identification:

_____, Paradise Valley, AZ 85253

Date property built: _____

Architect or Builder: _____

Date property purchased: _____

Does the property represent an important part of the history or architecture of the Town under one of the following areas? Yes or No

Events or Trends: Is the property associated with an event or pattern of events that made a significant contribution to the history of the nation, the state or the Town? Yes or No

Describe: _____

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Architecture: Does the property embody the distinctive characteristics of a type, period, or method of construction such as floor plan, lot siting, entry sequence, roof surface and form, gables, porch posts, window and door openings? Yes or No

Describe: _____

Attach Photographs of the property and any significant aspects of the property.

Describe any recognition given to the property.

Does this property have any active code violations? Yes or No

Signature: _____ Date: _____

Printed Name: _____

Email: _____ Phone: _____

You may either send the completed application to the Executive Assistant to Town Manager, 6401 East Lincoln Drive, Paradise Valley, AZ 85253- 4399 or email the completed application to the Executive Assistant to Town Manager (see Town website for email address) with a subject line: TPV-Historic Property Recognition Program.

By signing and submitting this application, you are agreeing to have any pictures of your property and its location on the Town's website once the Town Council has approved your application.

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Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-288

AGENDA TITLE:
Results of Paradise Valley Street Sweeper Naming Contest

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Amy Rebenar, Management Analyst

DATE: December 11, 2025

DEPARTMENT: Town Manager
Amy Rebenar, 480.348.3544

AGENDA TITLE:
Results of Paradise Valley Street Sweeping Naming Contest

SUMMARY STATEMENT:

The Town of Paradise Valley held a naming contest for the Town's two streetsweepers. Name suggestions were solicited from fifth grade students in Paradise Valley and shared for public vote. The winning names and submitting school(s) will be announced.

ATTACHMENT(S):

- A. Staff Report



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-272

TOWN
of
PARADISE VALLEY



TOWN COUNCIL MEETING
6401 E. LINCOLN DRIVE
PARADISE VALLEY, ARIZONA 85253
MINUTES
THURSDAY, NOVEMBER 13, 2025

1. CALL TO ORDER / ROLL CALL

Mayor Stanton called to order the Town Council Meeting for Thursday, November 13, 2025 at 3:00 PM in the Town Hall Boardroom, 6401 E. Lincoln Drive, Paradise Valley, AZ 85253.

COUNCIL MEMBERS PRESENT

Mayor Mark Stanton
Vice Mayor Ellen Andeen-Keller
Council Member Christine Labelle
Council Member Scott Moore
Council Member Julie Pace
Council Member Anna Thomasson

Council Member Karen Liepmann was not present

STAFF MEMBERS PRESENT

Town Manager Andrew B. Ching
Town Attorney Andrew J. McGuire
Police Chief Freeman Carney
Town Clerk Duncan Miller
Community Development Director Chad Weaver
Planning Manager Paul Michaud
Public Works Superintendent Chris Martinez
Human Resources Director Gina Monger
Town Engineer Shar Johnson
Capital Projects Manager Sam Kayat

2. STUDY SESSION ITEMS

**25-247 Discussion of Proposed Amendments for Administrative Review
on Certain Plat Applications**

Planning Manager Paul Michaud presented proposed amendments to Article 2-5 (Committees and Commissions), Section 2-5-2 (Planning Commission), of the Town Code and Chapter 6, (Subdivisions) of the Town Code that would allow for the administrative review of certain plat applications in accordance with current State of Arizona legislation and made technical and conforming changes.

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).

In 2025, the Arizona Legislature passed House Bill 2447 which requires municipalities to authorize administrative personnel to review and approve site plans, development plans, land division, lots divisions, lot line adjustments, and plat amendments, and to review and approve design review plans based on objective standards without a public hearing. The state law becomes effective January 1, 2026.

Mr. Michaud discussed draft Ordinance 2025-05. He said processes related to site plans, development plans, land divisions, lot line adjustments, and plat amendments are already administrative. The current process would remain the same for preliminary plats, replats, easement or right-of-way abandonments, and administrative land modifications.

He summarized Town Code text changes related to the final plat/map process, lot split process, non-administrative land modification process, and corrections to Town Code or General Plan references.

He stated that the Planning Commission reviewed the draft ordinance at their November 4, 2025 meeting. They discussed allowing for some latitude on compliance to the side lot line standard of 90 degrees.

There was Council consensus not to change the current 90-degree lot requirement.

Mr. Michaud said the ordinance is scheduled for a vote on December 11, 2025.

25-234 Discussion of Sanitary Sewer Manhole Inventory Update

Capital Project Manager Sam Kayat provided an update on the sanitary sewer manhole inventory project and the actions taken to locate unmapped manholes. At the start of the project there were 129 unmapped manholes. The Town conducted field research using metal detectors and ground penetrating radar to locate 55 manholes. He presented a recommendation to award a contract to Michael Baker International to use advanced robotic technologies to locate the remaining manholes. The estimated contract cost was \$101,163.

25-257 Discussion of Employee Handbook Updates

Human Resources Director Gina Monger presented proposed updates to the Employee Handbook including amendments to: Section 202 Smoke-Free Workplace, Section 400 Workplace Conduct, Section 1100 Allowances, and Section 1402 Appeals. There was no new budget impacts associated with these amendments.

The Council questioned the need for amendments to Section 400 related to workplace conduct for supervisors. It was discussed that the performance expectations were already addressed in the Employee Handbook or in the annual performance evaluation form.

There was Council consensus to schedule the amendments for a vote at the next meeting.

A motion was made at 4:05 PM by Vice Mayor Andeen-Keller, seconded by Council Member Thomasson, to go into executive session to discuss items 25-249 and 25-256. The motion carried by the following vote:

Aye: 6 - Mayor Stanton
Vice Mayor Andeen-Keller
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

Absent: 1 - Council Member Liepmann

3. EXECUTIVE SESSION

25-249 Discussion of Town Attorney mid-year performance check in as authorized by A.R.S. §38-431.03(A)(1).

25-256 Discussion or consultation with the Town Attorney in order to consider the Town Council's position and instruct the Town Attorney regarding the Town's position regarding contracts that are subject to pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation related to Five Star Development project as authorized by A.R.S. §38-431.03(A)(4); and discussion and consultation with the Town Attorney for legal advice regarding the development agreement and associated agreements with Five Star Development as authorized by A.R.S. §38-431.03(A)(3).

25-250 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).

4. BREAK

5. RECONVENE FOR REGULAR MEETING

Mayor Stanton reconvened the meeting at 6:00 PM in the Town Hall Council Chambers.

6. ROLL CALL

COUNCIL MEMBERS PRESENT

Mayor Mark Stanton
Vice Mayor Ellen Andeen-Keller
Council Member Christine Labelle
Council Member Scott Moore
Council Member Julie Pace
Council Member Anna Thomasson

Council Member Karen Liepmann was not present

STAFF MEMBERS PRESENT

Town Manager Andrew B. Ching
Town Attorney Andrew J. McGuire
Police Chief Freeman Carney
Town Clerk Duncan Miller
Community Development Director Chad Weaver
Public Works Superintendent Chris Martinez
Town Engineer Shar Johnson

7. PLEDGE OF ALLEGIANCE

Dr. Art Mollen led the Pledge of Allegiance.

8. PRESENTATIONS

There were no presentations.

9. CALL TO THE PUBLIC

Dr. Art Mollen addressed the Town Council about the recent 50th Annual Phoenix 10k and marathon, a portion of which ran through Paradise Valley for the first time.

10. CONSENT AGENDA

Mr. Ching summarized the items on the items on the consent agenda.

25-251 Town Council Minutes October 23, 2025

**25-253 Discussion and Possible Action to Adopt Resolution 2025-12
Approving the 2026 Legislative Agenda**

Recommendation: Adopt Resolution 2025-12.

25-258 Discussion and Possible Action to Authorize Acceptance of Two Governor's Office of Highway Safety Grants

Recommendation: Authorize the Town Manager to accept two Governor's Office of Highway Safety Grants in the total amount of \$16,000 for overtime costs associated with DUI and traffic safety enforcement.

25-261 Discussion and Possible Action to Authorize the Town Manager to Execute a Contract for Phase II Sanitary Sewer Manhole Locating Services

Recommendation:

A motion was made by Vice Mayor Andeen-Keller, seconded by Council Member Labelle, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 6 - Mayor Stanton
Vice Mayor Andeen-Keller
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

Absent: 1 - Council Member Liepmann

11. PUBLIC HEARING

There were no public hearings.

12. ACTION ITEMS**25-260 Discussion and Possible Action to Adopt the Town of Paradise Valley Stormwater Master Plan**

Town Engineer Shar Johnson presented the Town of Paradise Valley Stormwater Master Plan for final adoption. The scope of work included combining and overlaying modeling efforts from the Flood Control District of Maricopa County's previous Area Drainage Master Studies and Plans with additional modeling within the Town of Paradise Valley to identify and prioritize alternative projects for high hazard areas. She summarized the project timeline and explained the updates made to the plan based on comments received from the October 9, 2025 Council Study Session. She stated that the draft plan was shared with the development community following the Study Session. No comments or feedback were received.

Ms. Johnson and Geoff Brownell, Kimley-Horn Project Manager, responded to questions from the Council.

There were no public comments.

A motion was made by Council Member Pace, seconded by Vice Mayor Andeen-Keller, to Adopt the Town of Paradise Valley Stormwater Master Plan. The motion carried by the following vote:

Aye: 6 - Mayor Stanton
Vice Mayor Andeen-Keller
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

Absent: 1 - Council Member Liepmann

13. FUTURE AGENDA ITEMS

25-252 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.

15. ADJOURN

A motion was made at 6:56 PM by Council Member Thomasson, seconded by Vice Mayor Andeen-Keller, to adjourn. The motion carried by the following vote:

Aye: 6 - Mayor Stanton
Vice Mayor Andeen-Keller
Council Member Labelle
Council Member Moore
Council Member Pace
Council Member Thomasson

Absent: 1 - Council Member Liepmann

Mayor Stanton adjourned the meeting at 6:56 PM



Action Report

File #: 25-276

AGENDA TITLE:

Discussion and Possible Action to Approve Amendments to the Town of Paradise Valley Employee Handbook

RECOMMENDATION:

Approve amendments to the Town of Paradise Valley Employee Handbook in Section 202: Smokefree Workplace and Section 1402: Appeals effective December 21, 2025

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Councilmembers

FROM: Andrew Ching, Town Manager
Gina Monger, Human Resources Director

DATE: December 11, 2025

DEPARTMENT: Town Manager (Human Resources)

Gina Monger

gmonger@paradisevalleyaz.gov

480-348-3542

AGENDA TITLE:

Amendments to the *Town of Paradise Valley Employee Handbook*

RECOMMENDATION

The recommendation is for Town Council to take action to amend the *Town of Paradise Valley Employee Handbook (Employee Handbook)*, effective December 21, 2025, as presented.

SUMMARY STATEMENT

On November 13, 2025, during the study session with Mayor Stanton and Council, proposed changes to the *Employee Handbook* were presented for consideration and feedback, which included modifications to *Section 202: Smoke-Free Workplace*, *Section 400: Workplace Conduct*, and *Section 1402: Appeals*.

Several Councilmembers provided feedback specifically regarding the revisions to *Section 400: Workplace Conduct*. Upon further review, including consideration of Council's statements, the proposed changes have been withdrawn and no amendments are recommended for this section.

The modifications to *Section 202: Smoke-Free Workplace* and *Section 1402: Appeals* remain as previously presented and are reflected in the final version of the *Employee Handbook* for recommended adoption by Council.

The Town appreciates Council's feedback and the opportunity to ensure the *Employee Handbook* continues to be a "living document" that effectively serves the Town.

BUDGETARY IMPACT

No new budget impacts.

ATTACHMENTS:

- A. Staff Report: *Employee Handbook* Updates
- B. *Employee Handbook*, final version, effective 12/21/2025



EMPLOYEE HANDBOOK

12/21/2025

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CHAPTER 1: HANDBOOK ADMINISTRATION

SECTION 100: WELCOME

For employees who are just beginning their employment career with Town of Paradise Valley ("Town"), on behalf of Town Mayor and Council, please accept our warmest welcome. We are grateful you have made the choice to serve our amazing community.

For employees who have been with us, thank you for your past and continued dedicated service.

We understand that it is our employees who provide the public services that our residents rely upon, and who will enable us to enrich the community we all serve. Thank you again and we look forward to the ongoing success of this great organization.

SECTION 101: PURPOSE

- A.** This Handbook summarizes fundamental employment policies that align with Town Council expectations and Town Code, in addition to state and federal requirements.
- B.** The Handbook is not intended to address every possible topic, and many matters covered by this Handbook are addressed in other documents, including administrative policies, departmental directives, and supervisory and regulatory requirements. Employees are strongly encouraged to direct questions to supervisors and Human Resources.
- C.** Neither this Handbook nor any other verbal or written communication by a Town representative is, nor should it be considered, an agreement, contract of employment, expressed or implied, or a promise of treatment in any particular manner in any given situation, nor does it confer any contractual rights.

SECTION 102: REVISIONS TO THIS HANDBOOK

- A.** The Town Council reserves the right and authority to amend, change, or discontinue any provision of this Handbook. Approved changes will be communicated to all Town employees.
- B.** The provisions of this Handbook should comply at all times with relevant state and federal law. Therefore, the Town Manager is authorized to amend any provision of this Handbook, with the advice of the Town Attorney, to reflect, incorporate, or comply with a change to state or federal law. Any such amendment will be listed on the next Town Council meeting agenda.

SECTION 103: ADMINISTRATIVE POLICIES

- A.** The Town Manager is authorized to implement, clarify, and interpret the provisions of this Handbook by establishing the administrative policies identified in this Handbook.
- B.** Administrative policies will be signed by the Town Manager and made accessible electronically to all members of the Town Council and Town Staff. New administrative policies and updates to existing policies will be communicated to all Town employees.
- C.** In the event of any conflict between the provisions of this Handbook and the provisions of an administrative policy, this Handbook will prevail.

SECTION 104: SAVINGS CLAUSE

- A. Should any provision of this Handbook or the application of the same to a particular set of persons or circumstances be declared invalid for any reason, the remainder of this Handbook will not be affected.
- B. This Handbook supersedes all prior handbooks.

CHAPTER 2: GENERAL INFORMATION

SECTION 200: HOURS OF BUSINESS

Subject to closures due to the observance of the Town's designated holidays, business hours are as follows:

- A. Town Hall: Monday through Friday, 7:00 a.m. to 4:00 p.m.
- B. Town Hall Post Office: Monday through Friday, 8:00 a.m. to 4:00 p.m.
- C. Police Administration Office: Monday through Thursday, 7:00 a.m. to 6:00 p.m.
- D. Municipal Court: Monday through Thursday, 7:00 a.m. to 6:00 p.m.
- E. Public Works Building: Monday through Thursday, 6:00 a.m. to 4:00 p.m.

SECTION 201: PARKING

Parking is available on a first-come, first-served basis, other than parking spots designated for disabled drivers or carpool.

SECTION 202: SMOKE-FREE WORKPLACE

- A. Smoking and vaping are prohibited in Town vehicles and on Town premises, except as defined below.
 - 1) Employees may only smoke/vape on Town premises only if at least 25 feet away from any exterior entrances, open windows, and ventilation systems.
 - 2) Employees may smoke/vape in their personal vehicles, provided the conditions in subsection 1 above are also met.
 - 3) Employees may smoke/vape in the outdoor seating area between Town Hall and the Police Department.
- B. Employees are responsible for the safe and sanitary disposal of all smoking items.

SECTION 203: HOUSEKEEPING

- A. The Town takes pride in its buildings and facilities. Employees are expected to keep their workspaces safe, clean, and free of slip, trip, and fall hazards.
- B. Employees who use the break areas are to clean up after use, to include food, dishes, and other items are washed and/or properly disposed of.

SECTION 204: EMPLOYMENT FILES

- A. The Town maintains a file for each employee, which consists of records related to salary, benefit elections and accruals, and discipline. The confidentiality and security of these files is maintained by the Human Resources Department. Access to all employment files is limited to those who are authorized to view the records, have a business reason to do so, and is allowed by statute.
- B. The Town Manager is hereby authorized to implement this section through an administrative policy.

SECTION 205: DIRECT DEPOSIT AND PAYDAYS

- A. The Town maintains a bi-weekly payroll schedule and payday is every other Friday.
- B. The Town finds that the electronic deposit of employee earnings is an efficient and reliable method of payment and requires direct deposit enrollment for all employees.

CHAPTER 3: CODE OF ETHICS

SECTION 300: EMPLOYEE OATH

- A. Employees will uphold the Constitution of the United States of America, the Constitution of the State of Arizona, and the Ordinances of the Town of Paradise Valley. Goals and policies established by the Town Council will also guide employee actions.
- B. Employees will:
 - 1) Uphold the public trust.
 - 2) Act with honor, integrity, and respect for others.
 - 3) Conduct themselves in a manner that reflects positively on the Town.
 - 4) Respect private, confidential, and proprietary information to which they are privy.
 - 5) Take and abide by the oath of office in accordance with *ARS 38-231, Officers and employees required to take loyalty oath*

SECTION 301: TOWN MISSION AND VISION

- A. The mission of the Town is to provide high-quality public service to a community which values limited government. The vision of the Town of Paradise Valley is to make every effort to enhance the community's unique character for its residents and people from around the world.
- B. Town employees will provide public service to the Town in support of the Town's mission and vision.

SECTION 302: EMPLOYEE VALUES

The Town has established employee values to guide employee performance throughout their employment. Employees of the Town dedicate themselves to:

A. PROFESSIONALISM

- 1) Seeking opportunities to enhance ourselves through education and training for improved performance, organizational results, and career growth.
- 2) Proactively identifying and creating ways to overcome obstacles and provide solutions.
- 3) Becoming known as very knowledgeable within our own areas.
- 4) Remaining current on "best practices."
- 5) Being flexible and open to new responsibilities.
- 6) Acting and behaving in ways that promote positive working relationships.
- 7) Recognizing and rewarding accomplishments.

B. HIGH-QUALITY CUSTOMER SERVICE

- 1) Continuing to make our customers' needs our primary focus.
- 2) Developing trust and credibility with our customers.
- 3) Being courteous, respectful, and helpful in all customer interactions (both internal and external).
- 4) Responding to customer questions and requests in a timely manner and making helpful referrals when appropriate.
- 5) Staying in touch with the "public service spirit."
- 6) Valuing and actively seeking out customer feedback.

C. TEAMWORK

- 1) Collaborating across departments, programs, and services to accomplish common goals.
- 2) Working towards solutions that all team members can support.
- 3) Addressing conflict positively and quickly to make best use of team effectiveness.
- 4) Recognizing and encouraging behaviors that contribute to teamwork.
- 5) Maintaining positive relationships with coworkers.
- 6) Understanding how our actions and decisions affect other work groups and working with those groups toward solutions.

D. RESPECT

- 1) Creating an environment of mutual respect and honesty in how we communicate with each other.
- 2) Listening to what is said at all levels of the organization and the citizens we serve.
- 3) Remaining open to different perspectives.
- 4) Fostering and celebrating the diversity of our workforce
- 5) Keeping the workplace free from harassment.
- 6) Interacting with other employees and the public with respect and dignity at all times.

E. ACCOUNTABILITY

- 1) Taking responsibility for our actions and decisions.
- 2) Following through on our commitments.
- 3) Ensuring our work and information is complete and accurate.
- 4) Achieving results stated in our performance plans.
- 5) Continually striving to improve efficiency and cost effectiveness.
- 6) Committing to the highest standards of ethical conduct in all that we do.

F. TRANSPARENCY

- 1) Building a common understanding of administrative processes between the Town's residents and their government.
- 2) Ensuring that internal controls are established, properly documented, and maintained.
- 3) Avoiding both actual conflicts of interest and the appearance of such conflicts.
- 4) Making decisions at the level closest to the customer whenever possible.
- 5) Improving access to public records through enhanced public communication and web-based solutions.

G. APPRECIATION OF THE TOWN'S HERITAGE

- 1) Knowing about the people in the community who have made significant contributions to the Town and its history.
- 2) Being aware that the community's current values are shaped by its history and heritage.
- 3) Understanding that the Town's resort community has played an integral role in developing Paradise Valley into a world class destination.
- 4) Appreciating the involvement of past and current citizens who have helped shape the Town's vision and continue to affect the Town's future through civic engagement.
- 5) Respecting the community's values of limited government, low density, and open space, in a residential desert setting.

CHAPTER 4: CODE OF CONDUCT

SECTION 400: WORKPLACE CONDUCT

- A. The Town is committed to providing a safe and healthy work environment for all employees, regardless of background, position, or employment status. The Town finds that there are fundamental expectations in the workplace that employees are expected to follow to ensure a safe, productive, and healthy workplace.
- B. These fundamental employee expectations include, but are not limited to, the expectation that all employees will:
- 1) Follow all lawful Town policies, procedures, rules, directions, and expectations.
 - 2) Subscribe to the oath of the State of Arizona or other affirmations required by the Town.
 - 3) Display a positive, courteous, and respectful attitude, maintain professionalism, and foster a collaborative work environment.
 - 4) Encourage representation and participation of different groups of individuals within the Town.
 - 5) Maintain required licenses, certifications, and other credentials.
 - 6) Adhere to emergency availability and duty reporting requirements.
 - 7) Refrain from engaging in discriminatory, harassing, abusive, retaliatory, defaming, threatening language, behavior, or conduct toward any person.
 - 8) Maintain a well-groomed, clean, and professional appearance including appropriate attire and, if applicable, well-kept uniforms, workwear, and equipment.
 - 9) Strive to be good stewards of public funds.
 - 10) Comply with all technology resource policies regarding computers and electronic communication.
 - 11) Use Town vehicles for official business only.
 - 12) Maintain an acceptable driving record.
 - 13) Be forthcoming and truthful in all communications related to the Town and Town business.
 - 14) Maintain the confidentiality of sensitive or non-public information.
 - 15) Comply with guidance regarding publicity and media interactions.
 - 16) Comply with guidance on recording communications with employees and the public.
 - 17) Comply with all Town policies and rules regarding the use of social media for Town business.
 - 18) Report fit for duty, on time, and as scheduled.
 - 19) Accurately record and submit their time.
 - 20) Maintain satisfactory work performance and strive to exceed expectations.
 - 21) Refrain from conduct, on or off-duty, that may cause discredit to the Town.
 - 22) Perform duties safely and properly; report safety concerns.
 - 23) Immediately report damage to Town property.
 - 24) Immediately report all workplace injuries and accidents.
 - 25) Maintain a drug and alcohol-free workplace.
 - 26) Report all criminal convictions within five calendar days of ruling.
 - 27) Comply with provisions for employment outside of the Town.
 - 28) Refrain from inappropriate political activity.
 - 29) Take steps to avoid any appearance of any conflict of interest.
 - 30) Abide by Town's policy of receiving gifts, gratuities, fees, services, or goods of any value.
 - 31) Refrain from hiring or appointing any relative, by blood or marriage, of any member of the Town Council to any Town position and immediately report any personal relationship that may constitute nepotism in the workplace.
 - 32) Refrain from inducing, influencing, planning, supporting, or participating in a strike, work stoppage, or any concerted activity intended to interfere with Town business, including but not limited to its working conditions, compensation, rights, privileges, or obligations of employment.
 - 33) Understand that all records, regardless of form created, are subject to *ARS Title 39 – Public Records, Printing, and Notices* and must comply with retention, disclosure, and disposal requirements of Town records.

- 34) Be familiar with guidance regarding artificial intelligence.
 - 35) Comply with purchasing requirements.
 - 36) Comply with guidance regarding solicitation and distribution of materials and information on Town property.
 - 37) Abide by the travel policy, when traveling for Town business.
 - 38) Comply with security provisions.
 - 39) Comply with work rules regarding pets and service animals on Town property.
- C. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through one or more administrative policies.

SECTION 401: EMPLOYEE CONDUCT POLICIES

- A. In furtherance of the Town’s commitment to a safe and healthy workplace, the Town Manager will implement the following administrative policies:
- 1) Employee code of conduct
 - 2) Equal employment opportunity and harassment prevention
 - 3) Reasonable accommodation
 - 4) Drug and alcohol-free workplace
 - 5) Loss control and safety
 - 6) Worker’s compensation benefits and transitional duty
- B. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through one or more administrative policies.

SECTION 402: PERSONAL PRIVACY AND INSPECTIONS

- A. The Town makes facilities, vehicles, equipment, and office amenities available to employees to improve the delivery of public services and to support employees in the performance of their duties. Employees have no expectation of privacy when using such property or facilities, which may be inspected at any time.
- B. Employees are expected to fully cooperate in the conduct of any search or inspection for cause, of their persons, personal possessions, and property, including personal vehicles parked on Town property
- C. The Town Manager is hereby authorized to implement this section through an administrative policy.

SECTION 403: REPORTING IMPROPER GOVERNMENTAL ACTIONS

- A. The Town encourages reporting by its employees of improper governmental action (commonly referred to as a “whistleblower”) taken by Town officers or employees and to protect Town employees who have reported improper governmental actions, as provided for in *ARS 23-425, Employee discharge or discrimination*.
- B. The Town Manager is hereby authorized to implement this section through an administrative policy.

CHAPTER 5: CONDITIONS OF EMPLOYMENT

SECTION 500: UNCLASSIFIED SERVICE

- A. The unclassified service includes employees in positions which must be responsive to Town Council. Unclassified employees serve at-will, and their employment is subject to termination at any time, for any lawful reason or for no reason, unless otherwise stated in a written contract of employment.

B. The following positions are unclassified:

- 1) Town Officers appointed by the Town Council:
 - a. Town Manager
 - b. Town Attorney
 - c. Town Magistrate

- 2) Town Officers appointed by the Town Manager, on or after July 8, 2023. Such officers will include (working titles may vary):
 - a. Chief Financial Officer
 - b. Chief Information Officer
 - c. Chief of Police
 - d. Community Development Director
 - e. Human Resources Director/Manager
 - f. Public Works Director
 - g. Town Clerk
 - h. Town Engineer
 - i. Town Marshal

An incumbent appointed to one of the above-listed positions on or before July 8, 2023, will retain the rights and privileges of the classified service until such time that the incumbent is terminated from Town employment, transfers to a different unclassified position, or voluntarily relinquishes classified status.

- 3) Volunteers and other personnel appointed to serve without pay.
- 4) Temporary employees.
- 5) Probationary employees.

SECTION 501: CLASSIFIED SERVICE

- A. Classified service includes all employees in positions that are not otherwise identified as unclassified.

- B. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 502: RECRUITMENT AND SELECTION

- A. The Town supports hiring and retaining a highly qualified and diverse workforce to deliver outstanding public services. The Town may utilize various programs and services to meet the hiring needs of the Town, in accordance with state and federal requirements.

- B. The Council will not appoint any person to an unclassified position who is a relative of a Councilmember by blood or marriage, nor will the Town Manager or any department director or other individual with hiring authority hire any relative or any member of the Council to any position.

- C. The Town Manager is authorized to utilize open competitive and internal-only recruitments, lateral transfers, promotions, demotions, direct appointments, and apprenticeship programs. All appointments made by the Town Manager without a competitive recruitment process will be clearly documented.

- D. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 503: INTERNSHIPS

- A. The Town recognizes the value of supporting students in secondary education programs through internship opportunities.
- B. The Town Manager may establish an internship program that supports Town services while providing students with worthwhile civic experience.
- C. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 504: PROBATIONARY AND REVIEW PERIODS

- A. All newly hired and rehired employees will serve a probationary period, during which time the employee will serve at-will and may be dismissed at any time, without a statement of cause, without prior notice, and without the right to grievance or appeal procedures.
- B. When appointed to a new classified position, an employee may be required to serve a new probationary period.
- C. The Town Manager is hereby authorized to implement this section through an administrative policy.

SECTION 505: PERFORMANCE REVIEWS

- A. The Town seeks to review employee performance on at least an annual basis, or more often as employee performance dictates.
- B. The Town Manager may recommend performance pay (merit) increases for qualifying employees to Town Council for approval. In conjunction with merit increases, the Town Manager authorize exemplary service awards for exceptional employee performance.
- C. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 506: REMOTE WORK

- A. The Town recognizes that providing remote working opportunities for eligible positions and personnel promotes work/life balance, while supporting clean air efforts within the region.
- B. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 507: EMERGENCY RESPONSE AVAILABILITY

- A. The Town must ensure proper precautions are in place in the event of an emergency, to include the availability of personnel whose services may be required. Public safety and Public Works Department personnel may be called in for duty in an emergency and therefore must reside within a reasonable distance from the Paradise Valley Municipal Complex to respond accordingly.
- B. The Town Manager may require the response of additional personnel as appropriate to the emergency.

SECTION 508: TRAINING AND PROFESSIONAL DEVELOPMENT

- A. The Town encourages the training and development of employees to improve effectiveness and broaden the knowledge of Town officers and employees in the performance of their respective duties.
- B. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 509: REDUCTIONS-IN-FORCE, LAYOFFS, AND FURLoughS

- A. The Town strives to remain fiscally responsible and organizationally sound to ensure the greatest use of limited public resources. The Town also recognizes that there may be circumstances that warrant temporary layoffs or permanent reductions-in-force and/or furloughs to ensure the future of the Town.
- B. The Town Manager is hereby authorized to implement this section through an administrative policy.

SECTION 510: SEPARATION FROM EMPLOYMENT

- A. Employees voluntarily separating from the Town will submit their written notice of resignation to their department director at least 14 calendar days prior to their separation effective date. Department directors will document the date and time received, if notice is not through email or other electronic means.
- B. Resignations received by the department director are final and may not be withdrawn, unless authorized by the Town Manager prior to the effective date of the separation.
- C. The Town Manager is hereby authorized to implement this section through an administrative policy.

CHAPTER 6: CLASSIFICATION

SECTION 600: PURPOSE

The Council finds that a systematic process for grouping jobs into common classifications based on similarities in duties, responsibilities, and requirements, supports the Town's efforts to provide equitable and competitive jobs and compensation.

SECTION 601: APPLICATION

- A. The Town Manager is responsible for the establishment and maintenance of a position classification plan, subject to approval by the Town Council.
- B. Classification studies are an effective tool to review the classification plan, which includes compensation for each classification, on a periodic basis. The Town Manager will issue a classification plan administrative policy that will include five to eight municipalities that are reflective of the Town's workforce competition, to be used for compensation and classification studies and other comparative analyses.
- C. The Town Manager is responsible for the position classification reviews.
- D. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

CHAPTER 7: COMPENSATION

SECTION 700: PURPOSE AND APPLICABILITY

- A. The Town seeks to offer competitive wages and salary to recruit and retain highly qualified employees through consideration of market conditions, competing employers, and internal equity.
- B. Salaries, pay adjustments, and allowances for the Town Manager and the Town Attorney are determined by the Town Council.

SECTION 701: BASE PAY

Except as otherwise noted, the Town Manager will establish and maintain a compensation schedule for all active positions that includes minimum and maximum wage/salary ranges.

SECTION 702: PAY ADJUSTMENTS

- A. The Town recognizes the need to adjust employee pay to address various pay issues.
- B. The Town Manager is authorized to establish wage and salary adjustments for:
 - 1) Promotions
 - 2) Demotions
 - 3) Reclassifications
 - 4) Special Work Assignments
 - 5) Communication Training Officer (CTO) Assignments (Police Dispatchers)
 - 6) Rotational Assignments
 - 7) Performance
 - 8) Acting Appointments
 - 9) Recruitment
 - 10) Retention
 - 11) Internal Equity
 - 12) Other specific conditions as deemed appropriate.
- C. The Town Manager is authorized to establish rates of premium pay for:
 - 1) Nontraditional work schedules.
 - 2) Standby and callback assignments.
 - 3) Hazardous work environments or work duties.
 - 4) Bilingual services.
 - 5) Other specialized skills or unique working conditions that warrant additional pay.

SECTION 703: DELEGATED AUTHORITY

The Town Manager is hereby authorized, subject to established budget limitations, to implement this chapter through an administrative policy.

CHAPTER 8: HOURS OF WORK AND OVERTIME

SECTION 800: WORKWEEKS AND WORK SCHEDULES

- A. The Town's designated workweek is 12:00 a.m. Sunday, through 11:59:59 p.m. Saturday.
- B. The Town Manager may designate work schedules within the designated workweek, including flexible and alternate work schedules, provided they are in accordance with state and federal statutes.

SECTION 801: BREAKS AND MEAL PERIODS

- A.** The Town finds that rest periods and unpaid meal periods support employee productivity and wellbeing. The Town Manager/designee may designate certain positions, depending upon nature of the work, to be scheduled for unpaid meal periods of 30-60 minutes. Rest periods/breaks during an employee's shift are unscheduled, intermittent, and short in duration.
- B.** The Town Manager/designee may designate certain positions eligible for paid meal periods if employees are required to remain on call and available to respond to work throughout their meal period as work necessitates.
- C.** The Town will provide appropriate break time and space for nursing employees.

SECTION 802: OVERTIME

- A.** The Town finds that to ensure the effective delivery of its public services, employees may be required to work over 40 hours in the designated workweek.
- B.** The Town further recognizes that non-exempt employees are eligible for overtime compensation for all hours worked over 40 in the designated workweek.
- C.** The Town Manager may establish alternate overtime rules for specific work groups, in accordance with state and federal regulations.
- D.** Compensation for overtime hours will be paid at time and one-half, inclusive of any assignment pay, or as other required by state or federal statute.
- E.** The Town authorizes the use of compensatory time off in lieu of cash payment for overtime hours worked.

SECTION 803: EXEMPT EMPLOYEES

- A.** The Town finds that employees exempt under the Fair Labor Standards Act (FLSA) are expected to work, on average, a 40-hour workweek, over a 52-week calendar year.
- B.** The Town further finds that exempt employees may use paid leave for absences of less than one day.
- C.** The Town also authorizes additional time off for exempt employees, as a result of excessive hours worked under specific circumstances.

SECTION 804: DELEGATED AUTHORITY

The Town Manager is hereby authorized, subject to established budget limitations, to implement this chapter through an administrative policy.

CHAPTER 9: INSURANCE BENEFITS

SECTION 900: ELIGIBILITY

- A.** Full-time and part-time eligible employees' insurance benefits begin on the first day of the month following their date of hire.
- B.** Temporary employees are not eligible for insurance benefits, except for those that are mandated by statute.

SECTION 901: HEALTHCARE

- A. The Town provides group healthcare benefits that includes medical, dental, vision, prescription, life, and accidental death and dismemberment (AD&D) insurances for eligible employees as part of an overall comprehensive compensation package.
- B. The Town may pay a portion of the applicable premiums for employee and/or dependent coverages, as established by action of the Town Council.

SECTION 902: DISABILITY INSURANCE

- A. The Town finds that short- and long-term disability insurances are critical to an employee's ability to recover from an illness or injury.
- B. The Town Manager will establish disability insurance for eligible employees to supplement the long-term disability benefits offered through the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS).

SECTION 903: SUPPLEMENTAL INSURANCES

- A. The Town finds that offering other insurance coverages to employees provides additional support to employees' health and wellbeing.
- B. The Town Manager is hereby authorized to offer optional insurances with 100 percent of the premiums paid by the employee. The Town may pay the administrative fees associated with the optional coverages.
- C. Optional coverages that may be offered include:
 - 1) Pet insurance
 - 2) Supplemental healthcare (medical, dental, vision, and related)
 - 3) Disability
 - 4) Accident
 - 5) Life and final expenses
 - 6) Others as identified

SECTION 904: DELEGATED AUTHORITY

The Town Manager is hereby authorized, subject to established budget limitations, to implement this chapter through an administrative policy.

CHAPTER 10: HOLIDAY AND LEAVE BENEFITS

SECTION 1000: ELIGIBILITY

The Town Manager will determine eligibility and accrual rates for all paid leave benefits, including holidays.

SECTION 1001: DESIGNATED HOLIDAYS

- A. The Town recognizes the observation of paid designated holidays throughout the calendar year.
- B. The holidays observed by the Town are:
 - 1) New Year's Day
 - 2) Martin Luther King/Civil Rights Day
 - 3) Presidents' Day
 - 4) Memorial Day

- 5) Independence Day
- 6) Labor Day
- 7) Veterans' Day
- 8) Thanksgiving Day
- 9) Native American Heritage Day (day after Thanksgiving)
- 10) Christmas Day

C. The Town also honors former Town Clerk Mary Ann Brines in recognition of her years of outstanding public service. As provided for in *Town Resolution 1230*, the Town Manager is authorized to grant one special paid holiday to all eligible employees each calendar year.

SECTION 1002: PERSONAL LEAVE

- A. The Town will offer paid personal leave days as part of the total compensation package.
- B. The Town Manager will determine the accrual rate for eligible employees for personal leave as set forth in this section.

SECTION 1003: VACATION LEAVE

- A. The Town finds that it is important for employees to take time away from work and authorizes the accrual of paid vacation leave for eligible employees.
- B. The Town Manager will determine the accrual rate for eligible employees for vacation leave as set forth in this section.

SECTION 1004: SICK LEAVE

- A. The Town finds that paid sick leave is an added insurance benefit to support employee health. The Town authorizes the accrual of paid sick leave for eligible employees each pay period at a rate no less than what is statutorily required.
- B. The Town Manager will determine under what conditions sick leave may be used by employees.

SECTION 1005: FAMILY AND MEDICAL LEAVE ACT LEAVE

The Town adheres to the Family and Medical Leave Act (FMLA) and provides job-protected leave from work for family and medical reasons.

SECTION 1006: MISCELLANEOUS LEAVES

The Town recognizes that employees may need to be absent from work and offers:

- A. *Civil Leave* to address absences due to legal proceeding for personal reasons or on behalf of the Town.
- B. *Bereavement Leave* to address absences due to the death of an immediate family member or in certain circumstances, the death of a Town employee.
- C. *Donated Leave* is a leave-program designed to enable employees to donate accrued leave to eligible employees during times of illness and injury.
- D. *Military Leave* to address absences due to military training and orders to serve in the US military. their residential jurisdiction.
- E. *Parental Leave* to support absences from work due to the birth or adoption of a child.

- F. *Voting Leave* to address absences to exercise their right to vote in local, state, or federal elections.
- G. *Administrative Leave* is to address circumstances that warrant removing an employee from the worksite.
- H. *Leave Without Pay* for circumstances that necessitate an employee's absence beyond any paid leave that may be available or eligible for use.

SECTION 1007: DELEGATED AUTHORITY

The Town Manager is hereby authorized, subject to established budget limitations, to implement this chapter through one or more administrative policies. For more information, see the administrative policy on miscellaneous leave benefits.

CHAPTER 11: MISCELLANEOUS BENEFITS

SECTION 1100: ALLOWANCES

- A. The Town appreciates the need to support employees in the performance of their duties by providing additional resources to protect their health, safety, and security as well as to offset costs associated with their job.
- B. The Town Manager may establish allowances for designated positions to provide the following:
 - 1) Uniforms
 - 2) Workwear
 - 3) Clothing
 - 4) Equipment
 - 5) Tools
 - 6) Cell phones
 - 7) Hazardous work
 - 8) Safety boots
 - 9) Other working conditions that warrant an allowance to support employees in the effective performance of their duties.

SECTION 1101: EMPLOYEE SERVICE RECOGNITION

- A. The Town appreciates the dedicated service its employees provide to the public.
- B. The Town Manager is authorized to utilize compensation and benefits to establish and maintain an employee service recognition program to honor years of service, retirement, and extraordinary work contributions.
- C. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 1102: PERFORMANCE BONUSES

- A. The Town recognizes that there are opportunities that warrant employee performance recognition compensation in addition to annual merit increases.
- B. The Town Manager may utilize a bonus to reward exceptional performance over an entire review period. The Town Manager may utilize a bonus to reward incident-specific performance recognition that is outside of the annual performance review process.

- C. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 1103: TUITION ASSISTANCE

- A. The Town supports employees who seek to expand their education in support of their current or future Town employment opportunities, are eligible to receive tuition reimbursement.
- B. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 1104: WORKER'S COMPENSATION

- A. The Town strives to maintain a safe and healthy environment for its employees and the public.
- B. The Town is a self-insured employer and may elect to join a risk pool.
- C. All Town employees are covered by workers' compensation insurance beginning on the first day of employment. Workers' compensation provides state-prescribed medical and hospitalization expense benefits, as well as partial compensation in lieu of salary for lost time for workers injured on the job.
- D. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 1105: EMPLOYEE SUGGESTION PROGRAM

- A. The Town encourages employees to provide innovative and efficient ideas to further promote the Town's mission and vision.
- B. The Town Manager is authorized to establish an employee suggestion program that provides monetary awards.
- C. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section through an administrative policy.

SECTION 1106: EMPLOYEE ASSISTANCE PROGRAM

The Town provides the Employee Assistance Program (EAP), which offers counseling, legal, and other self-help referral services to assist employees and their families.

SECTION 1107: WELLNESS PROGRAM

- A. The Town recognizes the value of proactive health and wellness benefits for employees.
- B. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section.

SECTION 1108: TRAUMATIC EVENT COUNSELING

- A. The Town acknowledges that peace officers may be exposed to traumatic events during the performance of their duties.
- B. The Town will provide traumatic counseling services in accordance with *ARS 38-672 Traumatic event counseling for public safety employees*, and *38-673 Traumatic event counseling for peace officers and firefighters*.

SECTION 1109: COMMUTE REDUCTION INCENTIVES

- A. The Town finds that providing commute trip reduction programs support efforts to reduce traffic congestion, improve air quality, and assist with work/life balance for employees.
- B. The Town Manager is authorized to provide travel reduction incentives for employees who use alternate modes of transportation.

SECTION 1110: RETIREMENT PLANS

- A. The Town finds that providing a retirement benefit to eligible employees is an integral part of an overall comprehensive benefits package.
- B. The Town is a participating employer in the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS).
- C. Eligibility for plan enrollment and benefits are governed by each plan's respective provisions.
- D. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section.

SECTION 1111: DEFERRED COMPENSATION

- A. The Town finds that offering an optional deferred compensation plan (Section 457 of the Internal Revenue Code) supports employees in their efforts to plan for their retirement futures.
- B. Employees are eligible to participate in the Town-sponsored deferred compensation plan subject to plan and federal limitations.
- C. The Town may elect to offer deferred compensation employer contributions for employees who elect the high-deductible healthcare plan.
- D. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section.

SECTION 1112: HEALTH SAVINGS ACCOUNT

- A. The Town finds that offering a high-deductible healthcare plan (HDHP) for eligible employees, also known as a health-savings account-eligible plan, provides greater health and wellbeing options for employees.
- B. By providing a HDHP, the Town must also provide a supplemental health-savings account. Employees who enroll in the HDHP, are also eligible to contribute to their health-savings account.
- C. The Town Manager is hereby authorized, subject to established budget and federal limitations, to implement this section.

SECTION 1113: FLEXIBLE SPENDING ACCOUNTS

- A. The Town finds that offering flexible savings accounts (Section 125 of the Internal Revenue Code) for healthcare and dependent care expenses as an option for employees provides them with additional financial options to meet their personal needs.
- B. Employees are eligible to participate in the Town-sponsored flexible spending account plan subject to plan and federal limitations.

- C. The Town Manager is hereby authorized, subject to established budget limitations, to implement this section.

SECTION 1114: DELEGATED AUTHORITY

The Town Manager is hereby authorized, subject to established budget limitations, to implement this chapter through one or more administrative policies.

CHAPTER 12: EMPLOYEE GRIEVANCES

SECTION 1200: PURPOSE

- A. The Town encourages employees to resolve any concerns or complaints at the lowest possible level.
- B. Employees and supervisors are encouraged to meet, discuss, and resolve problems, to prevent grievances whenever possible. In the absence of an informal resolution, the Town provides for a grievance process to address classified employee complaints.

SECTION 1201: ADMINISTRATION

- A. For the purposes of this section, a grievance is an allegation that this Handbook, an administrative policy, or the written work rules of any Town department have been misinterpreted or misapplied as to that employee; or that the employee has been discriminated against because of race, color, religion, gender, age, national origin, sexual orientation, disability, or other lawfully protected status.
- B. Issues that are not grievable and exempt from this section include:
 - 1) The Town's right to direct its employees.
 - 2) The Towns' right to manage Town operations, and to determine the methods, means, resources, and personnel by which these operations are to be conducted.
 - 3) Benefits provided by the Town, as set forth in this Handbook.
 - 4) The Town's right to hire, promote, transfer, assign, and retain employees.
 - 5) Any examination, certification, or appointment.
 - 6) Any compensation or classification action (including salary ranges, merit increases, right to performance evaluation, or contents of performance evaluation).
 - 7) Any reduction-in-force, layoff, or furlough action.
 - 8) Any matter not subject to control of the Town government.
 - 9) Complaints by unclassified employees, except as set forth in subsection B.2 of *Section 502: Unclassified Service*.
- C. The procedure will include:
 - 1) The information required to submit a grievance.
 - 2) The timelines for processing a grievance.
 - 3) An outline for each step in the process.
 - 4) The appeal process for each step, up to and including the final and binding step.

SECTION 1202: AUTHORITY

The Town Manager will establish an administrative policy to respond to formal grievances filed by eligible employees and is hereby authorized to implement this chapter through an administrative policy.

CHAPTER 13: EMPLOYEE INVESTIGATIONS

SECTION 1300: PURPOSE

The Town recognizes that certain allegations of employee misconduct will require an investigation to determine the facts of the matter. Allegations regarding harassment, discrimination, or retaliation for reporting such allegations will be fully investigated, as appropriate to the circumstances.

SECTION 1301: ADMINISTRATION

The Town Manager will establish an administrative policy to conduct employee investigations, which, at a minimum, will include:

- A. How an investigator is assigned.
- B. The general timeframes for which an investigation is to be completed.
- C. The rights of the employee under investigation.

SECTION 1302: AUTHORITY

The Town Manager is hereby authorized to implement this chapter through an administrative policy.

CHAPTER 14: DISCIPLINE AND APPEALS

SECTION 1400: PURPOSE

- A. The Town's progressive discipline policy and procedures are designed to provide a structured corrective action process to improve and prevent a recurrence of unwanted employee behavior and performance issues.
- B. The Town reserves the right to combine or skip the application of progressive discipline depending on the facts of each situation and the nature of the offense. The seriousness of the offense may result in dismissal.

SECTION 1401: DISCIPLINARY PROCESS

- A. The Town will outline the process through an administrative policy for which discipline will be administered.
- B. At a minimum, the administrative policy will include:
 - 1) Definitions of the types of discipline that are the subject of this chapter.
 - 2) Investigative process.
 - 3) Notification of possible discipline.
 - 4) Pre-disciplinary hearing process.
 - 5) Appeal process to the Town Manager.
 - 6) Appeal process to the Personnel Appeals Board.
- C. Employees who have been dismissed from Town service are not eligible to be rehired in any capacity by the Town.

SECTION 1402: APPEALS

- A.** The Town finds that the seriousness of specific disciplinary actions require the ability for the affected employee to appeal the action taken against them. In accordance with *Section 2-5-5 Personnel Appeals Board* of the *Town Code*, only disciplinary suspensions of three or more workdays, involuntary demotions, disciplinary pay reductions, and dismissals are eligible for appeal to the Personnel Appeals Board (PAB). Employees disciplined for strike activities defined in *Chapter 4: Code of Conduct* do not have the right to an appeal under this chapter.
- B.** The Town will provide a PAB in accordance with *Town Code Section 2-5-5 Personnel Appeals Board*, to hear appeals filed in accordance with this article and corresponding administrative policy of disciplinary actions taken, provided the affected employee has exhausted all other rights of review and appeal.
- C.** The PAB will convene as needed, but no less than once a year for training purposes.
- D.** The decision of the PAB hearing is final and binding.

SECTION 1403: AUTHORITY

- A.** The Town Manager has authority to take disciplinary action against any classified or unclassified employee who meets the criteria in *Section 501: Unclassified Service*.
- B.** The Town Manager may delegate the authority to reprimand and suspend without pay to appropriate Town personnel. Demotions and dismissals are under the authority of the Town Manager only.
- C.** The Town Manager will establish an administrative policy to administer the discipline and appeals and is hereby authorized to implement this chapter through an administrative policy.



Action Report

File #: 25-277

AGENDA TITLE:

Discussion and Possible Action to Approve an Agreement with the Arizona Department of Administration for Law Enforcement Records Management System Funding

RECOMMENDATION:

Approve the agreement between the Town of Paradise Valley, through the Paradise Valley Police Department, and the Arizona Department of Administration for the purpose of receiving funds allocated to support the statewide Law Enforcement Records Management System initiative.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Freeman Carney, Chief of Police

DATE: December 11, 2025

DEPARTMENT: Police Department
Freeman Carney, 480 948-7410

AGENDA TITLE:

Discussion and action to approve an agreement with the Arizona Department of Administration (ADOA) for Law Enforcement Records Management System Funding.

RECOMMENDATION:

Approve the agreement between the Town of Paradise Valley, through the Paradise Valley Police Department, and the Arizona Department of Administration for the purpose of receiving funds allocated to support the statewide Law Enforcement Records Management System initiative.

SUMMARY STATEMENT:

The Arizona Legislature appropriated \$3,208,500 to the Arizona Department of Administration (ADOA) to support the statewide Law Enforcement Records Management System (RMS) initiative.

From that amount, the ADOA will allocate \$51,800 to the Paradise Valley Police Department (PVPD) to support the implementation, maintenance, and participation in a statewide RMS pilot program.

This pilot will connect multiple Arizona agencies' records management and computer-aided dispatch systems to enhance interoperability, data sharing, and investigative capabilities.

The RMS software will integrate real-time law enforcement data, eliminate redundant records, provide advanced analytics, ensure secure and compliant information sharing, and meet or exceed FBI Criminal Justice Information Services (CJIS) security standards.

By entering into this agreement, PVPD will:

- Participate in the statewide RMS interoperability initiative.
- Gain access to modernized tools for secure, real-time information sharing.

TOWN
Of
PARADISE VALLEY



STAFF REPORT

- Enhance operational efficiency and investigative support capabilities.
- Contribute to the long-term vision of statewide data integration for law enforcement.

The agreement term runs from July 1, 2025, through June 30, 2026, and all funds must be used exclusively for the implementation, maintenance, and support of the RMS.

BUDGETARY IMPACT:

No budgetary impact as funds are provided by ADOA.

ATTACHMENT(S):

- A. Staff Report
- B. ADOA agreement



ARIZONA DEPARTMENT OF ADMINISTRATION

DIVISION OF BUSINESS AND FINANCE
100 NORTH FIFTEENTH AVENUE • SUITE 302
Tempe, ARIZONA 85007
(602) 625-8325

ADOA Agreement Number DBF2025SB1735-RMS06

This Agreement is entered into by and between the Town of Paradise Valley, through the **Paradise Valley Police Department** (hereinafter referred to as "**Paradise Valley Police Department**"), and the **Arizona Department of Administration** (hereinafter referred to as "**ADOA**"), and shall be effective as indicated in Section 1 - Term of Agreement.

A. **Paradise Valley Police Department** and ADOA enter into this Agreement pursuant to Laws 2025, Ch. 233, Sec. 127 of the First Regular Session. Whereas \$3,208,500.00 was appropriated for the Law Enforcement Records Management System, established under Laws 2024, Ch. 209, Sec. 127, for fiscal year 2025-2026. From this appropriation, the ADOA shall allocate \$ 51,800.00 to **Paradise Valley Police Department**.

B. Pursuant to A.R.S. § 41-703(7), the ADOA Director can contract with or assist other departments, agencies and institutions of the state, local and federal governments in the furtherance of the department's purposes, objectives and programs.

C. Pursuant to A.R.S. § 41-703(8), the ADOA Director can accept and disburse grants, gifts, donations, matching monies and direct payments from public or private agencies for the conduct of programs that are consistent with the overall purposes and objectives of the department.

D. The **Paradise Valley Police Department** has those duties set out in Laws 2024, Ch. 209, Sec. 127, including contracting for those services necessary or desirable to enable the **Paradise Valley Police Department** to adequately perform its duties.

For and in consideration of the terms and conditions set forth herein, the parties agree as follows:

1. Term of Agreement

This Agreement shall be effective from **July 1, 2025** and shall remain in effect until **June 30, 2026**.

2. Scope of Services

The **Paradise Valley Police Department** agrees to provide services related to the implementation, maintenance, and support of a Law Enforcement Records Management System, as described in Laws 2024, Ch. 209, Sec. 127. The services will include the following:

A pilot program to connect the records management systems and computer aided dispatch systems of four agencies, including the Pinal county sheriff's office. The software for the pilot project must do all of the following:

- (a) Be able to integrate data from common law enforcement systems such as computer

aided dispatch and records management systems on a real-time basis.

(b) Provide capabilities to deduplicate redundant records in law enforcement systems.

(c) Provide advanced configurable search, analytics and visualization capabilities to support common law enforcement mission needs.

(d) Provide granular access controls that allow law enforcement agencies to appropriately restrict access to information by data type, organization, roles, responsibilities, individual investigations and other parameters.

(e) Allow for secure, permission-controlled data integration and sharing between any participating Arizona law enforcement agencies.

(f) Be accessible on a wide variety of common law enforcement agency devices such as desktops, laptops, in-car computers and mobile devices.

(g) Have a demonstrated track record of meeting or exceeding similar mission needs and the ability to reach full operational capability within ninety days of initiation.

(h) Allow for integration with existing law enforcement agency identify and access management solutions, such as single-sign-on and multi-factor authentication.

(i) Be hosted in a secure, criminal justice information services compliant cloud environment that can scale to accommodate the increasing volume and velocity of Arizona law enforcement data needs.

(j) Meet or exceed all federal bureau of investigation criminal justice information services security standards.

(k) Provide granular audit logging for all user interactions with data.

(l) Provide a fully open, interoperable architecture and business terms that ensure that Arizona law enforcement agencies retain full and total rights to agency data at all times.

3. Changes to Scope of Services

Either party may request changes to the Scope of Services provided. Such a request by a party must be in writing to the other party, and the change to the Scope of Services must be approved in writing by the **Paradise Valley Police Department** and **ADOA**. Any additional services provided by **ADOA** shall be subject to then-current established **ADOA** billing rates and paid for in accordance with Section 5.

4. Reporting Requirements

The **Paradise Valley Police Department** shall submit a financial report on or before September 30th of each year to the **ADOA** of all expenditures made for the Law Enforcement Record Management System in the preceding fiscal year.

The **Paradise Valley Police Department** shall submit a program report on or before September 30th of each year to the **ADOA** of a summary of the program activities for the Law Enforcement Record Management System in the preceding fiscal year.

5. Manner of Financing

The Arizona Department of Administration shall distribute the sum of \$51,800.00 to the **Paradise Valley Police Department** to establish and maintain a Law Enforcement Records Management

System, established under Laws 2024, Ch. 209, Sec. 127. This distribution is based on the appropriated amount from Laws 2025, Ch.233, Sec. 127, subject to the availability of funds and compliance with all applicable laws and regulations.

The **Paradise Valley Police Department** acknowledges that these funds are intended to be used exclusively for the implementation, maintenance, and support of the Law Enforcement Records Management System program, and that any use of the funds for purposes other than those authorized under this agreement may result in the termination of the agreement and forfeiture of the remaining funds. The parties agree to maintain accurate records of all expenditures related to the Law Enforcement Records Management System.

6. Termination

Either party may terminate this Agreement upon thirty (30) calendar days written notice to the other party.

In the event the parties determine the Scope of Services requires the acquisition of capital equipment necessary for the business functions of the **Paradise Valley Police Department** and determine to amortize the cost of such equipment over several years, the **Paradise Valley Police Department** shall reimburse **ADOA** for such unamortized amounts on or before the date the contract is terminated.

In the event resources other than capital equipment have been specifically acquired for the **Paradise Valley Police Department** business function and upon the determination by **Paradise Valley Police Department** to terminate this Agreement prior to **ADOA**'s recovery of the cost of these resources, **Paradise Valley Police Department** shall be responsible to reimburse **ADOA** for the unrecovered cost of these resources, on or before the date the contract is terminated.

UNIFORM TERMS AND CONDITIONS

7. Administration and Operation

- **Records.** Under A.R.S. § 35-214 and § 35-215, the Paradise Valley Police Department shall retain any and all Data and other “records” relating to the acquisition and performance of the Agreement for a period of five (5) years after the completion of the award. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Paradise Valley Police Department shall produce a legible copy of any or all such records.
- **Non-Discrimination.** The Paradise Valley Police Department shall comply with State Executive Orders No. 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- **Audit.** Pursuant to A.R.S. § 35-214, at any time during the term of this Agreement and five (5) years thereafter, the Paradise Valley Police Department's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Agreement.
- **Facilities Inspection and Materials Testing.** The Paradise Valley Police Department agrees to permit access to its facilities, and the Paradise Valley Police Department's processes or services, at reasonable times for inspection of the facilities or Materials covered under this award. The State shall also have the right to test, at its own cost, the Materials to be supplied under this award. Neither inspection of the Paradise Valley Police Department's facilities nor Materials testing shall constitute final acceptance of the Materials or Services.
- **Advertising, Publishing and Promotion of Award.** The Paradise Valley Police

Department shall not use, advertise or promote information for commercial benefit concerning this award without the prior written approval of ADOA.

8. **Federal Immigration and Nationality Act.** Paradise Valley Police Department shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the award. The State shall retain the right to perform random audits of Paradise Valley Police Department records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Paradise Valley Police Department be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the award for default and suspension.
9. **E-Verify Requirements.** In accordance with A.R.S. § 41-4401, Paradise Valley Police Department warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.
10. **Availability of Funds for the Current State Fiscal Year.** Should the State Legislature enter back into session and reduce the appropriations or for any reason and these Materials or Services are not funded, the State may take any of the following actions:
 - Accept a decrease in award offered to the Paradise Valley Police Department;
 - Cancel the award; or
 - Cancel the award and re-solicit the requirements.
11. **Personnel.** Paradise Valley Police Department warrants that its personnel will perform their duties under the Agreement in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the award. Paradise Valley Police Department further warrants that its key personnel will maintain any and all certifications relevant to their work, and Paradise Valley Police Department shall provide individual evidence of certification to State's authorized representatives upon request.

12. Agreement Termination

- **Cancellation for Conflict of Interest.** Pursuant to A.R.S. § 38-511, the State may cancel this Agreement within three (3) years after Agreement execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the State is or becomes at any time while the Agreement or an extension of the Agreement is in effect an employee of or a consultant to any other party to this Agreement with respect to the subject matter of the Agreement. The cancellation shall be effective when the Paradise Valley Police Department receives written notice of the cancellation unless the notice specifies a later time. If the Paradise Valley Police Department is a political subdivision of the State, it may also cancel this award as provided in A.R.S. § 38-511.
 - **Termination for Convenience.** The State reserves the right to terminate the Agreement, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Paradise Valley Police Department shall stop all work, as directed in the notice, notify all contractors of the effective date of the termination and minimize all further costs to the State. The Paradise Valley Police Department shall be entitled to receive just and equitable compensation for work in progress, work completed, and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.
13. **Arbitration.** The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative

review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (A.R.S. Title 41).

14. This Agreement does not imply authority to perform any tasks or accept any responsibility not expressly stated in this Agreement.
15. This Agreement does not create a duty or responsibility unless the intention to do so is clearly and unambiguously stated in this Agreement. This Agreement shall not relieve the Parties of any obligation or responsibility imposed on it by law.
16. This Agreement contains the entire agreement of the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements, understandings, and inducements, whether express or implied, oral or written.
17. Any change, modification, or extension of this Agreement must be submitted to the ADOA in writing or email.
18. This Agreement has been arrived at by negotiation and shall not be construed for or against any Party.
19. The failure of either Party to insist in any one or more instances upon the full and complete performance of any of the terms and provisions of this Agreement to be performed by the other Party or to take any action permitted by this Agreement shall not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same or any other covenant or condition either in the past or in the future. The acceptance by either Party of sums less than may be due and owing at any time shall not be construed as an accord and satisfaction.
20. The substantive laws of Arizona (without reference to any choice of law principles) shall govern the interpretation, validity, performance and enforcement of this Agreement. The Parties further agree to cooperate in all ways reasonable and necessary to comply with the applicable statutes, including amending this Agreement as needed in the future and making any refunds or payments that might be required to bring the Parties into full compliance with applicable law.
21. Nothing in this Agreement is intended to create any third-party beneficiary rights; and the State and the Paradise Valley Police Department expressly state that this Agreement does not create any third-party rights of enforcement.
22. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.
23. If the last day of any time stated herein shall fall on a Saturday, Sunday, or legal holiday in the State of Arizona, then the duration of such time shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday, or legal holiday.
24. Except as expressly provided herein, no Party may delegate or assign its rights or responsibilities under this Agreement without prior written approval of the other Party and any purported assignment or delegation in violation of this provision shall be void.
25. Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior approval may constitute sufficient reason for ADOA to terminate this Agreement, require the return of all unspent funds, perform an audit of expended funds, and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this agreement.

26. All notices required or permitted under this Agreement shall be given in writing and addressed as follows:

Town of Paradise Valley:	ADOA:
Paradise Valley Police Department	Arizona Department of Administration
	Division of Business and Finance
6433 E. Lincoln Dr.	100 N. 15 th Avenue
Paradise Valley, AZ, 85253	Suite 302
Patrick Beumler	Phoenix, AZ 85007
Commander	ATTN: Michael Gurr
Phone Number: 480.948.7418	Deputy Assistant Director
Email. pbeumler@paradisevalleyaz.gov	
	Phone Number: 602.625.8325
	Email: mike.gurr@azdoa.gov

THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE UNDERSTANDING BETWEEN THE PARTIES, AND IT SUPERSEDES ALL PROPOSALS, ORAL OR WRITTEN, AND ALL OTHER DOCUMENTS OR COMMUNICATIONS BETWEEN THE PARTIES RELATIVE TO THE SUBJECT MATTER HEREIN COVERED, UNLESS SUCH DOCUMENTS OR COMMUNICATIONS ARE SPECIFICALLY INCLUDED BY REFERENCE.

IN WITNESS WHEREOF, the parties have executed this Agreement:

Paradise Valley Police Department:

ADOA:

Town of Paradise Valley

Arizona Department of Administration

By: _____
Freeman Carney, Chief of Police

By: _____
Elizabeth Alvarado-Thorson
Director

Date: _____

Date: _____



Action Report

File #: 25-289

AGENDA TITLE:

Discussion and Possible Action to Approve an Agreement with the Arizona Department of Public Safety and Authorize Acceptance of Grant Funds for Anti-Human Trafficking

RECOMMENDATION:

Authorize the acceptance of grant funds from the Arizona Department of Public Safety in the amount of \$34,450 for Anti-Human Trafficking efforts and authorize the Police Chief to execute the funding agreement.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Amy Rebenar, Management Analyst

DATE: December 11, 2025

DEPARTMENT: Town Manager
Amy Rebenar, 480.348.3544

AGENDA TITLE:

Discussion and Possible Action to Authorize Acceptance of Grant from Arizona Department of Public Safety for Anti-Human Trafficking

RECOMMENDATION:

Authorize acceptance of grant from Arizona Department of Public Safety for Anti-Human Trafficking.

SUMMARY STATEMENT:

The Town of Paradise Valley Police Department was awarded a grant from the Arizona Department of Public Safety for Anti-Human Trafficking in the amount of \$34,450 for victim advocate salary, training, travel and supplies related to anti-human trafficking efforts.

ATTACHMENT(S):

- A. Staff Report
- B. Award Letter
- C. Grant Agreement



ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223-2000

"Courteous Vigilance"

KATIE HOBBS JEFFREY GLOVER
Governor Director

November 20, 2025

Freeman Carney, Chief of Police
Paradise Valley Police Department
6433 E Lincoln Drive
Paradise Valley, AZ 85253

RE: Anti-Human Trafficking Grant Fund
Conditional Award Amount: **\$34,450.00**

Dear Chief Carney,

Congratulations, on behalf of the Arizona Department of Public Safety ("DPS"), the Paradise Valley Police Department application for financial assistance submitted under the Fiscal Year (FY) 2026 Anti-Human Trafficking (AHT) Grant has been conditionally approved in the amount of **\$34,450.00**.

Before you request and receive any of the funds awarded to you, you must establish acceptance of the award by reviewing and signing the established grant agreement which will be provided via separate notification from DPS. Final awards will be processed once the State of Arizona receives the grant agreement finalized by both parties.

All expenditures made with grant funding must adhere to all state regulations and requirements. Also, each grant award will be monitored for fiscal compliance through desk monitoring and potential site monitoring visits.

If you have any questions, please email grants@azdps.gov. We look forward to working with you and your staff in the coming year.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Glover".

Jeffrey Glover, Colonel
Director

AGREEMENT REGARDING ANTI-HUMAN TRAFFICKING

This Agreement is entered into between the State of Arizona through its Department of Public Safety, hereinafter referred to as “DPS” and the Paradise Valley Police Department, hereinafter referred to as “PVPD.”

The purpose of the Agreement shall be the enhance law enforcement services that reduce human trafficking within the state as allowed in A.R.S. § 26-106 through the cooperative efforts of the parties to this Agreement.

DPS is authorized and empowered to enter into this Agreement pursuant to A.R.S. § 41-1713(B)(3). Both parties are authorized and empowered to enter into the Agreement pursuant to A.R.S. § 11-952.

In consideration of the mutual promises set forth herein, the parties to this Agreement hereby agree to the following conditions.

I. PARTICIPATION

This agreement provides Fiscal Year 2026 (July 1, 2025 through June 30, 2026) Anti-Human Trafficking funding up to \$34,450 for personnel, travel, training and supplies.

Quarterly, the PVPD will report statistical activity and progress for the agreed upon performance measures. Additionally, ongoing information exchange and intelligence sharing will occur between DPS and PVPD.

II. REIMBURSEMENT

DPS agrees to reimburse PVPD up to \$34,450 for salary, training, travel and supplies.

Category	Description	Amount
Personnel	25% Victim Advocate Salary/ERE	\$ 32,500
Training and Travel	Juvenile Sex Trafficking (JuST) Conference, and Tech in Trafficking Summit	\$ 1,700
Supplies	Must Be Human Trafficking Specific	\$ 250

Evidence of expenditures shall be provided by June 30, 2026, or as soon as practicable, for the fiscal year just ended. Quarterly statistical reports shall be provided on the same schedule as the expenditure information. Expenditures must align with the approved budget and be incurred within the performance period.

III. NON-AVAILABILITY OF FUNDS

Every payment obligation of State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the Agreement, the Agreement may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be

obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

IV. NON-DISCRIMINATION

The parties shall comply with the non-discrimination provisions of the Governor's Executive Order 2023-001, which mandates that all persons, regardless of race, color, religion, sex, age, national origin, or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The parties shall take affirmative action to ensure the applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

V. INDEMNIFICATION

Each party (as "indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees, hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, agents, employees, or volunteers.

VI. RECORDKEEPING

All records regarding the Agreement, including the officers' time accounting logs, must be retained for five (5) years in compliance with A.R.S. § 35-214, entitled Inspection and Audit of Contract Provisions.

VII. FEES

In no event shall either party charge the other for any administrative fees for any work performed pursuant to the Agreement.

VIII. ARBITRATION

The parties to this Agreement agree to resolve all disputes arising out of or relating to this agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §§ 12-1518 except as may be required by other applicable statutes.

IX. EFFECTIVE DATE/DURATION

The terms of this agreement shall become effective upon the date the last signature is obtained, shall be retroactive to July 1, 2025, and shall expire June 30, 2026. If funds are not allocated to support this agreement, DPS will provide written notice to PVPD notifying them of the termination of funding and cancellation of this Agreement.

X. CANCELLATION

All parties are hereby put on notice that this Agreement is subject to cancellation by the Governor for conflicts of interest pursuant to A.R.S. § 38-511.

XI. TERMINATION

Either party may terminate the Agreement for convenience or cause upon thirty (30) days written notice to the other party. Upon termination, DPS shall pay all outstanding amounts up through the time upon which the termination becomes effective. All property shall be returned to the owning party upon termination.

Any notice required to be given under the Agreement will be provided by mail to:

Mike Dodd, Budget Officer
Arizona Department of Public Safety
P.O. Box 6638, Mail Drop 1330
Phoenix, AZ 85005-6638

Freeman Carney, Chief of Police
Paradise Valley Police Department
6433 E Lincoln Drive
Paradise Valley, AZ 85253

XII. VALIDITY

This document contains the entire Agreement between the parties and may not be modified, amended, altered or extended except through a written amendment signed by all parties. If any portion of this Agreement is held to be invalid, the remaining provision shall not be affected.

The parties hereto have caused this Agreement to be executed by the proper officers and officials.

STATE OF ARIZONA

BY: _____
Jeffrey D. Glover, Director
Arizona Department of Public Safety

DATE: _____

PARADISE VALLEY POLICE DEPARTMENT

BY: _____
Freeman Carney, Chief of Police

DATE: _____



Action Report

File #: 25-278

AGENDA TITLE:

Discussion and Possible Action to Approve a Linking Agreement for Cooperative Purchase between the Town of Paradise Valley and B2B Direct Sales, Inc dba the HVAC Company for Replacement of HVAC Systems/Components within Town Facilities

RECOMMENDATION:

Approve the linking agreement (CON-25-035-PBW-A1) with B2B Direct Sales Inc, dba The HVAC Company for replacement of HVAC System Components in the amount of \$101,224.95; and authorize the Town Manager to execute the agreement.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew B. Ching, Town Manager
Isaac Chavira, Public Works Director
Robert Deserano, Public Works Superintendent

DATE: October 29, 2025

DEPARTMENT: Public Works
Isaac Chavira, 480-348-3540
Robert Deserano 480-348-3589

AGENDA TITLE:

Discussion and Possible Action to Approve a Linking Agreement for Cooperative Purchase between the Town of Paradise Valley and B2B Direct Sales, Inc dba the HVAC Company for Replacement of HVAC Systems/Components within Town Facilities

RECOMMENDATION:

Approve the linking agreement (CON-25-035-PBW-A1) with B2B Direct Sales Inc, dba The HVAC Company for replacement of HVAC System Components in the amount of \$101,224.95; and authorize the Town Manager to execute the agreement.

SUMMARY STATEMENT:

Replace 18-year-old VRF 24-ton system unit is nearing its useful life expectancy; this unit provides cooling for the town wide IT server and information systems which are crucial for the town's infrastructure and operations. This system has been identified in the Facilities Condition Assessment as "Fair" - Component or system that is performing adequately at this time but may exhibit some signs of wear and deferred maintenance. This VRF system is 18+ years old and has been identified to be replaced this fiscal year.

Replace 4 FCU units at Town Hall which work in conjunction with the chiller and EMS (Energy Management System). These units have been identified in the Facilities Condition Assessment as "Fair" - Component or system that is performing adequately at this time but may exhibit some signs of wear and deferred maintenance. These FCU's are 25+ years old and have been identified to be replaced this fiscal year.

BUDGETARY IMPACT:

Funds have been budgeted and approved for FY25/26 total cost of both projects is \$183,079.06

ATTACHMENT(S):

- A. Staff Report
- B. Quote from The HVAC Company
- C. Quote from The HVAC Company
- D. Linking agreement



**FIRST AMENDMENT
TO
LINKING AGREEMENT
BETWEEN
THE TOWN OF PARADISE VALLEY
AND
B2B DIRECT SALES, INC**

THIS FIRST AMENDMENT TO THE LINKING AGREEMENT (this “First Amendment”) is entered into as of _____, 2025, between the Town of Paradise Valley, an Arizona municipal corporation (the “Town”), and B2B Direct Sales, Inc., dba The HVAC Company, an Arizona corporation authorized to do business in Arizona (the “Contractor”).

RECITALS

- A. The Town and the Contractor entered into Linking Agreement No. CON-25-035-PBW dated August 7, 2025, for the Contractor to provide Heating, Ventilation, and Air Conditioning (HVAC) preventative maintenance (the “Agreement”).
- B. The Town has determined that additional services by the Contractor are necessary (the “Additional Services”).
- C. The Town and the Contractor desire to enter into this First Amendment to (i) modify the scope of work to include the Additional Services, and (ii) provide for the increase in compensation to the Contractor for the Additional Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. Incorporation of Defined Terms. All capitalized terms not otherwise defined in this First Amendment have the same meanings as contained in the Agreement.
2. Scope of Work. The Contractor shall provide the Additional Services as set forth in the Additional/Amended Scope of Work, attached hereto as Exhibit 1 and incorporated herein by reference.
3. Compensation. The Town shall increase the compensation to the Contractor by \$183,079.06 for the Additional Services at the rates set forth in the Fee Proposal attached hereto as a

part of Exhibit 1 and incorporated herein by reference, resulting in an increase of the combined not-to-exceed compensation from \$2,820 to \$185,899.06.

4. Effect of Amendment. The Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

5. Non-Default. By executing this First Amendment, the Contractor affirmatively asserts that (i) the Town is not currently in default, nor has been in default at any time prior to this First Amendment, under any of the terms or conditions of the Agreement, and (ii) any and all claims, known and unknown, relating to the Agreement and existing on or before the date of this First Amendment are forever waived.

6. Conflict of Interest. This First Amendment and the Agreement may be canceled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

7. Forced Labor of Ethnic Uyghurs. To the extent applicable under ARIZ. REV. STAT. § 35-394, the Contractor warrants and certifies that it does not currently, and agrees that it will not, for the duration of the Agreement, as amended, use the forced labor, any goods or services produced by the forced labor, or any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If the Contractor becomes aware that it is not in compliance with this paragraph, the Contractor shall notify the Town of the noncompliance within five business days of becoming aware of it. If the Contractor fails to provide a written certification that the Contractor has remedied the noncompliance within 180 days after that, the Agreement shall terminate unless the termination date of the Agreement occurs before the end of the remedy, in which case the Agreement terminates on its termination date.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

“Town”

TOWN OF PARADISE VALLEY,
an Arizona municipal corporation

Andrew Ching, Town Manager

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

“Contractor”

B2B DIRECT SALES, INC,
an Arizona corporation

By: Nicole Hoover

Name: Nicole Hoover

Title: Commercial Account Manager

EXHIBIT 1
TO
FIRST AMENDMENT
TO
LINKING AGREEMENT
BETWEEN
THE TOWN OF PARADISE VALLEY
AND
B2B DIRECT SALES, INC

[Amended Scope of Work and Fee Proposal]

See following pages



3120 W Carefree Hwy, Suite #1817, Phoenix, AZ, 85086 * 480-687-8081

<p>Attn: Robert Deserano Phone: Email: rdeserano@paradisevalleyaz.gov Company: Town of Paradise Valley Address: 6401 E Lincoln Dr, Paradise Valley, AZ 85253</p>	<p>Date: Sep 24, 2025 Re: Town Hall (4) FCU Replacements Property: Paradise Valley Town Hall Address: 6401 E Lincoln Dr, Paradise Valley, AZ 85253</p>
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The HVAC Company is pleased to offer our proposal for the referenced work:

SCOPE:

City of Tempe Contract ID: **T22-001-29** Pricing.

All work to be completed during **normal business hours**.***

Remove and dispose of existing Environmental Technologies Fan Coils

- #13 HH-20B-C6BL-E010-O1810-CMA15-FT2,
- #8 HH-20B-C6BL-E010-O1810-CMA15-FT2
- #3 HH12B-C6BR-E005-O1010-BMA16-FT2,
- #4 HH12B-C6BR-E005-O1010-BMA16-FT2

Install Enviro-Tec Direct-Drive Blower Coil Units:

- Qty (2) HDD-12 - 460V/3Ph (Tag: FCU-3,4)
- Qty (2) HDD-20 - 460V/3Ph (Tag: FCU-8,13)
- Horizontal Cabinet
- Chilled Water Cooling Coil
- Direct Drive Blower with EC Motor
- Electric Heat Coil
- Tags: FCU-3,4,8 - Right Hand Connection, FCU-13 Left Hand Connection ***Confirm Prior to Ordering**

NOTE: Right or left-hand connections are based on "supply air to back of head."

Includes removal and reinstall of ceiling tiles and T-bar to access equipment.

Reconnect to existing Duct systems.

Reconnect to existing controls devices (access to system must be provided by customer).

Reconnect to existing Electrical Disconnects, install new fuses.

Reconnect whips, or reconfigure whips as needed to accommodate new unit (up to 20 additional feet).

Install new Hose kits for each machine, after existing valves and strainers.

Reconnect and rework condensate to new system.

Install new custom Drain Pans and tie into overflow condensate.

NOTE: most of this equipment is in high difficulty situations, and will require additional manpower and lifting apparatus in most cases.

NOTE: owner to move any furniture such as cubicles, desks, book case, etc.

Warranty: 2-years parts & labor.

Lead Time: 8-10 weeks plus transit time.

Exclusions: permits & engineering; premium labor and any items not specified herein.

Also excludes Control Valves, BMS Integration, Water Testing & Balance, Any other item not listed above.

<p>Total Proposal as Outlined Above.....</p>	<p>\$101,224.95</p>
--	----------------------------

Our goal is to provide quality work at a competitive price. We will accomplish this by performing efficiently, timely, safely and to your complete and total satisfaction. Thank you for allowing us to proceed by authorizing the work in the space provided below. Lead times on parts and equipment available upon request and are subject to change based on availability at time of approval.

Sincerely,
The HVAC Company

ACCEPTANCE OF PROPOSAL

- This proposal represents the entire agreement between the parties. There are no representations, promises or other understandings unless expressly included herein.
- Estimate valid for 15 days from the issue date. Payment terms are net 30 days, subject to a 5% late charge and a separate 1.5% interest charge on the outstanding delinquent balance compounded monthly.
- Our offer is predicated upon a clear and accessible area that will be made available by others, where our work is to be performed.
- Unless noted in the specific inclusions, our work will be performed during our normal working hours.
- Further examination of work may necessitate a change in scope.
- Some items may have limited warranty (Example: manufacture warranty exclusions, seals, gaskets, wear items, parts damaged due to forces beyond reasonable control)

SPECIFIC EXCLUSIONS:

Permits & engineering; premium labor and any items not specified herein.

Approved by:	
Approval Signature:	
Date:	
PO# or Payment Method:	



3120 W Carefree Hwy, Suite #1817, Phoenix, AZ, 85086 * 480-687-8081

<p>Attn: Robert Deserano Phone: Email: rdeserano@paradisevalleyaz.gov Company: Town of Paradise Valley Address: 6401 E Lincoln Dr, Paradise Valley, AZ 85253</p>	<p>Date: Oct 8, 2025 Re: PD Server Rm VRF Replacement Rev 1 Property: PV Police Department Address: 6433 E Lincoln Dr, Paradise Valley, AZ 85253</p>
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The HVAC Company is pleased to offer our proposal for the referenced work:

SCOPE:

City of Tempe S.A.V.E. Contract ID: T22-001-29

Remove and dispose of existing Mitsubishi VRF System
 Install new Carrier / Toshiba VRF Heat Pump System Nominal 24 Tons:
 2ea MMY-MUP0961HT9P-UL 8 Ton 208/230-3 (Twinned Condensers) with 2ea AHU VRF Multi-Position MMD-UP0961HP-UL 8 Ton 208/230-1

Stand-Alone / Independent / Backup (Also has independent refrigerant piping):
 1ea VRF Heat Pump Condenser MMY-MUP0961HT9P-UL 8 Ton 208/230-3
 1ea AHU VRF Multi-Position MMD-UP0961HP-UL 8 Ton 208/230-1

VRF Notes:

- System is 2 Pipe Heat Pump.
- Twinned require separate power source to each module.
- Indoor Units are powered separately.
- VRF Pipe lengths to be verified by contractor prior to order to confirm that capacities and diversities are met.
- 2-week prior notice is required for jobsite Pre-Check and Start-Up Assistance.
- (CU-1) MCA/MOCP is 36.3/60

Reuse electrical feeders to equipment, with new fused disconnects.
 Reuse low voltage communications for the system. New wall mounted interface controllers.
 Includes factory designed Refrigerant Piping System, and factory pre-startup inspection.
 For AHU's reuse condensate system, we shall flush and test operation of drains.
 Includes new condensate pans.
 Includes new traps.
 Includes all labor and materials to complete the system.
 Includes crane service.

NOTE: All AHU's have refrigerant ball vales so they may be isolated if needed for performing repairs, without hindering system operations.

NOTE: Refrigerant piping will need to be replace to accommodate new system, for proper refrigerant flow.

NOTE: The new VRF System are susceptible to jetty currents and other anomalous issue with old piping techniques, therefore we must replace the refrigerant piping to make sure there are no issues related to the piping.

VRF Warranty: 5 year on parts. 7 year compressor. 2 years labor.

Lead Time: 4 to 6 weeks; subject to prior sale.

Scheduling: All work to be conducted during normal business hours.

Exclusions: permits & engineering; premium labor and any items not specified herein.

<p>Total Proposal as Outlined Above.....</p>	<p>\$81,854.11</p>
--	--------------------

Our goal is to provide quality work at a competitive price. We will accomplish this by performing efficiently, timely, safely and to your complete and total satisfaction. Thank you for allowing us to proceed by authorizing the work in the space provided below. Lead times on parts and equipment available upon request and are subject to change based on availability at time of approval.

Sincerely,
The HVAC Company

ACCEPTANCE OF PROPOSAL

- This proposal represents the entire agreement between the parties. There are no representations, promises or other understandings unless expressly included herein.
- Estimate valid for 15 days from the issue date. Payment terms are net 30 days, subject to a 5% late charge and a separate 1.5% interest charge on the outstanding delinquent balance compounded monthly.
- Our offer is predicated upon a clear and accessible area that will be made available by others, where our work is to be performed.
- Unless noted in the specific inclusions, our work will be performed during our normal working hours.
- Further examination of work may necessitate a change in scope.

SPECIFIC EXCLUSIONS:

Permits & engineering; premium labor and any items not specified herein.

Approved by:	
Approval Signature:	
Date:	
PO# or Payment Method:	



Action Report

File #: 25-280

AGENDA TITLE:

Discussion and Possible Action to Approve a Linking Agreement for Cooperative Purchase of an Articulating Telescopic Aerial Device (Bucket Lift Truck)

RECOMMENDATION:

Approve a contract with ALTEC Industries, Inc (CON-26-031-PW) for the purchase of an Articulating Telescopic Aerial Device in the amount of \$204,287.00 and authorize the Town Manager to execute the agreement.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew B. Ching, Town Manager
Isaac Chavira, Public Works Director
Robert Deserano, Public Works Superintendent

DATE: December 11, 2025

DEPARTMENT: Public Works
Isaac Chavira, 480-348-3540
Robert Deserano 480-348-3589

AGENDA TITLE:

Authorization to execute Linking Agreement for Cooperative Purchase contract CON-26-031-PW between the Town of Paradise Valley and ALTEC INDUSTRIES, INC for the purchase of Articulating Telescopic Aerial Device (Bucket lift truck)

RECOMMENDATION:

Approve a contract with ALTEC Industries, Inc (CON-26-031-PW) for the purchase of an Articulating Telescopic Aerial Device in the amount of \$204,287.00 and authorize the Town Manager to execute the agreement.

SUMMARY STATEMENT:

Replace 17-year-old unit nearing its useful life expectancy and continued increasing maintenance cost. The equipment is crucial for the town's traffic signal and sign operations. Purchasing an aerial lift bucket truck for traffic signal maintenance will enhance safety, significant efficiency gains, improved accessibility for complex repairs, and the ability to meet crucial regulatory compliance. It provides a mobile, safe platform for technicians to quickly service signals, perform inspections, clean signs, and handle installations, boosting productivity and reducing traffic disruption compared to less specialized equipment.

BUDGETARY IMPACT:

Funds have been budgeted and approved for FY25/26 total cost of \$204,287.00

ATTACHMENT(S):

- A. Staff Report
- B. Quote from Altec Industries Inc.
- C. Linking agreement

Quoted for: Town of Paradise Valley
 Altec Account Manager: Derek Huffer

REFERENCE ALTEC MODEL	Sourcewell Price
AT41M	Articulating Telescopic Aerial Device with Material Handling Insulated, 41'
	\$221,241

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1			
2			
3			
4			

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
SOURCEWELL OPTIONS TOTAL:			\$221,241

(B.) OPEN MARKET ITEMS (Customer Requested)

1	UNIT		\$0
2	UNIT & HYDRAULIC ACC		\$0
3	BODY	Altec MY Adjustment	-\$1,254
4	BODY & CHASSIS ACC		\$0
5	ELECTRICAL		\$0
6	FINISHING		\$0
7	CHASSIS	2026 F550 4X2 Auto	-\$9,882
8	OTHER	Altec MY Adjustment	-\$14,740
OPEN MARKET OPTIONS TOTAL:			-\$25,876

SUB-TOTAL FOR UNIT/BODY/CHASSIS: \$195,365.00
Delivery to Customer: \$8,922.00
Estimated Taxes (Delivery non-taxable):
FET:
CA Doc/Admin/Tire Fees:
Extended Warranty:

TOTAL FOR UNIT/BODY/CHASSIS: \$204,287.00

(C.) ADDITIONAL ITEMS (items are not included in total above)

1			
2			
3			
4			

Pricing valid for 45 days

NOTES

PRICING: Altec will make every effort to honor this quotation, subject to the following provisions. Prices for equipment with production start dates 12 months and beyond are considered budgetary due to potential cost inflation, market volatility, and tariff implications. These prices will be reviewed based on market conditions and confirmed closer to the production date. Quotes and orders with chassis model years beyond the current open order bank are estimates only. Altec's turn-key pricing is subject to change based on chassis pricing received from the OEM. Chassis model year, specifications, and price will be reviewed and confirmed when specific model year information becomes available from the OEM, and any chassis price difference, including adjustments for tariffs, will be passed through to the customer.

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90) days

TO ORDER: To order, please contact the Altec Account Manager listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: 12-16 Months Based on availability, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Please ask your Altec Account Manager for more information



**LINKING AGREEMENT
FOR COOPERATIVE PURCHASE**

ALTEC INDUSTRIES, INC
PUBLIC UTILITY EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES

This Linking Agreement for Cooperative Purchase (this “**Agreement**”) is made and entered into on _____, 2025 (the “**Effective Date**”), by and between the Town of Paradise Valley, an Arizona municipal corporation (the “**Town**”), and Altec Industries, Inc, an Alabama corporation authorized to do business in Arizona (the “**Contractor**”). The Town and Contractor are the only parties to this Agreement; they are each individually a “**Party**,” and together they are the “**Parties**.”

RECITALS

- A. On January 12, 2022, after a competitive procurement process, Sourcewell—a State of Minnesota local government unit and service cooperative—entered into Contract No. 110421-ALT with the Contractor (the “**Base Agreement**”) to purchase goods and services as described therein. A copy of the Base Agreement is attached hereto as **Exhibit A**, and the terms of the Base Agreement are incorporated herein by reference to the extent not inconsistent with this Agreement. The Base Agreement permits its cooperative use by other governmental agencies, including the Town.
- B. Pursuant to A.R.S. §§ 41-2631 *et seq.* and Town of Paradise Valley Resolution Nos. 1205 and 1207, the Town has the authority to utilize cooperative purchasing contracts and engage contractors under the terms thereof.
- C. The Town desires to contract for goods or services identical or nearly identical to the goods or services the Contractor is providing other units of government under the Base Agreement, and the Contractor desires to provide such goods and services as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, the Contractor and the Town, in consideration of the foregoing Introduction and Recitals, which are incorporated herein by reference, and for the consideration hereinafter set forth, promise, covenant, and agree as follows:

- 1. Scope of Work; Terms, Conditions, and Specifications.
 - 1.1. The Contractor shall provide the Town goods and/or services generally described as public utility equipment with related accessories and supplies, and more particularly identified in (the “**Scope of Work**”) attached hereto as **Exhibit B** and incorporated herein by reference.
 - 1.2. The Contractor agrees to comply with all the terms, conditions, and specifications of the Base Agreement. Such terms, conditions, and specifications are specifically incorporated into and are an enforceable part of this Agreement, except to the extent superseded herein or otherwise provided in

Exhibit C. Pursuant to the terms of the Base Agreement, the Town is a Service Member of Sourcewell and is entitled to all the same benefits under the Base Agreement as Sourcewell.

- 1.3. The Contractor shall comply with all the Town's specific requirements and/or options, as specified in **Exhibit C** attached hereto and incorporated herein by reference. **To the extent there is any conflict between Exhibit B or C and the Base Agreement, Exhibits B and C take precedence.**
- 1.4. The Contractor acknowledges and agrees that work order(s) containing unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement (collectively, the "Unauthorized Conditions"), other than the Town's project-specific requirements, are hereby expressly declared void and shall be of no force and effect. Acceptance by the Town of any work order or invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement or in the Base Agreement shall not alter such terms and conditions or relieve the Contractor from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement. If this Agreement is renewed pursuant to Subsection 3 and such renewal includes any Unauthorized Conditions, other than price, those terms will be null and void.
2. Payment. Payment to the Contractor for the services, materials, or equipment provided shall be made in accordance with the terms and conditions of the Base Agreement and the price list set forth in **Exhibit B**. The total compensation for the goods or services purchased under this Agreement shall not exceed \$204,287 for the entire term of this Agreement.
3. Contract Term and Renewal.
 - 3.1. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until December 26, 2027, unless terminated, canceled, or extended as otherwise provided in this Agreement.
 - 3.2. The Town Manager or designee may extend the term of this Agreement consistent with the extension, if any, of the Base Agreement. Extensions are not automatic and shall only occur if the Town gives the Contractor notice of its intent to extend this Agreement.
 - 3.3. Upon the expiration of the Base Agreement, including any authorized renewals thereof, the Town may, at its option, extend this Agreement on a month-to-month basis for a maximum of six months. The purpose of such month-to-month extensions, if any, shall be to allow for the Town's procurement processes in the selection of a vendor to provide the services or materials provided under this Agreement.
4. Certificates of Insurance. All insurance provisions of the Base Agreement shall apply, including, without limitation, the requirement to name the Town, its agents, representatives, officials, volunteers, officers, elected officials, and employees as additional insured. Prior to commencing work under this Agreement, the Contractor shall furnish the Town with Certificate(s) of Insurance and formal endorsements issued by the Contractor's insurer(s) as evidence that policies providing the required coverages, conditions, and limits required by this Agreement are in full force and effect.
5. E-Verify. The Contractor complies with A.R.S. § 23-214 and agrees to comply with the requirements of A.R.S. § 41-4401.
6. Boycott of Israel Prohibited. To the extent Title 35 applies to this Agreement, the Contractor warrants that it is not and will not participate in prohibited activity in contravention of A.R.S. § 35-393.01.

7. Cancellation for Conflict of Interest. This Agreement may be canceled pursuant to A.R.S. § 38-511.
8. Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed original hereof.
9. Forced Labor of Ethnic Uyghurs. To the extent applicable under A.R.S. § 35-394, the Contractor warrants and certifies that it does not currently, and agrees that it will not, for the duration of this Agreement, use the forced labor, any goods or services produced by the forced labor, or any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If the Contractor becomes aware that it is not in compliance with this paragraph, it shall notify the Town of the noncompliance within five business days of becoming aware of it. If the Contractor fails to provide a written certification that it has remedied the noncompliance within 180 days after that, this Agreement shall terminate unless the termination date of this Agreement occurs before the end of the remedy, in which case this Agreement terminates on its termination date.
10. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the Town and each council member, officer, employee, or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from, and against any and all losses, claims, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of the Contractor, its officers, employees, agents, or any tier of subcontractor in connection with the Contractor's work or services in the performance of this Agreement. The amount and type of insurance coverage requirements set forth in this Agreement or the Base Agreement will in no way be construed as limiting the scope of the indemnity in this section.
11. Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have hereunto subscribed their names.

TOWN OF PARADISE VALLEY,
an Arizona municipal corporation:

Andrew Ching, Town Manager

ALTEC INDUSTRIES, INC
an Alabama corporation:

By: *Derek Huffer*

Name: Derek Huffer

Title: Account Manager

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney

**LINKING AGREEMENT
FOR COOPERATIVE PURCHASE**

ALTEC INDUSTRIES, INC
PUBLIC UTILITY EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES

**EXHIBIT A
BASE AGREEMENT**

(See attached: Sourcewell Contract No. 110421-ALT, Public Utility Equipment with Related Accessories and Supplies, January 12, 2022, as amended)



CONTRACT EXTENSION

Contract Number: 110421-ALT

Sourcewell
202 12th Street Northeast
P.O. Box 219
Staples, MN 56479
(Sourcewell)

and

Altec Industries
210 Inverness Center Dr

Birmingham, Alabama
(Vendor) 35242-4834

have entered into Contract Number: 110421-ALT
for the procurement of: Public Utility Equipment with Related Accessories and Supplies

The Contract has an expiration date of 2025-12-27 , but the parties may extend the Contract by mutual consent.

Sourcewell and Vendor acknowledge that extending the Contract benefits the Vendor, Sourcewell and Sourcewell’s Members. Vendor and Sourcewell agree to extend the Contract listed above for an additional period, with a new Contract expiration date of 2026-12-27 . All other terms and conditions of the Contract remain in full force and effect.

Sourcewell

Signed by:

C0FD2A139D06489
Authorized Signature

Jeremy Schwartz
Name

Chief Operating and Procurement Officer
Title

8/19/2025 | 6:34 AM CDT
Date

DocuSigned by:

1F0625CF2D724D8...
Authorized Signature

Brooklyn Russell
Name

- Contract Specialist
Title

8/21/2025 | 11:57 AM PDT
Date



Solicitation Number: RFP #110421

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Altec Industries, Inc., 210 Inverness Center Drive, Birmingham, AL 35242 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Public Utility Equipment with Related Accessories and Supplies from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires December 27, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

Except as expressly agreed in the participating addendum or transaction document with the participating entity, all Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all new Equipment, Products, and Services furnished (which does not include equipment or products that are solely financed) are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. **SALES TAX.** Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. **HOT LIST PRICING.** At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;

- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized

subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions for the direct purchase of new equipment or products must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and

Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any negligent act or omission or willful misconduct in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and

promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

- \$500,000 each accident for bodily injury by accident
- \$500,000 policy limit for bodily injury by disease
- \$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

- \$1,000,000 each occurrence Bodily Injury and Property Damage
- \$1,000,000 Personal and Advertising Injury
- \$2,000,000 aggregate for Products-Completed operations
- \$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance.* During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance.* During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or

“work” performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcwell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcwell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

Altec Industries, Inc.

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...
By: _____
Jeremy Schwartz
Title: Chief Procurement Officer
1/12/2022 | 12:44 PM CST
Date: _____

DocuSigned by:
Riley Browne
DDB79E9FF5034DA...
By: _____
Riley Browne
Title: Contract Specialist
1/12/2022 | 1:03 PM CST
Date: _____

Approved:

DocuSigned by:
Chad Coquette
7E42B8F817A64CC...
By: _____
Chad Coquette
Title: Executive Director/CEO
1/12/2022 | 1:06 PM CST
Date: _____

RFP 110421 - Public Utility Equipment with Related Accessories and Supplies

Vendor Details

Company Name: Altec Industries, Inc.

Does your company conduct business under any other name? If yes, please state: Global Rental Co Inc, JJ Kane Auctioneers, Altec Capital, Altec Supply, Altec Sentry, Altec Service

Address: 33 Inverness Center Pkw
Birmingham, AL 35242

Contact: Riley Browne

Email: riley.browne@altec.com

Phone: 205-408-2341

HST#:

Submission Details

Created On: Thursday September 16, 2021 15:53:03

Submitted On: Thursday November 04, 2021 12:46:34

Submitted By: Riley Browne

Email: riley.browne@altec.com

Transaction #: d9f5703c-9b11-4637-9a77-a68682d8b3ec

Submitter's IP Address: 209.149.164.250

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcwell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Altec Industries, Inc.
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Altec Capital Services Altec Service JJ Kane Auctioneers Altec NUECO Altec Supply Altec Sentry
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Altec Industries, Inc. Altec Capital Services Altec Service JJ Kane Auctioneers Altec NUECO Altec Supply Altec Sentry
4	Proposer Physical Address:	Altec Industries, Inc 210 Inverness Center Drive Birmingham, AL 35242
5	Proposer website address (or addresses):	www.altec.com https://www.jjkane.com/ https://www.altec.com/altec-capital/ https://www.altec.com/service/ https://connect.altec.com/store http://www.altec.com/altec-nueco https://www.altec.com/safety/ https://www.altec.com/altec-parts/
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Riley Browne Contract Specialist riley.browne@altec.com 205-408-2341
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Riley Browne Contract Specialist riley.browne@altec.com 205-408-2341
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Breanna Kinman Contract Specialist breanna.kinman@altec.com 816-236-1296

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
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9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>Altec is a leading provider of products and services to the public utility, electric utility, telecommunications, tree care, lights and signs, and contractor markets. Altec Inc. is the holding company for Altec Industries, Inc. which holds Global Rental, Altec NUECO, JJ Kane Auctioneers, Altec Worldwide, Altec Capital, Altec Supply, Altec Ventures, LLC, Altec Spray Equipment, and Altec Air. We deliver products and services in more than 100 countries throughout the world.</p> <p>Since 1929, Altec has been a company committed to excellence in the Public Utility Equipment industry. Our products are the industry leaders and consistently raise the bar through innovative product design, integrated safety features, and continued dedication to total customer satisfaction.</p> <p>Altec continues to pursue a singular business philosophy: To be recognized by customers as the preferred supplier of products, services and solutions in all markets we serve. Our values sustain that vision, our goals build upon it and our associates help us to achieve it. Altec's values are the cornerstone of our corporate culture and every associate is considered an integral part of Team Altec.</p> <p>The history, tradition and culture of Altec are founded on our core values (listed in alphabetical order):</p> <ul style="list-style-type: none"> • Customer first • Enjoyment of work • Family • Financial stability • Integrity • People are our greatest strength • Quality • Spiritual development • Teamwork
10	What are your company's expectations in the event of an award?	We hope to further strengthen our relationships with Sourcewell and government agencies through cooperative purchasing. We want to achieve continued growth within our government business sectors and be recognized as the preferred supplier of hydraulic equipment solutions for Sourcewell and its members.
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Altec Industries, Inc is a financially sound and conservatively managed company and has been in business for 93 years under the same family ownership. Because we are privately held we do not disclose detailed financial data, however please reference attached files "Financial Strength - Financial Statement Letter", "Financial Strength - Bank Statement Letter", and "Financial Strength - Dun and Bradstreet Screenshot" for more information regarding our financial strength and stability.
12	What is your US market share for the solutions that you are proposing?	We maintain a market share of approximately 70% for our core products. Non-core products are approximately 30%.
13	What is your Canadian market share for the solutions that you are proposing?	Canada market share is approximately 20%.
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No, we have never petitioned for bankruptcy protection.
15	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>Altec is a manufacturer with direct sales force. Our sales force consists of 100% direct employees of Altec. Our sales force covers all 50 States, Canada, and over 100 countries throughout the world. Our service force is also 100% direct employees of Altec (both mobile service and service center employees). We are a direct sale / service / manufacturing company and do not maintain a dealer network. Please see attached documents "Company Information - Altec Production Facilities" and "Company Information - Altec Service Centers and Mobile Service Locations"</p>

16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	<p>Altec Industries holds all credible licenses and certifications necessary for providing goods and services referenced in this RFP (related to OSHA/ANSI/ASME standards for manufacturing).</p> <p>We are ISO 9001:2015 certified for technical sales, application engineering, procurement, materials, final assembly, product creation, manufacturing, quality, and general processes related to production of electronic components, fiberglass structures and the final assembly of utility equipment at 2106 Riverside Rd, Saint Joseph, MO and the production of aerial devices and digger derricks at 5001 E. 36 Hwy, Saint Joseph, MO.</p> <ul style="list-style-type: none"> • Technical sales, application engineering, materials, final assembly, manufacturing, product creation, and quality processes related to the production of specialty utility equipment at 3907 S. 48th Terr, Saint Joseph, MO. • Manufacturing and quality processes related to the production of fiberglass structures and electronic components at 1009 Vernon Rd, Wathena, KS. • Materials and quality processes at 5703 Mitchell Ave, Saint Joseph, MO. • Product creation and quality processes related to design validation activities at 4906 E. 36 Hwy, Saint Joseph, MO. • Please see attached "Company Information - ISO Quality Certification" for more information <p>Employees of our plants hold welding certifications, Fluid Power Society certifications and various engineering certifications, including Professional Engineering licenses</p> <p>Account Managers who specialize in our Crane product lines are required to become Certified Operators every 5-years, through our Sentry Operator Certification training program.</p> <p>ALTEC Industries, Inc. is capable of providing certification for equipment operators through our Sentry training program.</p> <p>Motor Vehicle Dealer Licenses in each state where applicable</p> <p>All of our facilities employ the Atec Production System which features the Kanban system of lean manufacturing.</p> <p>Authorized Representative Riley Browne and Government Sales Manager Elana Martinez hold Certified Schedules Contracts Manager (CSCM) certifications</p>
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Altec has never been suspended or disbarred.

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
18	Describe any relevant industry awards or recognition that your company has received in the past five years	<ul style="list-style-type: none"> • Selected to Forbes list of America's Best Midsize Employers 2019 • Altec won Exelon's 2017 Innovation Award based on the application and acceptance of our JEMS product at all 4 Excelon companies. • 2017-2021 Altec has been recognized as a top supplier for Avista, a US-based energy company serving eastern Washington, northern Idaho and parts of southern and eastern Oregon. Each year, Avista uses a scorecard to rigorously rate suppliers' customer service and value provided to the company. • Altec was named one of the "Best Places to Work" for 2017 by the Birmingham Business Journal. • Altec Mt. Airy Associates won the Chairman's Award from the United Fund of Surry for 2017
19	What percentage of your sales are to the governmental sector in the past three years	Less than 10% of our sales are to the government.
20	What percentage of your sales are to the education sector in the past three years	Less than 1% of our sales are to the education sector.
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Texas Multiple Award Schedule (TXMAS): Over \$1MM Commonwealth of Pennsylvania (Co-Stars): Over \$1MM Michigan MI Deal: Over \$1MM Washington State Purchasing Cooperative: Over \$500k State of Ohio: Over \$500k
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	GSA Contract GS-30F-026GA, over \$5MM annually. We also hold two DLA contracts with similar combined volume

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *
Los Angeles Department of Water and Power (Member # 40257)	Joseph Ortiz	213-840-8489
City of Lakeland (Member # 4862)	Dwayne Goostree	863-581-3443
City of Seattle (Member # 25215)	Guy Noren	206-684-0141
Lewis County PUD (Member # 76495)	Bryan Watt	360-748-9261

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *
Federal Government Agency	Government	Georgia - GA	Located throughout US and world, purchases Aerial Devices, Digger Derricks	Transaction sizes range from 1 truck to multiple trucks per PO	Over \$2M
Federal Government Agency	Government	California - CA	Located throughout US and world, purchases Aerial Devices, Digger Derricks, Cranes, Cable Pullers	Transaction sizes range from 1 truck to multiple trucks per PO	Over \$2M
Federal Government Agency	Government	District of Columbia - DC	Located throughout US and world, purchases Aerial Devices, Digger Derricks, Cranes	Transaction sizes range from 1 truck to multiple trucks per PO	Over \$2M
Federal Government Agency	Government	District of Columbia - DC	Located throughout US and world, purchases Aerial Devices	Transaction sizes range from 1 truck to multiple trucks per PO	Over \$2M
Local Government Entity	Government	California - CA	Purchases Aerial Devices and Service Bodies	Transaction sizes generally are greater than 5 per PO	Over \$2M

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcwell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
25	Sales force.	Altec employs a direct sales force of over 100 Account Managers who are dedicated to government and commercial sales and support within their respective territories. Their territories are established based on concentration of customers, and they live in their territories. Our Account Managers spend 100% of their time; communicating, consulting and managing customer's needs. The products represented in this RFP are core to our customers and industry, thus allowing our Account Managers to provide expert knowledge to Sourcwell members of their benefits and usage. Altec's Sourcwell contract is our preferred method by which to serve our government customers. There is no overlap in our sales and service functions
26	Dealer network or other distribution methods.	Altec is a factory direct sales / service company, we do not use dealer or distribution networks.
27	Service force.	All employees in our Service Force are employed by Altec Industries. Altec has 44 Service Centers located throughout the United States and Canada. These facilities are equipped with the tools, equipment, and certified hydraulic technicians needed to get your Altec unit up and running as soon as possible. The Altec Service Group employs over 150 Mobile Service Technicians nationwide that are available to be deployed to your location. Mobile service technicians are equipped with the trucks and tools needed to get your equipment serviced and back on the road as soon as possible. They provide on-site warranty, service and preventative maintenance solutions for our customers Additionally, Altec Mobile Service has 24 hour emergency assistance, as well as emergency storm coverage. There is no overlap in our sales and service functions. Please see attached map "Company Information - Altec Service Centers and Mobile Service Locations" that illustrate our service force coverage, and locations for our service centers.
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Altec handles all quotes and orders directly. A quote will be created based on customer needs and requirements, and an order can be sent to Altec Account Manager from customer in response to the quote. All purchase orders are processed by Altec, as we are a factory direct company. We prefer a process whereas Sourcwell members issue purchase orders directly to us. Our Sourcwell quotes / orders are flagged in our system upon creation, and a report is run each quarter to report this sales data to Sourcwell. This process is the responsibility of a team at our corporate office with visibility of our word wide operations. Customers are also currently able to request quotes via our website, www.altec.com . Altec offers parts and accessory sales via our AltecConnect online portal, https://www.altec.com/altec-connect which serves as a as a "one stop online shop" for ordering tools, supplies, accessories, replacement parts and for managing your fleet information.

29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>When you purchase from Altec, you invest in a relationship that spans the life of the equipment. Altec Service Group backs up this promise with the most complete and comprehensive service and support organization in the industry. We also offer the most complete line of parts for equipment repair and maintenance, along with a technical support and training organization to train, educate, and problem solve.</p> <p>As the only authorized dealer of genuine Altec replacement parts, you can be assured that you will receive parts that meet the required Altec Quality and Engineering standards. Our dedicated line for parts / service / sales needs is 877-GO-ALTEC, it is available 24 hours a day. Our objective is to answer all parts calls in under 10 seconds. We have 35 parts experts with more than 300 years of combined experience taking parts calls. We hold 29,000 active items on hand, and 92.5% of product lines ship within 24 hours. Customers will never be sent to voicemail when calling 877-GO ALTEC for parts support.</p> <p>Additionally, a customer's Account Mangers will be available via their cell phones and email whenever needed, and during periods of natural disaster Altec will move resources into areas affected to provide parts and service work faster.</p> <p>We also offer Altec Connect, a more customer-focused experience that will allow our customers to view and search fleet information, order replacement parts and view APNs and service requests. In conjunction with the new Supply Store, Altec is dedicated to serving as a "one stop online shop" for ordering tools, supplies, accessories, replacement parts and for managing your fleet information. https://www.altec.com/altec-connect</p>	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Altec proposes to service the entire United States and Canada (with capabilities to service Internationally).	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Altec proposes to service the entire United States and Canada (with capabilities to service Internationally).	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Altec proposes to service the entire United States and Canada (with capabilities to service Internationally).	*
33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Altec proposes to service all Sourcewell members	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Altec will not have contract requirements or restrictions on Sourcewell members located in Hawaii, Alaska, or US Territories. The only difference in quoting will be shipping cost when a machine needs to travel via Ocean Freight.	*

Table 7: Marketing Plan

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>The Altec/Sourcwell marketing plan will include, the development of printed marketing materials, press releases, advertisements, web-based marketing, and the attendance of trade shows. While in attendance at trade shows with substantial Sourcwell eligible customers present, such as GFX, Altec will typically bring a vehicle and display Sourcwell promotional material. The Altec Government Sales team and Corporate Communications Project Manager will be involved in all Sourcwell promotions corporate-wide. Altec will continue to help create content that drives awareness of cooperative purchasing, as represented by attached "Marketing Plan - Altec Article". Examples of material are included "Marketing Plan - Sourcwell Value Flyer - Altec", as well as "Marketing Plan - GFX 2021 Altec Booth" for reference and "Marketing Plan - www.altec.com Sourcwell Landing Page"</p> <p>Our Account Managers being comfortable with the contract and well versed in how it works, may be our most impactful marketing strategy, as they are working with our customers regarding their equipment needs on a daily basis. Altec employs a National sales training team, that provided initial base sales training programs for all new Altec sales associates (both Account Managers and Technical Sales Specialists). Our Sourcwell contract is a topic in this training, and has dedicated time assigned to it. Thereafter, focused web-training modules and e-courses are used to provide a more procedural method for these types of sales calls. These materials will also serve as follow-up training for all associates with 2+ years of experience. Material is accessible 24/7 on Altec's internal Sales Resource Center, please see "Marketing Plan - Internal Altec Resources". In addition to the training team, Altec employs a Government Sales team focused on the management of all federal, state and cooperative contracts. This team serves as the experts for the company, for associates in the field who need on-the-fly support. The Government team in tandem with a newly formed Contracts Steering Committee will communicate contract changes, improvements and regulations with the National sales force regularly.</p>
36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	<p>Website data allows Altec's marketing and IT teams the ability to measure customer activity as well as the health of the website in one tool.</p> <p>From a marketing perspective, we are able to analyze that our content effectively moves our users and customers through the sales funnel to increase leads. This information also helps us confirm that our content is satisfactory to support our traditional sales teams with accurate information that helps our customers make informed decisions about purchases.</p> <p>From an IT perspective, we are able to analyze information that relates to website health such as mobile usage, operating system and load times. This information allows us to make informed decisions about the priority of initiatives to improve Altec's digital presence.</p> <p>We maintain an active social presence through Facebook (over 253,000 likes, over 258,000 follows), along with other sites.</p>
37	In your view, what is Sourcwell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcwell-awarded contract into your sales process?	<p>Our experience has been that Sourcwell provides numerous opportunities for promotion of our products via their own web traffic, tradeshow attendance and printed marketing materials. We hope this level of support will continue with this new RFP. Our Sourcwell contract is integrated into our sales process as the preferred method of using Cooperative Purchasing. Our sales team is required to complete training on Sourcwell and cooperative purchasing as a whole, and new members of our team attend a live training that details the contract and internal processes.</p>
38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	<p>Altec Connect provides for a more customer-focused experience that will allow our customers to view and search fleet information, order replacement parts and view APNs and service requests. In conjunction with the new Supply Store, Altec is dedicated to serving as a "one stop online shop" for ordering tools, supplies, accessories, replacement parts and for managing your fleet information. This system has been very well received by our customers, including governmental and educational customers because it reduces the number of places they need to go to get access to unit-specific information, replacement parts, tools, accessories, and service information.</p> <p>Altec manages federal customer solicitations/RFQs via the GSA E-buy system, FedBid and several other public sites. Although, awards (POs) are still provided manually by the respective contracting officer, these sites offer a method of standardized RFQ submissions.</p> <p>Consumers are currently able to request new/used equipment, rental and leasing quotes via our website.</p>

Table 8: Value-Added Attributes

Line Item	Question	Response *
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39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	<ul style="list-style-type: none"> • Upon delivery of an Sourcewell member's completed equipment, the local Altec Account Manager provides an on-site equipment orientation with the appropriate operators. This In-Service is provided free of charge. • Each truck is delivered with two (2) sets of operator and maintenance/parts manuals. Within the equipment manuals, the standard features, safe operation, maintenance and repair information are covered. These are provided free of charge. • Additionally, over 150 basic operating and safety videos are available on https://store.altecsentry.com/catalog/free free of charge • Altec Sentry offers a variety of Instructor-Led courses for aerials, derricks and cranes. These OSHA and ANSI compliant courses aid in the fulfillment of employer training requirements. Many programs offer both Operator and Train-The-Trainer Formats. Additional costs apply based on duration of training, size of class, travel time for instructor, etc. Please navigate to https://www.altec.com/safety/ for more information. The following Instructor-Led Trainings are Available: <ul style="list-style-type: none"> o Insulating Aerial Device o Non-Insulating Aerial o Tree Care Aerial Device o Bucket Rescue o Digger Derrick o Backyard Digger o Crane o Wood Chipper <p>Altec Sentry also offers more than 80 online courses for cranes, aerial devices, digger derricks and chippers. Through a simple dashboard and storefront, operators can receive ANSI and OSHA-compliant General Training and Familiarization without the need for traditional classroom sessions.</p> <ul style="list-style-type: none"> • Other Altec Training options (additional costs apply): <ul style="list-style-type: none"> o Customized Altec equipment hydraulic maintenance training o International Fluid Power Society (IFPS) Certification training (testing provided by third party) o NCCCO certification programs for operators of mobile cranes and digger derricks
40	Describe any technological advances that your proposed products or services offer.	<p>Our products are the industry leaders and are consistently raising the bar through innovative product design, integrated safety features, and continued dedication to total customer satisfaction. Altec showcases this through advancements such as;</p> <ul style="list-style-type: none"> • Fiber Optic Controls • Lanyard Detection System that promotes safe unit operation by helping to ensure line workers are "clipped in" while conducting work from the platform. This operator aid helps reduce the risk of falling from the platform by reminding users to attach their lanyard before working at height (available on select models) • Altec Load Monitoring System (ALMS) acts as an aid to provide real-time visual and audible information about the percentage of rated load on your boom and/or platform. By actively monitoring your aerial's load capacity with a reliable system, you can avoid accidents and enhance safety on the job site (available on select models) • JEMS (Jobsite Energy Management System) with it's integrated plug-in system that uses stored electrical energy to power the aerial device, tools and exportable power, and provides cab comfort with Lithium-Ion batteries (available on select models) • Advanced paint systems • And many other ways we keep our customers working safer and smarter
41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	<p>Altec is the industry leader for sustainability efforts and is dedicated to listening and creating solutions. That's why we acknowledge the tremendous challenges and opportunities our customers face and aspire to responsibly care for the environment and the communities in which we operate. Altec's allegiance is evident in the development of numerous sustainability initiatives:</p> <ul style="list-style-type: none"> • The Industry's First Green-Focused Facility. Located in Dixon, CA, Altec products are manufactured in a plant that features state-of-the-art sustainable construction that exceeds Title 24 energy and lighting codes. Altec received significant guidance and support on the development of this new green-focused facility from two of its customers – Pacific Gas & Electric Company (PG&E) and Southern California Edison. The new facility in Dixon allows Altec the opportunity to increase manufacturing of our Green Fleet line of products—the industry's leading energy-saving utility vehicles. Customer PG&E and Altec are in partnership to develop innovative, technologically advanced Green Fleet utility vehicles. These energy efficient Green Fleet vehicles provide a safer work environment for utility crews; significantly reduce emissions, and lower vehicle operating costs while extending vehicle life. • Meeting Customer Needs. Our Green Fleet product line decreases fuel consumption and greenhouse gas emissions, while lowering noise pollution. In partnership with the Department of Energy, Electric Partners Research Institute, CALSTART Hybrid Truck Users Forum and others, we offer a range of hybrid/electric and job-site energy management systems, along with recycled lightweight materials and alternative fuels. Altec JEMS (Jobsite Energy Management System) is an integrated plug-in system that uses stored electrical energy to power the aerial device, tools and exportable power, and provides cab comfort. The energy storage system is recharged by plugging into shore power or by the truck's internal combustion engine. Our JEMS product portfolio includes: <ul style="list-style-type: none"> o JEMS S o JEMS SE o JEMS LE • Facilities and Processes. Each Altec facility has established procedures and environmental management programs and actively engages in recycling steel, copper and aluminum, as well as consumer recyclables. The installation of powder coat and e-coat paint systems has substantially reduced solid waste volume and air emissions. All facilities in the corporation, including auction yards and service centers, have converted to energy efficient LED lighting. All new construction is reviewed and where applicable, energy efficiency products/construction are included (i.e., LED lighting, high efficiency gas burners, Energy Star appliances, motion activated lighting, etc.). • Our St. Joseph, MO facility has installed solar energy on three of the buildings on campus. • Altec EcoEasy Common Sustainability Goals. Green purchasing policies using Best-Value approach utilizing Staples' environmental office products and supplies has been implemented Corporate wide.
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	<p>HVIP - Voucher Incentive Project for our Jobsite Energy Management System models. Visit https://californiahvip.org/vehicle-category/epto/ for more information</p> <p>Industry Organizations affiliations:</p> <ul style="list-style-type: none"> • Calstart • Clean Cities

<p>43</p>	<p>Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.</p>	<p>Altec recognizes that a diverse and talented workforce is a key competitive advantage. Our business success is reflected in the quality and skill of our people. Inclusion means understanding, valuing and respecting workplace diversity, so that no associate is excluded from the workplace nor the opportunity to develop skills and talents consistent with our values and business objectives.</p> <p>Altec Industries, Inc. and its affiliates are equal opportunity employers and maintain affirmative action plans to recruit, retain, develop and promote qualified individuals without unlawful consideration of race, gender, color, religion, sexual orientation, national origin, age, disability, citizenship status, veteran status, or any other characteristic protected by federal, state or local law.</p> <p>Altec is a National Corporate Member of the Women's Business Enterprise National Council.</p> <p>As part of our commitments to holding federal contracts, Altec is annually responsible to providing a small-business contracting plan which is reviewed and approved by one of our two federal contract agencies. Every year, we strive to find small business suppliers who will meet the quality and liability requirements, to supply products/services that meet/exceed our manufacturing standards. Suppliers who are interested in doing business with Altec are encouraged to register on our Supplier portal, located on our website.</p>
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<p>44</p>	<p>What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?</p>	<p>Altec offers Sourcewell members the advantage of working with one company to manufacture, sell, engineer, integrate key components (unit/body/chassis), administer warranty, and provide service solutions for a full line of Public Utility Equipment.</p> <p>We can provide full equipment lifecycle solutions, including:</p> <ul style="list-style-type: none"> o Altec Capital Services (ACS) - Equipment Financing o Global Rental Company - Equipment Rentals o Altec Supply - Tool and Accessory Sales o Altec Sentry - Operator Safety Training o Altec Fleet Services - Comprehensive Fleet Management Solutions o Altec Service Group - In-shop and Mobile service and replacement parts support o Altec NUECO Used Equipment/Trade-In options (The only supplier of Altec Certified Pre-Owned Trucks) o JJ Kane Auctioneers - Auctions - (Specializes in Utility Equipment) <p>Canadian and World Wide Availability:</p> <ul style="list-style-type: none"> o Altec Canada - Factory direct purchasing solutions for our Sourcewell Canadian customers with local Sales, parts, shop and mobile service, rental, and financing. o Altec Worldwide – We deliver products and services to more than 100 companies throughout the world. <p>Company Ownership: Altec has been a family owned and privately held manufacturing company, since 1929. Longevity in ownership, is an assurance for our Sourcewell customers that they can rely on availability of older Altec replacement parts, ensure Altec units are trade-worthy at a future date, and ultimately that the values and principles Altec was founded on remain in place today - Total customer satisfaction in all aspects of the business.</p> <p>Customer Focus: Altec listens and engineers solutions for our customers and the daily challenges they face. It is from that commitment, that innovative equipment, features and options are designed to provide equipment that is highly productive and has a low overall cost of ownership.</p> <p>Government Focused Sales: Altec is committed to assisting in the acquisition and procurement goals of each government entity we serve. Having a team who is both engaged in the customer relationship and also procurement process, assists Sourcewell members achieve their procurement goals effectively and efficiently.</p> <p>Innovative Design: Our products are consistently raising the bar with innovative product design and integrated safety features.</p> <p>ISO Facility: Many units are designed, manufactured and final assembled in an ISO9001 registered factory (St. Joseph, MO).</p> <p>Supply Chain Initiatives: Altec continues to make significant efforts corporate-wide to reduce and contain costs by using the Altec Production System and strengthening our supply chain.</p> <p>Quality Control: Altec provides the ability to control quality by manufacturing parts for our equipment. This allows us not only quality control but schedule control.</p> <ul style="list-style-type: none"> o Altec feels that the fiberglass boom is one of the most important components in the building of an aerial device or a digger derrick. We don't have to rely on an outside vendor for quality control. Altec has composite engineers on staff, we have traceability from raw material to the finished product. o All booms ultrasonically tested and documents maintained. o All fiberglass booms to have a minimum of 7 to 1 to ultimate safety factor. o All welding to be done by AWS certified welders who meet Standard D1.1 on a 3G weld. o All bearing surfaces to be machined after welding. o All units with electronic circuit boards to be wave soldered o Provide a power distribution module (PDM) in the cab as a central point for all electrical. Include diagnostic capability with LED lights. <p>Mechanic Certification: All quality and final testing of equipment prior to shipment from manufacturer and final assembler to be performed by FPS certified mechanics.</p> <p>Safety Certification Training: To promote and ensure the safe operation of our equipment amongst our Sourcewell members, Altec offers numerous OSHA based training CBTs and Trainer led safety programs. Altec SENTRY complies and demonstrates the vital safety features necessary for the industries in which we serve.</p> <p>Safety Standards: Standard Safety features are provided on every applicable unit; outrigger boom Interlock, outrigger motion alarm, back up alarm, unit/outrigger selector, Altec ISO Grip (Insulated Control Handle, Auxiliary Control Covers, Control Console (dashboard), Boom Tip Covers). Available tools; Lanyard interlock, Load Monitoring Systems, Basic Operating Videos, Safety Videos, Sales Videos.</p> <p>Corporate Training: People (training and certifications), process (a controlled process that provides traceability and accountability) and technology (machinery used) makes Altec a differencing Vendor.</p> <p>Warranty: Most of our products have a limited lifetime structural warranty.</p> <p>National Service / Support Network: As a private company dedicated to our customers and associates, Altec leads the way in service and customer satisfaction in the markets we serve. Altec is proud to provide products and services that help crews work safer and smarter.</p> <ul style="list-style-type: none"> o On-line ordering is available at www.altecconnect.com. Altec Connect provides easy access to ordering Tools and Accessories or Replacement Parts, as well as detailed manuals and parts information for your units. o Altec is committed to bringing you the services and products you need. For additional assistance with Parts, Tools, & Accessories, Shop Service, Mobile Service, or Technical Support, call 1-877-GO ALTEC.
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Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
45	Do your warranties cover all products, parts, and labor?	Yes, our standard warranty is 1 year parts and labor, with 90 days for travel. Additionally it includes a limited lifetime warranty on most models. Please see attached "Warranty - Documents" for more information
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	No restrictions, however products must be operated and maintained in accordance with Altec operators and maintenance manuals, programs, and bulletins. Please see attached "Warranty - Documents" for more information
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Yes, standard warranty is 90 days for travel charges.
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	No, Altec employs Mobile Service Technicians in all 50 states and Canada. We own and operate 44 service facilities across the United States and Canada. It will be the member's decision to schedule a Mobile Service Technician to come to their site or schedule in shop service. In either case, 1-877-GO ALTEC (1-877-462-5832) is our dedicated number for members to speak with their local Parts, Mobile, or Shop Service representative.
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Products not manufactured by Altec which are supplied by Altec on special order would be covered under the manufacturer warranty. This would include items such as inverters, compressors, liftgates, generators, etc.
50	What are your proposed exchange and return programs and policies?	Parts ordered in error or no longer needed can be returned. If it was an error on Altec's part or otherwise not the customer's fault the 10% restocking fee will be waived. However, due to the nature of our equipment and the devaluation that occurs upon title / registration, there is no exchange or return program for equipment sales.
51	Describe any service contract options for the items included in your proposal.	We have included in our product offering service contract packages for member consideration at discounted rates. These include Preventative Maintenance (PM) Inspections at several different intervals, DOT inspections, Dielectric Tests.

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *
52	Describe your payment terms and accepted payment methods?	<p>Payment Terms are Net 30. We accept payment by traditional methods such as check, wire transfer, and credit cards (There is a fee of 3% for credit card transactions used for the purchase of major units). Please see attached document "Payment Terms - Customer Detail" for complete details</p> <p>Customer payment inquiries can be sent to ARINQUIRY@ALTEC.COM or your local Altec Account Manager. Customer remittance information can be sent to AEPREMITTANCE@ALTEC.COM or your local Altec Account Manager.</p>
53	Describe any leasing or financing options available for use by educational or governmental entities.	<p>Altec Industries provides Leasing and/or financing options through our subsidiary Altec Capital. Options include FMV, TRAC, and Capital leases, Equipment Finance Agreements (EFAs), and a dedicated Municipal Lease option to meet the equipment needs of our municipal customers.</p> <p>The benefits of our Municipal Lease option include:</p> <ul style="list-style-type: none"> • Finance terms to match the useful life of the equipment. • Flexible lease options to shorten life cycles and decrease maintenance costs. • Conserves capital budget funds. • Match payments with budget allocations. • Non-appropriation language included. <p>Equipment - Altec aerial trucks, digger derricks, cranes and miscellaneous specialty equipment. Ancillary non-Altec equipment will also be considered along with the leasing of Altec equipment</p> <p>Lease Term - 3 years to 8 years. Please call for shorter or longer lease terms. For used equipment, the age of the unit plus the lease term cannot exceed 8 years</p> <p>Purchase rates shown on attached document "Price List - Altec Capital Rate Matrix 11-1-2021" are good for 30 days from Date shown above.</p> <p>Credit Ratings - Baa or better</p> <p>Contact Altec Capital for a quote for your specific opportunity.</p> <p>With Altec Capital Services, there is no need to look anywhere else. Municipalities can now affordably purchase equipment in a timely, simplified way. The municipal lease offering is another product that Altec Capital Services, LLC offers to our customers in an effort to become your partner.</p> <p>Please feel free to visit http://www.alteccapital.com for more information.</p>
54	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Each opportunity will be quoted to customer, in compliance with Sourcewell contract terms and conditions including pricing and discount structure. Altec has created templates to help standardize the work practice and ensure we are quoting in a compliant manner. Please see attached "Audit - Standard Docs - Quote Template Example". We will typically also include a detailed quote document, in order for customer to verify their requirements are being met with our proposal. This document will include additional notes at the end. Please see attached "Standard Docs - Detailed Quote Document Example".
55	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes Altec accepts the P-card, there is a fee of 3% for credit card transactions used for the purchase of major units

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of

an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *
56	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	<p>Line Item Proposed Contract Pricing plus \$2.20/mile delivery charge (CONUS only). The pricing provided includes a discount of between 3% - 5% off MSRP depending on the model. Please see attached "Price List - ALTEC 110421 11-4-2021" for USA, and "Price List - ALTEC 110421 11-4-2021 CANADA" for Canada . NUECO pricing sheet is attached as well and represents a 3% discount off of standard pricing "Price List - NUECO - 2021"</p> <p>JJ Kane Auctioneers, an Altec company, is a full-service auction company that specializes in the remarketing of Utility and Forestry Equipment including but not limited to aerial lifts, cranes, digger derricks, cable placing machines, directional drills, excavation equipment, and trenchers, is offering Sourcewell members a 28.6% savings off their typical sellers fee. Please see attached "Price List - and Notes JJ Kane"</p> <p>Altec Capital rate sheet is attached "Price List - Altec Capital Rate Matrix 11-1-2021" as well as "Altec Capital Sourcewell Proposal". These rates are based on a credit rating of Baa or better, and are not to exceed rates.</p> <p>There is no more aggressive pricing available in the country for cooperative procurement organizations, state purchasing departments, GPOs, municipalities, universities, or school districts.</p>
57	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	<p>Line Item Proposed Contract Pricing plus \$2.20/mile delivery charge (CONUS only). The pricing provided includes a discount of between 3% - 5% off MSRP depending on the model. Please see attached "Price List - ALTEC 110421 11-4-2021" for USA, and "Price List - ALTEC 110421 11-4-2021 CANADA" for Canada . NUECO pricing sheet is attached as well and represents a 3% discount off of standard pricing "Price List - NUECO - 2021"</p> <p>JJ Kane Auctioneers, an Altec company, is a full-service auction company that specializes in the remarketing of Utility and Forestry Equipment including but not limited to aerial lifts, cranes, digger derricks, cable placing machines, directional drills, excavation equipment, and trenchers, is offering Sourcewell members a 28.6% savings off their typical sellers fee. Please see attached "Price List - and Notes JJ Kane"</p> <p>Altec Capital rate sheet is attached "Price List - Altec Capital Rate Matrix 11-1-2021" as well as "Altec Capital Sourcewell Proposal". These rates are based on a credit rating of Baa or better, and are not to exceed rates.</p> <p>There is no more aggressive pricing available in the country for cooperative procurement organizations, state purchasing departments, GPOs, municipalities, universities, or school districts.</p>
58	Describe any quantity or volume discounts or rebate programs that you offer.	<p>For equipment purchase prices:</p> <p>2-5 Units: 1% Discount from Contract Price 6-10 Units: 1.5% Discount from Contract Price 11-19 Units: 2% Discount form Contract Price 20+ Units: TBD at Time of Order</p> <p>Note: Units must be identical and ordered at the same time to qualify for quantity rebate.</p>
59	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	<p>Altec is offering nearly 500 of our most commonly ordered line items with specific pricing for Sourcewell members. When specific customer work practice requirements, customer preferences, ect, drive a need to utilize the Open Market section of our quote template, we will present a unique quote for each such request for customer review that will supplement the base model and contract items being quoted. This will all be accomplished with our standard quote template document, and allow our customers to be able to customize their equipment as desired.</p>
60	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	<p>Delivery is the only cost not included in pricing. It applies to all customers and the price is \$2.20 / mile for CONUS. Quotes would need to done for anything outside of the CONUS and will be priced at or below fair market value.</p>
61	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	<p>Altec has a team of drivers that work for the company. We will also contract with approved and vetted third party drive away companies to deliver our equipment from our manufacturing facilities to the customer site. Delivery is an additional \$2.20 / mile and will be calculated at time of quote for CONUS. Anything outside of the CONUS would be contracted through a third party company and would need to be priced at time of initial quote to customer. Pricing will be at or below fair market value. All parties participating in delivery of equipment will meet certain insurance and liability requirements.</p>
62	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	<p>Canada deliveries will be driven to customer site by approved and vetted third party drive away companies. Alaska, Hawaii, and worldwide deliveries will be contracted through a third party company and would need to be priced at time of initial quote to customer. Price will be at or below fair market rate. All parties participating in delivery of equipment will meet certain insurance and liability requirements.</p>

63	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Altec Industries has manufacturing facilities located throughout the country. If customer has a requirement for a "regional build" they can indicate this at time of quote and we will be happy to accommodate, please see attached "Company Information - Altec Production Facilities" for locations. If customer has any unique delivery requirements (such as loading equipment on a trailer for delivery, etc), they can also indicate at time of quote. Additionally customers are welcome to pickup their equipment at the manufacturing location, take a guided tour of the plant, and meet the Altec team that built their truck if desired.
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Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
64	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	There is no more aggressive pricing available in the country for cooperative procurement organizations, state purchasing departments, GPOs, municipalities, universities, or school districts.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
65	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcwell. This process includes ensuring that Sourcwell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcwell. Provide sufficient detail to support your ability to report quarterly sales to Sourcwell as described in the Contract template.	<p>Our Technical Sales Representatives that prepare Sourcwell quotes for our customers go through training on the Sourcwell quote process, requirements, and our quote template is up to date and posted on our internal company site. The quote template governs our pricing and ensures we are providing contract compliant quotes. Our Account Managers must verify customer eligibility and flag the opportunity as a Sourcwell quote in our system in order to receive Sourcwell pricing and discounts. We currently, and will continue to run quarterly reports for orders invoiced and flagged as Sourcwell, and compare the customers on this list with members listed on Sourcwell's website to check again that customers are members. The reporting and audit process is administered by Altec Corporate, with visibility of global operations. Internally, we run reports every month and identify any potential discrepancies before it is time to report our quarterly numbers and pay administrative fee to Sourcwell.</p> <p>Please see attached "Audit - Standard Docs - Quote Template Example". We will typically also include a detailed quote document, in order for customer to verify their equipment requirements are being met with our proposal. This document may include additional notes at the end. Please see attached "Standard Docs - Detailed Quote Document Example".</p>
66	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	<p>Monthly update on new customers using our Sourcwell contract. Customers that use our Rental Equipment contract #062320-ALT that we are able to transition and fulfill other equipment needs with this new contract. Also number and ratio of formal bids that are being requested by our Sourcwell eligible customers. Training for 100% of Account Managers and Technical Sales Representatives on benefits and use of contract.</p>
67	Identify a proposed administrative fee that you will pay to Sourcwell for facilitating, managing, and promoting the Sourcwell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	<p>We would like to propose a 1% administrative fee payment to Sourcwell on all orders through Altec Industries, including NUECO, Service, Supply and SENTRY.</p> <p>Altec Capital proposes a flat \$250 fee for lease transactions under the Sourcwell Contract.</p> <p>We propose an administrative fee of 1% of JJ Kane revenue (buyers fee and sellers fee).</p>

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *
68	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>Altec is proposing Sourcewell members have access to essentially our full product line of equipment, products, and services to enhance Altec's "cradle to grave" support of our products and provide Sourcewell members with the best possible experience. Equipment is proposed as "turn-key". This would include:</p> <ul style="list-style-type: none"> • Insulated Aerial Devices with standard service bodies and chip dump bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Non-Insulated Aerial Devices with standard service bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Altec's Aerial offerings include material handling and personnel only platforms, with platform heights from 35' to 207' • Derrick Devices with standard service bodies mounted on chassis (backyard, distribution and transmission) • Boom Truck Cranes mounted on chassis (riding seat, behind cab mount, rear mount and tractor mount) • Knuckle Boom Cranes mounted on chassis (light, medium and large) • Knuckle Boom Crane Mounted Grapple Saws mounted on chassis • Pressure Diggers mounted on chassis (digging depth from 10-22 ft) • Insulator Washers mounted on chassis and skids • Cable Placers, Stringers, Tensioners and Pullers mounted on chassis or trailers (overhead and underground) • Wood Chippers • Spray Equipment mounted on chassis • Spray Equipment mounted on skids • Service Bodies mounted on chassis (aluminum, fiberglass and steel) • Chip Dump Bodies mounted on chassis. • Pole Trailers • Tool Trailers • Crane Bodies mounted on chassis • Altec Capital Services - financing • Altec Service - maintenance and service work • JJ Kane Auctioneers - specializes in the remarketing of Utility Equipment • Altec NUECO - the only supplier of Altec Certified Pre-Owned Trucks • Altec Supply - replacement parts and accessories • Altec Sentry - training <p>Please visit our website at www.altec.com for more product specific details, and see attached file "Company Information - Altec Subsidiary Information".</p>
69	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	<ul style="list-style-type: none"> • Altec Capital Services - financing • Altec Service - maintenance and service work • JJ Kane Auctioneers - specializes in the remarketing of Utility Equipment • Altec NUECO - the only supplier of Altec Certified Pre-Owned Trucks • Altec Supply - replacement parts and accessories • Altec Sentry - training <p>Please and see attached file "Company Information - Altec Subsidiary Information".</p>

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
70	Telescopic, articulated, mast, and boom, aerial lifts, towers, buckets, and platforms	<input checked="" type="radio"/> Yes <input type="radio"/> No	Equipment is proposed as "turn-key" and would include: <ul style="list-style-type: none"> • Insulated Aerial Devices with standard service bodies and chip dump bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Non-Insulated Aerial Devices with standard service bodies mounted on chassis (non-overcenter, overcenter, telescopic and telescopic articulating) • Altec's Aerial offerings include material handling and personnel only platforms, with platform heights from 35' to 207'
71	Digger derricks, and cable placing, pulling, and tensioning equipment	<input checked="" type="radio"/> Yes <input type="radio"/> No	Equipment is proposed as "turn-key" and would include: <ul style="list-style-type: none"> • Derrick Devices with standard service bodies mounted on chassis (backyard, distribution and transmission) • Cable Placers, Stringers, Tensioners and Pullers mounted on chassis or trailers (overhead and underground)
72	Directional drills, trenchless excavation equipment, thrust and boring machines, soil piercing tools, trenchers, rock wheels, and pile drivers	<input checked="" type="radio"/> Yes <input type="radio"/> No	Equipment is proposed as "turn-key" and would include: <ul style="list-style-type: none"> • Pressure Diggers mounted on chassis (digging depth from 10-22 ft)
73	Utility locating equipment	<input checked="" type="radio"/> Yes <input type="radio"/> No	Altec has utility locating equipment available for purchase with new equipment, or through Altec Supply
74	Accessories, supplies, replacement or wear parts, and services related to the offering of equipment in Lines 69-72	<input checked="" type="radio"/> Yes <input type="radio"/> No	Altec has accessory items and supplies available with the purchase of new equipment, and through Altec Supply. We have included service contract packages for member consideration. These include PM Inspections at several different intervals, DOT inspections, Dielectric Tests, with options to pre-purchase with new equipment, or purchase after equipment has been delivered. Additionally training through our Sentry group is included in our package. Due to the complex nature of our service offerings for repair, and the large geographic area our facilities cover, we are not providing a repair program offering at this time, with this proposal offering. We are providing a program for preventative maintenance (PM inspections, DOT inspections, Dielectric Tests, etc).

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
 - . Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- [Pricing](#) - Price Lists.zip - Thursday November 04, 2011 : 8:47
- [Financial Strength and Stability](#) - Financial Strength and Stability.zip - Thursday November 04, 2011 : 9:41
- [Marketing Plan/Samples](#) - Marketing Plan - Samples.zip - Thursday November 04, 2011 : 3 :
- M E/M E/S E or related Certificates (optional)
- [Warranty Information](#) - Warranty - Documents.pdf - Thursday November 04, 2011 : 3 :56
- [Standard Transaction Document Samples](#) - Standard Transaction Document Samples.zip - Thursday November 04, 2011 : 35:18
- [Upload Additional Document](#) - Altec Capital Sourcewell Proposal.docx - Thursday November 04, 2011 : 35:40

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Riley Browne, Contract Specialist, Altec Industries, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

Yes No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_4_Public_Utility_Equipment_RFP_110421 Thu October 14 2021 04:33 PM	<input checked="" type="checkbox"/>	2
Addendum_3_Public_Utility_Equipment_RFP_110421 Mon September 27 2021 05:28 PM	<input checked="" type="checkbox"/>	1
Addendum_2_Public_Utility_Equipment_RFP_110421 Fri September 24 2021 03:55 PM	<input checked="" type="checkbox"/>	1
Addendum_1_Public_Utility_Equipment_RFP_110421 Mon September 20 2021 02:54 PM	<input checked="" type="checkbox"/>	1

**AMENDMENT #1
TO
CONTRACT # 110421-ALT**

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **Altec Industries, Inc.** (Supplier).

Sourcewell awarded a contract to Supplier to provide Public Utility Equipment with Related Accessories and Supplies to Sourcewell and its Participating Entities, effective January 12, 2022, through December 27, 2025 (Contract).

NOW, THEREFORE, the parties wish to amend the Contract as follows:

1. Line item 2 in "Table 1: Proposer Identity & Authorized Representative" of the Proposal is modified to add the following: "Altec Teupen and Altec Fenex."
2. Line item 3 in "Table 1: Proposer Identity & Authorized Representative" of the Proposal is modified to add the following: "Altec Teupen and Altec Fenex."

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

Signed by:
 By: Jeremy Schwartz
C0FD2A139D06489...
 Jeremy Schwartz, Chief Procurement Officer

Date: 9/22/2024 | 10:23 PM CDT

Altec Industries, Inc.

DocuSigned by:
 By: Brooklyn Russell
1F0625CF2D724D8...

Title: Contract Specialist

Date: 9/20/2024 | 12:23 PM PDT

**LINKING AGREEMENT
FOR COOPERATIVE PURCHASE**

ALTEC INDUSTRIES, INC
PUBLIC UTILITY EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES

EXHIBIT B
SCOPE OF WORK AND PRICING

See the following page.



Quote Number: 1725924
 Opportunity Number: 24133272
 Sourcewell Contract #: 110421-ALT
 Date: 8/20/2025

Quoted for: Town of Paradise Valley
 Altec Account Manager: Derek Huffer

REFERENCE ALTEC MODEL **Sourcewell Price**

AT41M	Articulating Telescopic Aerial Device with Material Handling Insulated, 41'	\$221,241
--------------	--	------------------

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1		
2		
3		
4		

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
SOURCEWELL OPTIONS TOTAL:		\$221,241

(B.) OPEN MARKET ITEMS (Customer Requested)

1	UNIT		\$0
2	UNIT & HYDRAULIC ACC		\$0
3	BODY	Altec MY Adjustment	-\$1,254
4	BODY & CHASSIS ACC		\$0
5	ELECTRICAL		\$0
6	FINISHING		\$0
7	CHASSIS	2026 F550 4X2 Auto	-\$9,882
8	OTHER	Altec MY Adjustment	-\$14,740
OPEN MARKET OPTIONS TOTAL:			-\$25,876

SUB-TOTAL FOR UNIT/BODY/CHASSIS: \$195,365.00
Delivery to Customer: \$8,922.00
Estimated Taxes (Delivery non-taxable):
FET:
CA Doc/Admin/Tire Fees:
Extended Warranty:

TOTAL FOR UNIT/BODY/CHASSIS: \$204,287.00

(C.) ADDITIONAL ITEMS (items are not included in total above)

1		
2		
3		
4		

Pricing valid for 45 days

NOTES

PRICING: Altec will make every effort to honor this quotation, subject to the following provisions. Prices for equipment with production start dates 12 months and beyond are considered budgetary due to potential cost inflation, market volatility, and tariff implications. These prices will be reviewed based on market conditions and confirmed closer to the production date. Quotes and orders with chassis model years beyond the current open order bank are estimates only. Altec's turn-key pricing is subject to change based on chassis pricing received from the OEM. Chassis model year, specifications, and price will be reviewed and confirmed when specific model year information becomes available from the OEM, and any chassis price difference, including adjustments for tariffs, will be passed through to the customer.

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90)

TO ORDER: To order, please contact the Altec Account Manager listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: 12-16 Months Based on availability, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Please ask your Altec Account Manager for more information

**LINKING AGREEMENT
FOR COOPERATIVE PURCHASE**

ALTEC INDUSTRIES, INC
PUBLIC UTILITY EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES

EXHIBIT C
SPECIFIC REQUIREMENTS/OPTIONS OF TOWN

Notices: All notices required under the Linking Agreement shall be sent to:

Isaac Chavira, Public Works Director
Town of Paradise Valley
6401 E. Lincoln Drive
Paradise Valley, Arizona 85253

With mandatory copy to:

Town Attorney
Town of Paradise Valley
6401 E. Lincoln Drive
Paradise Valley, Arizona 85253



Action Report

File #: 25-282

AGENDA TITLE:

Discussion and Possible Action to Approve Settlement Agreements in the *City of Phoenix v. Town of Paradise Valley et al. Matter* Relating to Settling the Matter and Attorney's Fees

RECOMMENDATION:

Approve the Settlement Agreements in the matter of *City of Phoenix v. Town of Paradise Valley et al.* resolving the underlying lawsuit and attorney's fees claims and authorize the Town Manager to execute the agreements.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew McGuire, Town Attorney

DATE: December 11, 2025

DEPARTMENT: Town Attorney's Office
Andrew McGuire, 602-257-7664

AGENDA TITLE:

Discussion and Possible Action on the Settlement Agreements in the City of *Phoenix v. Town of Paradise Valley, et al.* matter relating to settling the matter and attorney's fees.

RECOMMENDATION:

Approve the Settlement Agreements resolving the underlying lawsuit and attorneys' fees claims and authorize the Mayor or Town Manager to execute the agreements.

SUMMARY STATEMENT:

This lawsuit involved a water main break in June 2022 to a City of Phoenix water main that supplied drinking water to Town residents. The Town retained a contractor ("SDB") to do road construction work in about 2014. During its work, SDB paved over water cut off valves. When the main broke, Phoenix employees were unable to locate the valves because they were paved over, necessitating extensive and delayed work to shut off the water. In the interim, the water from the break flooded residential homes. Phoenix paid, or is paying, for the damage caused to those residents.

Phoenix sued the Town and SDB to be reimbursed. The Town tendered the lawsuit to SDB and its insurance company, Old Republic, under its contract with SDB. Ultimately, SDB and Old Republic agreed to settle with Phoenix for \$400,000.00 on the Town and SDB's behalf. SDB and Old Republic also agreed to reimburse the Town's attorney's fees incurred by the firm hired by the Town's insurer, totaling \$56,000.00. These releases are to memorialize those agreements and have the lawsuit dismissed.

BUDGETARY IMPACT: N/A

ATTACHMENTS:

- A. Staff Report
- B. Settlement Agreements (The council packet will be updated to include the agreements)

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

RECITALS

A. This Settlement Agreement and Release of All Claims ("**Agreement**") is entered into by and between Plaintiff **CITY OF PHOENIX** ("**City**") and Defendants **TOWN OF PARADISE VALLEY** ("**Town**"), **SDB, INC.** ("**SDB**"), and **SDB's insurer, OLD REPUBLIC INSURANCE COMPANY** ("**Old Republic**"), (hereinafter, singular or plural, referred to as "**Defendants**").

B. City filed a lawsuit against Defendants Town and SDB, as more particularly identified as Cause No. CV2023-007361, pending in Superior Court of Arizona, Maricopa County ("**Lawsuit**") arising out of the alleged negligence, gross negligence, interference with the City's property rights, and vicarious liability in connection with a June 1, 2022, water main break, as more particularly described therein ("**Incident**").

C. Pursuant to its contract with SDB, Defendant Town tendered its defense and indemnity to SDB and its insurer, Old Republic. Old Republic ultimately accepted tender without reservation.

D. City and Defendants, including Old Republic (hereinafter jointly "**the Parties**") desire to finally and fully resolve all past, present, and potential claims or liability arising out of the Incident that is the subject of the Lawsuit, and as may exist or could exist against each other, its agents, employees, contractors and all other persons, firms, or corporations with whom any of them have been, are now, or may hereafter be affiliated.

E. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties enter into this Agreement.

AGREEMENT

1. Incorporation of Recitals

The foregoing recitals are incorporated herein by reference as agreements of the Parties.

2. Payment of the Claim

For and in consideration of the release and other obligations set forth below, Old Republic will make a single lump-sum payment to the City in the amount of **Four Hundred Thousand Dollars and no/100 (\$400,000.00)**, by a check in that amount made payable to the City of Phoenix within thirty (30) days of the execution of this Agreement.

3. General Release

In consideration of the payment called for herein, Parties, on Parties' own behalf, and on behalf of all Parties' heirs, devisees, executors, administrators, successors, and assignees hereby completely RELEASE, ACQUIT AND FOREVER DISCHARGE each other of and from any and all past, present or future claims, demands, obligations, actions, causes of action in any form, including, but not limited to, economic loss, loss of services, loss of business, business interruption, indemnity whether express or implied, expenses and compensation of any nature whatsoever, whether based on tort, contract, or other theory of recovery, and whether for compensatory or punitive damages, which Parties now have, or which may hereafter accrue or otherwise be acquired on account of, or in any way growing out of, or which are the subject of the Lawsuit or Incident including, without limitation, any and all known or unknown claims which now exist or may hereafter arise in favor of Parties, in connection with the Lawsuit or Incident. This Agreement shall be fully binding and a complete settlement between the Parties.

Parties hereby acknowledge and agree that this Agreement constitutes a general release, and expressly waive and assume the risk of any and all claims for damages which exist as of this date, including those which the Parties do not know or suspect to exist, whether through ignorance, oversight, error, negligence, gross negligence or otherwise, and which, if known, would materially affect Parties' decision to enter into this Agreement.

Homeowners Alan Yudell and Betty Hum filed suit against the City as the sole defendant. Neither the Town nor SDB are parties to that lawsuit and, further, the statute of limitations to file a claim against the Town and SDB related to the June 1, 2022, Incident has now passed. The City agrees not to pursue the Town or SDB, separately from this Agreement, for any sums it has paid or will pay in connection with that lawsuit.

The City states upon information and belief that no other claim or lawsuit has been filed related to the June 1, 2022, Incident that is the subject of this lawsuit other than the suit referenced in the previous paragraph. Parties further acknowledge that the statute of limitations to file any claim related to the June 1, 2022, Incident has passed and, even if a claim or lawsuit was to be filed, it would not be viable.

4. No Admission of Liability

It is understood and agreed by the Parties to this Agreement that this settlement is a compromise of a disputed claim, and the payment is not to be construed as an admission of liability on the part of the Released Parties by whom liability is expressly denied.

5. Notification of Court; Delivery of Dismissal

Following the October 2025 Mediation, Counsel for the City filed a Notice of Settlement with the Court.

City of Phoenix v. Town of Paradise Valley
SDB, Inc. and Old Republic Insurance Co.
Settlement Agreement
November 25, 2025

Upon execution of this Agreement, counsel for the Parties shall execute a Stipulation to Dismiss the Complaint With Prejudice. The Parties agree to cooperate fully and to execute any supplementary documents and to take additional actions which may be necessary to give full force and effect to this Agreement.

6. Warranty of Capacity to Execute Agreement

Parties represent and warrant that no other person or entity has or has had any interest in the claims, demands, obligations or causes of action referred to in this Agreement, and that Parties have the sole right and exclusive authority to execute this Agreement and receive the sum specified in it; and that Parties have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations, or causes of action referred to in this Agreement.

7. Entire Agreement and Successors in Interest

This Agreement contains the entire agreement between the Parties with regard to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of each. Parties further declare and represent that no promise, inducement, or agreement not herein expressed has been made to Parties, and that this Agreement contains the entire agreement between the Parties.

8. Representation of Comprehension of Document

The Parties agree that they have been advised by their own counsel and other professionals and that the Parties are fully advised as to all of the terms of this Agreement.

9. Governing Law

This Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona.

10. Income Tax Consequences

The Parties have made no representations concerning, nor shall they be responsible in any manner for, the income tax consequences to Parties resulting from the execution of this Agreement, or from any payment made pursuant to this Agreement.

11. Severability

To the extent any term of this Settlement Agreement is deemed to be invalid or unenforceable, the remaining valid and enforceable terms shall remain in effect.

12. Counterparts

This Settlement Agreement may be executed in counterparts, but shall be signed physically and before a Notary.

City of Phoenix v. Town of Paradise Valley
SDB, Inc. and Old Republic Insurance Co.
Settlement Agreement
November 25, 2025

13. Notice

Any notice required or permitted under this Settlement Agreement will be provided in writing to counsel of record for each Party, at the mailing addresses and at the email addresses provided on the Parties' filings as required by Rule 5.2(a)(1)(A), Ariz. R. Civ. P.

14. Effectiveness

This Agreement shall become effective following its execution by both Parties and counsel.

This is the last section of this Agreement. Signatures follow.

SIGNATURES ON NEXT PAGE(S)

City of Phoenix v. Town of Paradise Valley
SDB, Inc. and Old Republic Insurance Co.
Settlement Agreement
November 25, 2025

THE UNDERSIGNED HAVE READ THE FORGOING AGREEMENT AND FULLY UNDERSTANDS IT.

CAUTION: READ BEFORE SIGNING BELOW

Plaintiff City of Phoenix
By: _____

Date

Its: _____

State of _____)

)SS.

County of _____)

On this the _____ day of _____, 20____, before me personally appeared _____ whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed the same.

Notary Public: _____

My Commission Expires: _____

Approved as to form:

Counsel for Plaintiff

Date

City of Phoenix v. Town of Paradise Valley
SDB, Inc. and Old Republic Insurance Co.
Settlement Agreement
November 25, 2025

THE UNDERSIGNED HAVE READ THE FORGOING AGREEMENT AND FULLY UNDERSTANDS IT.

CAUTION: READ BEFORE SIGNING BELOW

Defendant Town of Paradise Valley
By:

Date

Its:

State of _____)

)SS.

County of _____)

On this the _____ day of _____, 20____, before me personally appeared _____ whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed the same.

Notary Public: _____

My Commission Expires: _____

Approved as to form:

Counsel for Defendants
Town of Paradise Valley

Date

Approved as to form:

Counsel for Defendants
Town of Paradise Valley

Date

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

RECITALS

This Settlement Agreement and Release of All Claims (“Agreement”) is entered into by and between OLD REPUBLIC INSURANCE COMPANY (“Old Republic”), DOYLE HERNANDEZ MILLAM (“DHM”), ARIZONA MUNICIPAL RISK RETENTION POOL (“AMRRP”) and TOWN OF PARADISE VALLEY (“Town”) (collectively, “the Parties”).

The City of Pheonix filed a lawsuit against Defendants Town and SDB, Inc., as more particularly identified as Cause No. CV2023-007361, pending in Superior Court of Arizona, Maricopa County (“Lawsuit”) arising out of the alleged negligence, gross negligence, interference with the City’s property rights, and vicarious liability in connection with a June 1, 2022, water main break, as more particularly described therein (“Incident”).

The Parties desire to fully and finally resolve all past, present, and potential claims or liability relating to legal fees and expenses incurred by the Town, AMRRP and the DHM in connection with the defense of the Town in the Lawsuit.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals

The foregoing recitals are incorporated herein by reference as agreements of the Parties.

2. Payment

Old Republic shall make a single lump-sum payment of Fifty-Six Thousand Dollars and No/100 (\$56,000.00) to Arizona Municipal Risk Retention Pool within thirty (30) days of execution of this Agreement. This payment represents full and final settlement of all legal fees and expenses owed by Old Republic to AMRRP, the Town and/or DHM under the applicable policy(ies) of insurance Old Republic issued to SDB, Inc.

3. General Release

In consideration of the payment described above, AMRRP, the Town and DHM hereby RELEASE, ACQUIT, AND FOREVER DISCHARGE Old Republic from any and all claims, demands, obligations, actions, causes of action, costs, expenses, and liabilities of any kind, whether known or unknown, arising out of or related to legal fees and expenses incurred in connection with the defense of the Town in the Lawsuit.

Old Republic likewise releases the AMRRP, the Town and DHM from any and all claims related to such fees and expenses.

4. No Admission of Liability

This settlement is a compromise of disputed claims and shall not be construed as an admission of liability by any Party.

5. Entire Agreement

This Agreement constitutes the entire understanding between the Parties and supersedes all prior negotiations or agreements regarding the subject matter herein.

6. Governing Law

This Agreement shall be governed by and construed under the laws of the State of Arizona.

7. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

SIGNATURES

OLD REPUBLIC INSURANCE COMPANY

By: _____

Its: _____

Date: _____

State of _____)

)SS.

County of _____)

On this the _____ day of _____, 20____, before me personally appeared _____ whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed the same.

Notary Public: _____

My Commission Expires: _____

DOYLE HERNANDEZ MILLAM

By: _____

Its: _____

Date: _____

State of _____)

)SS.

County of _____)

On this the _____ day of _____, 20____, before me personally appeared _____ whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed the same.

Notary Public: _____

My Commission Expires: _____

TOWN OF PARADISE VALLEY

By: _____

Its: _____

Date: _____

State of _____)

)SS.

County of _____)

On this the _____ day of _____, 20____, before me personally appeared _____ whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed the same.

Notary Public: _____

My Commission Expires: _____

|

ARIZONA MUNICIPAL RISK RETENTION POOL

By: _____

Its: _____

Date: _____

State of _____)

)SS.

County of _____)

On this the _____ day of _____, 20____, before me personally appeared _____ whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed the same.

Notary Public: _____

My Commission Expires: _____



Action Report

File #: 25-284

AGENDA TITLE:

Discussion and Possible Action to Approve Amendment No. 3 to the Professional Service Agreement with Gust Rosenfeld P.L.C. for Town Attorney Services

RECOMMENDATION:

Authorize the Town Manager to execute amendment No. 3 (CON-21-162-ATY-A3) to the Professional Service Agreement with Gust Rosenfeld P.L.C. for Town Attorney Services

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Deborah Robberson, Assistant Town Attorney

DATE: December 11, 2025

DEPARTMENT: Town Attorney
Deborah Robberson 480-348-3609

AGENDA TITLE:

Discussion and Possible Action to Approve Amendment No. 3 to the Professional Services Agreement with Gust Rosenfeld P.L.C. for Town Attorney Services.

RECOMMENDATION:

Authorize the Town Manager to execute Amendment Three to the Professional Services Agreement with Gust Rosenfeld P.L.C. for Town Attorney services and waive the 14-day waiting period to execute the agreement.

SUMMARY STATEMENT:

In March 2021, after a competitive procurement process, the Town retained Gust Rosenfeld, P.L.C. (the "Firm") to serve as Town Attorney, with Andrew McGuire as the Town's primary contact and representative. The Original Agreement has been amended twice, to extend the term and make other modifications. The current contract terminates on March 14, 2026 unless renewed by the parties. Pursuant to the terms of the Agreement as amended, the Agreement can be extended up to four additional one-year periods, and the Town is required to give 90 days' notice of its intent to extend the contract.

The proposed Amendment Three to Contract No. CON-21-162-ATY-A2:

- a. Extends the Firm's services as the Town Attorney for one year through March 14, 2027;
- b. Provides the required notice of the Town's intent to renew the Agreement, and
- c. Postpones the effective date for an increase to the flat fee from March 15, 2026 to July 1, 2026 to coincide with the Town's fiscal year.

BUDGETARY IMPACT:

There is no budget impact in the current fiscal year from this proposed Amendment Three. Any increase to flat fee annual compensation to Gust Rosenfeld P.L.C. will not occur until FY27 and will be accounted for in that budget cycle.

ATTACHMENT(S):

- A. Staff Report
- B. Amendment Three, CON-21-162-ATY-A3



AMENDMENT No. 3

to

PROFESSIONAL SERVICES AGREEMENT

with

GUST ROSENFELD P.L.C.

This Amendment No. 3 to the Professional Services Agreement with Gust Rosenfeld P.L.C. (hereinafter this “**Third Amendment**”) is made and entered into on December 12, 2025 (the “**Effective Date**”), by and between the Town of Paradise Valley, an Arizona municipal corporation (the “**Town**”), and Gust Rosenfeld P.L.C., an Arizona professional limited liability company (the “**Firm**”). The Town and Firm are each individually a “**Party**,” and together they are the “**Parties**.”

RECITALS

- A. On March 12, 2021, after a competitive procurement process, the Firm was selected to serve as Town Attorney for the Town, and the Town and Firm entered into Contract No. CON-21-162-ATY (the “**Original Agreement**”). The Original Agreement was amended on March 14, 2022, Contract No. CON-21-162-ATY-A1, to extend the term and to make other modifications (the “**First Amendment**”) and on March 15, 2023, Contract No. CON-21-162-ATY-A2 to modify the term and other provisions (the “**Second Amendment**,” together with the Original Agreement and the First Amendment, the “**Agreement**”).
- B. The Town and Firm desire to amend the Agreement in order to modify the timing of annual increases to align with the fiscal year and to confirm extension of the Agreement for one year commencing on March 15, 2026.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, terms, covenants, and conditions set forth herein, and for the other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and Firm hereby agree as follows:

- 1. **Introduction and Recitals.** The introduction and recitals set forth above form an integral part of this Agreement and are hereby incorporated as if fully set forth herein.
- 2. **Ratification of Agreement.** The Town and Firm hereby agree that except as expressly provided herein, the provisions of the Agreement shall be and remain in full force and effect, and that if any provision of this Third Amendment conflicts with the Agreement, then the provisions of this Third Amendment shall prevail.

3. Compensation. Paragraph 5.1. of the Agreement is hereby amended to read as follows (new text shown in double underline):

5.1. The Town shall pay the Firm for general municipal counsel services, as generally set forth in the Scope of Services above, and as more fully described in the RFP, a flat fee of \$258,000.00 annually for the first year of the Term, to be paid in equal installments of \$21,500 per month, payable in arrears, not later than 30 days after the date of the invoice from the Firm for the prior month's services. For subsequent years of the Term, the annual flat fee shall be increased on July 1 of each year by the percentage equal to the percentage increase approved for cost of living and merit increases for Town management employees for the then-current fiscal year, unless otherwise mutually agreed to by the Town and the Firm. Monthly amounts shall be prorated for partial months.

4. Conflict of Interest. All Town contracts are subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Third Amendment without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Third Amendment on behalf of the Town or any of its departments or agencies is or was, at any time while the Agreement or any extension of the Agreement, including this Third Amendment, is, in effect, an employee of the Firm in any capacity or a consultant to any other party with respect to the subject matter.

5. Forced Labor of Ethnic Uyghurs. To the extent applicable under ARIZ. REV. STAT. § 35-394, the Firm warrants and certifies that it does not currently, and agrees for the duration of the Agreement that it will not use the forced labor, any goods or services produced by the forced labor, or any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If the Firm becomes aware that it is not in compliance with this paragraph, the Firm shall notify the Town of the noncompliance within five business days of becoming aware of it. If the Firm fails to provide a written certification that it has remedied the noncompliance within 180 days after that, the Agreement shall terminate unless the termination date of the Agreement occurs before the end of the remedy, in which case the Agreement terminates on the contract termination date.

6. Notice of Extension. Pursuant to paragraph 3.2 of the Agreement, this Third Amendment shall be deemed (i) written notice of the Town's intent to extend the Term for an additional year and (ii) mutual agreement of the Town and the Firm as to the extension of the Term.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have hereunto subscribed their names.

TOWN OF PARADISE VALLEY,
an Arizona municipal corporation

Andrew Ching, Town Manager

ATTEST:

Duncan Miller, Town Clerk (SEAL)

APPROVED AS TO FORM:

Deborah Robberson, Assistant Town Attorney

GUST ROSENFELD P.L.C.

By: Andrew McGuire, Member



Action Report

File #: 25-293

AGENDA TITLE:

Discussion and Possible Action to Adopt Resolution 2025-13 Accepting the FY2024-25 Annual Comprehensive Financial Report, Annual Expenditure Limitation Report and other Associated Reports, and Results of the Annual Audit

RECOMMENDATION:

Adopt Resolution Number 2025-13.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Mark Stanton and Town Council Members

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

DATE: December 11, 2025

DEPARTMENT: Finance
Leslie DeReche 480-348-3696

AGENDA TITLE:
Adoption of Resolution 2025-13 to accept the FY2024/25 Annual Comprehensive Financial Report, Annual Expenditure Limitation Reported and other associated reports, and results of the annual audit.

RECOMMENDATION:
Adopt Resolution 2025-13.

SUMMARY STATEMENT:
The certified public accounting firm of Baker Tilly US, LLP conducted the annual financial statement audit and an examination of the annual expenditure limitation report for the fiscal year ended June 30, 2025 (FY2024/25). The firm concluded the Town's financial statements present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information, and notes to the financial statements for the Town of Paradise Valley.

Arizona Revised Statutes §9-481 obligates cities and towns to undergo an audit conducted by an independent certified public accountant at least once every two fiscal years. It also requires the certified public accountant who performed the audit to present the audit results and any findings to the governing body in a regular meeting without the use of a consent agenda.

The auditors also make a determination as to whether Highway User Revenue Funds are used solely for authorized transportation purposes.

State statutes also require the governing body to demonstrate compliance with section 41-1494. Section 41-1494 prohibits the city from requiring or funding employee training, orientation, or therapy that presents any form of blame or judgment on the basis of race, ethnicity or sex.

BUDGETARY IMPACT:

There is not direct budgetary impact from this action. The financial statement audit is required under Arizona Revised Statutes §9-481.

ATTACHMENT(S):

- A. Staff Report
- B. Resolution 2025-13: FY2024/25 ACFR, AELR and associated reports
- C. Annual Comprehensive Financial Report
- D. Annual Expenditure Limitation Report (AELR)
- E. Communication with Governance
- F. Finance Department presentation
- G. External Auditors' presentation

RESOLUTION NUMBER 2025-13

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, ACCEPTING THE FY 2024-25 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), ANNUAL EXPENDITURE LIMITATION REPORT (AELR) AND ASSOCIATED REPORTS.

WHEREAS, Arizona Revised Statutes (“A.R.S.”) § 9-481 requires the Town of Paradise Valley (the “Town”) to cause an audit to be made at least once every two fiscal years by a qualified certified public accountant who is not a Town employee, and the Town has retained the accounting firm of Baker Tilly US, LLP (the “CPA”) to perform the audit; and

WHEREAS, the CPA must determine whether the Town’s distributions of Arizona highway user revenue fund monies and any other dedicated state transportation revenues received by the Town are being used solely for authorized transportation purposes; and

WHEREAS, the Town endeavors to manage its financial affairs prudently and professionally, consistent with Generally Accepted Accounting Principles and Government Finance Officers Association’s Recommended Practices; and

WHEREAS, an annual audit conducted by independent auditors is an essential method to ensure this goal of fiscal prudence is met; and

WHEREAS, the CPA conducted the audit and concluded Town’s financial statements present fairly in all material respects the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town; and

WHEREAS, on December 11, 2025, in accordance with A.R.S. § 9-481, the CPA presented the audit results and any findings to the Mayor and Council of the Town (the “Town Council”) in a regular meeting without the use of a consent agenda, and the Town Council demonstrated compliance with A.R.S. § 41-1494.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Paradise Valley, Arizona, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. The Town Council hereby accepts the Annual Comprehensive Financial Report, the Annual Expenditure Limitation Report and Associated Reports (Auditor’s Communication to Those Charged with Governance) for the fiscal year ending June 30, 2025, each of which is incorporated herein by reference.

(Signatures on following page)

PASSED, ADOPTED, AND APPROVED by the Town Council of the Town of Paradise Valley on this 11th day of December 2025.

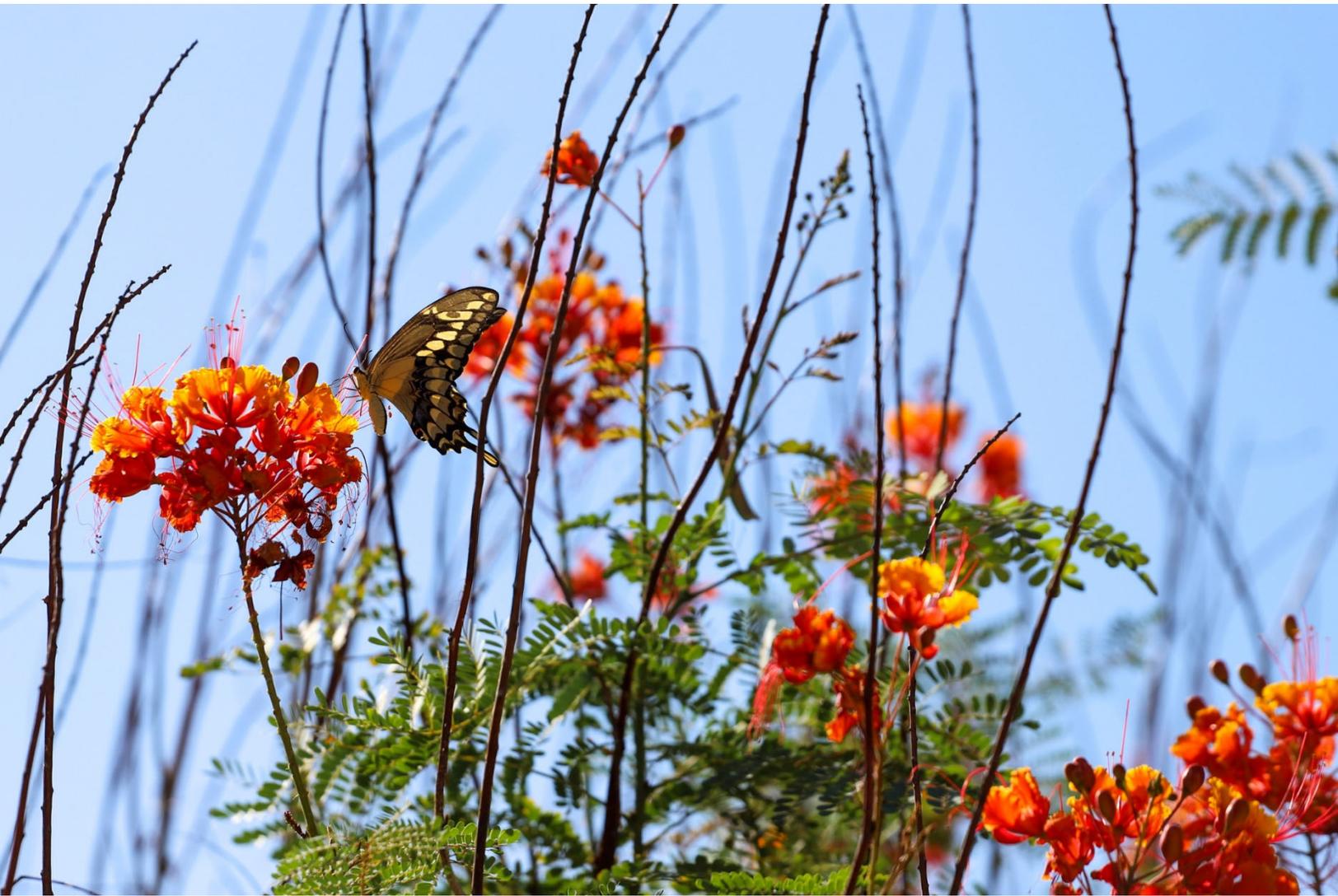
Mark Stanton, Mayor

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew McGuire, Town Attorney



Town of Paradise Valley
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025



Town of Paradise Valley, Arizona

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

Prepared by:
Finance Department

Town of Paradise Valley, Arizona

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Town of Paradise Valley, Arizona

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Town of Paradise Valley, Arizona

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Introductory Section



Town of Paradise Valley

6401 E. Lincoln Drive, Paradise Valley, AZ 85253

December 4, 2025

The Honorable Mayor, Members of the Town Council, and Citizens of the Town of Paradise Valley, Arizona:

State law requires that local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, the Paradise Valley Finance Department is honored to present the Annual Comprehensive Financial Report of the Town of Paradise Valley, Arizona (the "Town") for the fiscal year ended June 30, 2025. This report is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial affairs have been included.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Paradise Valley's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal control should not outweigh their benefits, the Town's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, the data presented in this financial report is complete, reliable, and accurate in all material respects.

The Town's financial statements have been audited by Baker Tilly, LLP, a certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the basic financial statements of the Town for the fiscal year ended June 30, 2025, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Paradise Valley's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE TOWN

Paradise Valley was incorporated in May 1961. The Town is centrally located in Maricopa County and is surrounded by the cities of Phoenix and Scottsdale. It has land area of approximately 17 square miles.

Paradise Valley is an Arizona municipal corporation, acting as a general law town as prescribed in the Arizona Revised Statutes. The Town government operates under the Council-Manager form of government. Policy making, and legislative authority are vested in the Town Council, which consists of seven Council members. The Mayor is elected by voters to a two-year term and the six Council members are elected to staggered four-year terms.

The Town Council is responsible for, but not limited to, the adoption of local ordinances, the Town budget, the development of citizen advisory committees, and the appointment of the Town Manager and Town Attorney. The Town Manager is responsible for implementation of the policies of the Town Council and administering Town operations. The Town Manager appoints all positions except the Town Attorney and Municipal Judges.

The Town provides limited services, including police protection; municipal courts; public works; construction and maintenance of streets; planning, zoning, building and code enforcement services; and general administrative services. Fire protection services are provided through an intergovernmental agreement with the City of Phoenix. The City of Scottsdale provides wastewater treatment services through an intergovernmental agreement for approximately 60% of the geographic area of the Town. The City of Phoenix owns the sewer lines and provides sewer service to the remaining 40% of the geographic area of the Town. Water services are provided by the City of Phoenix and two private water companies. Solid waste services are provided by private companies. Ambulance service is also provided by a private company.

The annual budget serves as the foundation for the Town's financial planning and control. Pursuant to state statutes, the Town Council formally adopts the budget and legally appropriates available monies in the Town's various funds. Budget to actual information is presented for each of these funds. Prior to the third Monday in July, the Town Manager presents the preliminary budget to the Town Council. The budget includes proposed expenditures and the means of financing them. The preliminary budget sets the limit for expenditures during the fiscal year. A public hearing is held prior to the budget's final adoption by the Town Council.

The Town is also subject to the State of Arizona's Expenditure Limitation Law for Towns and Cities under the state constitution. This law prohibits the Town from spending in excess of the amount calculated by the Expenditure Estimates Commission. The limitation is applied to the total of the combined funds. To ensure compliance with the state-imposed expenditure limitation, a uniform expenditure report must be filed with the state each year. This report reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the state's uniform expenditure reporting system (ARS Section 41-1279.07).

Appropriations in the adopted budget are programmed by department in the General Fund and by fund for all other funds. Departmental appropriations may be amended during the year; however, the total budget may not be increased. The Town Manager is responsible for developing and administering procedures to amend the budget. Management control of budgets is further maintained at a line-item level within each department. All appropriations lapse at year-end.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The Town remains committed to a frugal and cautious approach to its financial management and will continue to monitor inflation and other economic factors closely to assess their potential impact on our budget and resources. By prioritizing responsible spending and strategic planning, we aim to safeguard our financial stability while ensuring that our residents needs are met.

Tourism is a major contributor to Paradise Valley's economy hosting eight resorts with AAA four diamond ratings. Similar to FY2024-25, the Town continued to see an increase in the local transaction privilege tax. In addition, construction continues at the 5-Star development site which includes a Ritz Carlton resort.

Another major source of revenue for the Town is the construction industry with contributions from construction sales tax and permit revenues. Construction sales tax comprises approximately 29% of the Town's sales tax revenues and 18% of the Town's total general fund revenue in FY2024-25. Construction sales taxes are derived from construction of new homes and resorts within the Town. Construction sales taxes are one-time in nature and as such the Town's financial policies require that at least 50% of construction sales taxes are dedicated to the Capital Improvement Program (CIP).

Major Initiatives

The Town continues to focus on preserving the quality of life inherent in the Paradise Valley community and value of limited government, while enhancing the hospitality industry through the development and redevelopment of Paradise Valley luxury resorts.

NEXT YEAR'S BUDGET

The FY 2025-26 budget increased over FY 2024-25 by \$3.5 million (FY26 - \$61.3 million vs FY25 - \$57.8). It provides funding to maintain Town services, the CIP, and road improvements. Some of the \$3.0 million increase was for salary and salary related increases. and a large part was for street maintenance and street projects. The FY 2025-26 budget reflected similar staffing levels to those budgeted in FY 2024-25. The Town projected for an increase in local sales tax revenues in the General Fund, as well as state funding for budgeted capital expenditures.

The Town continues to focus on preserving the quality of life unique to Paradise Valley and the value of limited government, while enhancing the hospitality industry through the development and redevelopment of Paradise Valley luxury resorts. The Town also remains committed to public safety services supporting staffing and services in the Police Department.

LONG-TERM FINANCIAL PLANNING

Long-term financial planning is a key element in the Town's budgeting process. The financial forecast and strategic revenue plan set the trajectory for financial, operational, and infrastructure sustainability by clearly defining current and projected needs and anticipated resources. These plans account for the completion of major developments, payment of pension liabilities, maintenance of infrastructure, replacement of fire trucks, economic cycles, pending legislation, and other major influences on the Town's revenues and expenditures. The long-term financial plan is a critical tool used by staff, council, and the public alike in making informed decisions.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Paradise Valley for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the sixteenth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Town received the Distinguished Budget Presentation Award for the year July 1, 2024 through June 30, 2025.

The Town was also recognized with the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ended June 30, 2024. This is the seventh year the Town has received this award from GFOA. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the government must publish a PAFR with contents conforming to program standards of creativity, presentation, understandability, and reader appeal.

Each GFOA award is valid for a period of one year. Management believes that our current Annual Comprehensive Financial Report and Popular Annual Financial Report continue to meet respective award program requirements and Town staff are submitting to GFOA to determine eligibility for another certificate.

ACKNOWLEDGEMENTS

The presentation of this report would not have been possible without the efficient, effective, and dedicated services of the Finance Department staff. Their efforts to enhance procedures, ensure accuracy, improve systems, and conduct research have allowed for the completion of this annual audit and financial report. I would also like to thank staff in other departments who responded positively to the requests for detailed information which accompanies each annual audit.

We also extend our appreciation to the Mayor, Town Council, and the Town Manager for their leadership and support in planning and conducting the financial affairs of the Town in a responsible and prudent manner; and for maintaining and strengthening the utmost standards of professionalism in the management of the Town.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'L. DeReche', followed by a horizontal line extending to the right.

Leslie DeReche, CPA, CPFO, CGFM
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Paradise Valley
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

**Town of Paradise Valley, Arizona
List of Principal Officials
Fiscal Year Ended June 30, 2025**

Elected Officials

Mark Stanton, Mayor
Ellen Andeen-Keller, Vice Mayor
Christine Labelle, Councilmember
Karen Liepmann, Councilmember
Scott Moore, Councilmember
Julie Pace, Councilmember
Anna Thomasson, Councilmember

Mayor and Council Appointed

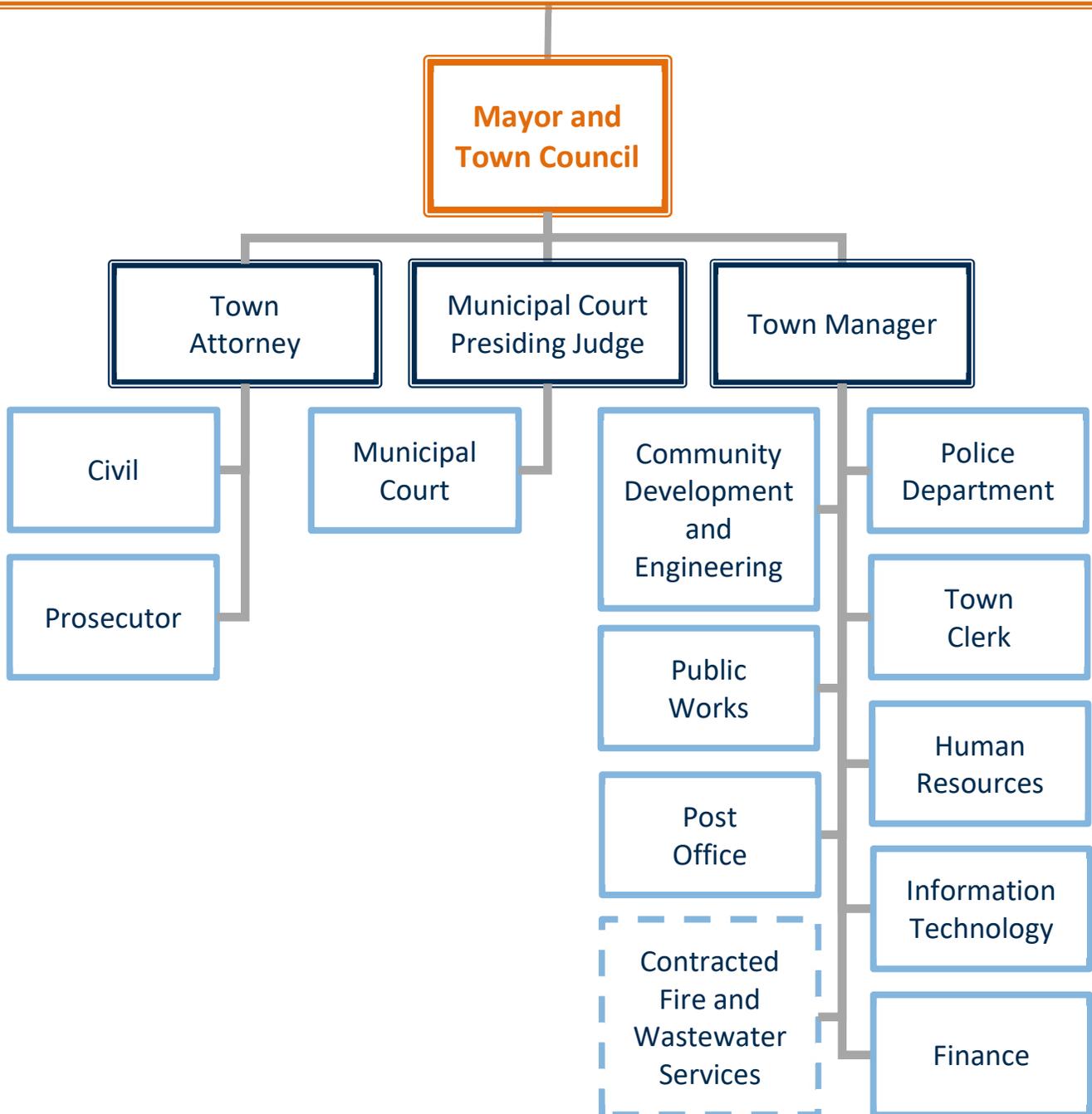
Andrew B. Ching, Town Manager
Andrew McGuire, Town Attorney
J. Tyrrell Taber, Presiding Judge

Principal Staff

Leslie DeReche, Chief Financial Officer
Freeman Carney, Chief of Police
Chad Weaver, Community Development Director
James Bailey, Information Technology Director
Isaac Chavira, Public Works Director
Jeanette Wiesenhofer, Municipal Court Director
Gina Monger, Human Resources Director
Duncan Miller, Town Clerk

ORGANIZATION CHART

CITIZENS OF PARADISE VALLEY, ARIZONA





Financial Section

Independent Auditors Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Supplementary Information



Financial Section

Independent Auditors Report

Independent Auditors' Report

To the Town Council of
Town of Paradise Valley, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Paradise Valley, Arizona (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

Compliance Over Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the Town failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town noncompliance with the used of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of Highway User Revenue Fund and other dedicated State transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, (the Arizona Auditor General,) the Town's Council and management, and other responsible parties within the Town and is not intended to be and should not be used by anyone other than these specified parties.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Restricted Use Relating to the Other Matter

The communication related to compliance with the aforementioned indenture described in the Other Matter paragraph is intended solely for the information and use of the Arizona State Legislature, management and other responsible parties within the Town and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Tempe, Arizona
December 4, 2025



Financial Section

Management's Discussion and Analysis



Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

This section of the Town of Paradise Valley's (the Town) Annual Comprehensive Financial Report presents a narrative overview and comparative analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. This analysis focuses on current year activities and operations and should be read in combination with the transmittal letter and the financial statements that follow. The management's discussion and analysis are presented as required supplementary information to supplement the basic financial statements.

Financial Highlights

The Town's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of the fiscal year 2025 and 2024 by \$264.7 million and \$237.8 million (*net position*), respectively. Of these amounts, \$140.2 million and \$119.7 million, respectively, represent unrestricted net position which may be used to meet the government's ongoing obligations to citizens and creditors.

- The Town's total net position increased in fiscal year 2025 by \$26.96 million compared to an increase in net position of \$27.7 million during fiscal year 2024.
- As of June 30, 2025 and 2024, the Town's governmental funds reported combined ending fund balances of \$148.2 million and \$127.0 million, respectively, which were comprised of nonspendable, restricted, assigned, and unassigned fund balances.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$104.4 million, or 377.3% of actual General Fund operating expenditures. At the close of the fiscal year 2024, the unassigned fund balance for the General Fund was \$86.6 million, or 305.9% of operating expenditures.
- The Town's long-term liabilities decreased by \$5.4 million to \$14.4 million during the current fiscal year. This decrease is mainly due to a payment made to reduce the unfunded public safety pension liability.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business and, accordingly, to provide information about the Town as a whole. Major fund financial statements provide the next level of detail. For governmental funds, these statements reflect how services were financed and what dollar remains for future spending. The major fund financial statements also display the Town's most significant funds.

Statement of Net Position - presents financial information on all the Town's assets, deferred outflows of resource, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

Statement of Activities - presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported at the time the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected court fines and expenses pertaining to earned but unused vacation and sick leave.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include basic services such as general government, public safety, and streets. The business-type activities of the Town include sewer, fire service and alarm operations.

The government-wide financial statements include not only the Town itself (known as the primary government), but also two legally separate nonprofit entities: The Paradise Valley Mountain Preserve Trust and the Paradise Valley Municipal Property Corporation (MPC). Although legally separate from the Town, these component units are blended with the primary government because of their governance or financial relationship to the Town.

The government-wide financial statements can be found beginning on page 41 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into the following two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in determining what financial resources are available in the near future to fund the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eleven individual governmental funds organized according to their type (general fund, special revenue, debt service and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Highway User Revenue Fund, are major funds. Data from the remaining nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in a separate section of this report. The basic governmental fund financial statements begin on page 45 of this report.

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

Proprietary Funds - Proprietary funds are generally used to account for services for which the Town charges customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains only one type of proprietary fund - enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for the sewer, fire service, and alarm operations of the Town. The proprietary fund financial statements begin on page 51 of this report.

Notes to Basic Financial Statements - The notes to basic financial statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements. The notes to basic financial statements begin on page 57 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information including budgetary comparison schedules for the General Fund and major special revenues funds and the Town's progress in funding its obligation to provide pension benefits to its employees. This information can be found beginning on page 80 of this report.

The combining statements referred to earlier, in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

Government-Wide Financial Analysis

While this document contains information about the funds used by the Town to provide services to our citizens, the Statement of Net Position and the Statement of Activities serve to provide an answer to the question of how the Town did, as a whole, financially throughout the year. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year revenues and expenses regardless of when the cash is received or paid.

These two statements report the Town's net position and the changes in net position. The change in net position is important because it tells the reader whether the financial position of the Town as a whole has improved or diminished. However, in evaluating the overall net position of the Town, non-financial information such as changes in the Town's tax base and the condition of the Town's capital assets will also need to be evaluated.

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

Analysis of Net Position - Net position may serve as a useful indicator of a government's financial position. In the case of the Town, combined assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$264.7 million and \$237.8 million at the close of the fiscal years 2025 and 2024, respectively as shown in the following condensed statement of net position.

	Town of Paradise Valley, Arizona Condensed Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 156,311,803	\$ 133,898,208	\$ 3,369,196	\$ 4,163,129	\$ 159,680,999	\$ 138,061,337
Capital assets:						
Nondepreciable/ amortized	47,744,965	43,761,459	17,203,392	17,203,392	64,948,357	60,964,851
Depreciable/amortized, net	51,224,105	50,949,896	7,540,795	7,209,843	58,764,900	58,159,739
Total assets	<u>255,280,873</u>	<u>228,609,563</u>	<u>28,113,383</u>	<u>28,576,364</u>	<u>283,394,256</u>	<u>257,185,927</u>
Total deferred outflows of resources	<u>4,430,004</u>	<u>8,554,760</u>	<u>-</u>	<u>-</u>	<u>4,430,004</u>	<u>8,554,760</u>
Liabilities:						
Other liabilities	5,093,707	5,102,757	1,147,879	975,354	6,241,586	6,078,111
Long-term liabilities:						
Due within one year	2,760,578	2,465,004	-	-	2,760,578	2,465,004
Due in more than one year	11,652,967	17,398,013	-	-	11,652,967	17,398,013
Total liabilities	<u>19,507,252</u>	<u>24,965,774</u>	<u>1,147,879</u>	<u>975,354</u>	<u>20,655,131</u>	<u>25,941,128</u>
Total deferred inflows of resources	<u>2,485,365</u>	<u>2,010,305</u>	<u>-</u>	<u>-</u>	<u>2,485,365</u>	<u>2,010,305</u>
Net position:						
Net investment in capital assets	97,232,836	91,514,630	24,744,187	24,413,235	121,977,023	115,927,865
Restricted	2,551,104	2,199,264	-	-	2,551,104	2,199,264
Unrestricted	137,934,320	116,474,350	2,221,317	3,187,775	140,155,637	119,662,125
Total net position	<u>\$ 237,718,260</u>	<u>\$ 210,188,244</u>	<u>\$ 26,965,504</u>	<u>\$ 27,601,010</u>	<u>\$ 264,683,764</u>	<u>\$ 237,789,254</u>

The largest portion of the Town's net position reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure) less depreciation and any related debt used to acquire those assets, of \$123.7 million (49%) and \$115.9 million (49%) for the fiscal years 2025 and 2024, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for appropriation. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

An additional portion of the Town's net position, \$2.6 million (less than 1%) for fiscal year 2025 and \$2.2 million (1.0%) for fiscal year 2024, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position for fiscal years 2025 and 2024, \$140.2 million (54%) and \$119.7 million (50%) respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of both the current and previous fiscal years, the Town was able to report positive balances in all three categories of net position for the government as a whole, as well as for the business-type activities.

Analysis of Changes in Net Position - Total revenues exceeded total expenses in the current fiscal year, resulting in an increase in the Town's total net position of \$26.9 million in fiscal year 2025 compared to an increase in net position of \$27.7 million during the fiscal years 2024. These changes are explained in the government and business-type activities discussion below.

	Town of Paradise Valley, Arizona Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Fees, fines and charges for service	\$ 8,762,080	\$ 7,764,862	\$ 6,269,819	\$ 6,197,626	\$ 15,031,899	\$ 13,962,488
Operating grants and contributions	1,505,479	1,356,130	-	-	1,505,479	1,356,130
Capital grants and contributions	3,697,286	487,432	109,858	306,033	3,807,144	793,465
General revenues:						
Local taxes	36,612,040	36,347,408	-	-	36,612,040	36,347,408
State shared revenues	5,267,070	5,899,002	-	-	5,267,070	5,899,002
Investment earnings	6,466,673	5,931,680	160,324	155,068	6,626,997	6,086,748
Gain on disposal of right-to-use assets	-	56,651	-	-	-	56,651
Miscellaneous	259,951	148,966	-	-	259,951	148,966
Total revenues	62,570,579	57,992,131	6,540,001	6,658,727	69,110,580	64,650,858
Expenses:						
Governmental activities:						
General government	14,535,734	13,689,314	-	-	14,535,734	13,689,314
Public safety	14,508,849	12,146,819	-	-	14,508,849	12,146,819
Highways and streets	4,758,393	3,937,254	-	-	4,758,393	3,937,254
Interest and fiscal charges	37,587	67,181	-	-	37,587	67,181
Business-type activities:						
Sewer system	-	-	3,621,489	2,522,877	3,621,489	2,522,877
Fire services	-	-	4,564,507	4,457,551	4,564,507	4,457,551
Alarm monitor system	-	-	189,511	166,247	189,511	166,247
Total expenses	33,840,563	29,840,568	8,375,507	7,146,675	42,216,070	36,987,243
Transfers in/(out)	(1,200,000)	-	1,200,000	-	-	-
Change in net position	27,530,016	28,151,563	(635,506)	(487,948)	26,894,510	27,663,615
Net position, beginning	210,188,244	182,036,681	27,601,010	28,088,958	237,789,254	210,125,639
Net position, ending	\$ 237,718,260	\$ 210,188,244	\$ 26,965,504	\$ 27,601,010	\$ 264,683,764	\$ 237,789,254

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

Governmental Activities - Net position for governmental activities increased \$27.5 million during fiscal year 2025 compared to an increase of \$28.2 million in fiscal year 2024. Total revenues increased \$4.6 million from the prior fiscal year and expenses increased \$4.0 million. Overall, revenues exceeded expenses resulting in the increase in net position.

Program revenues total \$10.7 million in fiscal year 2025 compared to \$9.6 million in 2024. Fines, fees and charges for services increased (13.0%) over fiscal year 2024 and is largely due to the development agreement with Five Star. Operating grants remained flat in fiscal year 2025 while Capital Grants increased by \$3.3 million dollars due to a land donation to the Paradise Valley Mountain Preserve Trust.

General revenues such as local taxes, state shared revenue and investment earnings are not shown by program but are used to support program activities town wide. Total general revenues for governmental activities were \$448.6 million in fiscal year 2025 compared to \$48.2 million in 2024. Local taxes increased by \$265 thousand with reflects economic factors and sales. State shared revenue is based on population and tax revenue received by the state. The population in Paradise Valley remained constant while other communities' populations increased, which decreases the Town's share. Investment earnings increased from fiscal year 2024 by \$535 thousand. Investment earnings increased due to increased interest rates in fiscal year 2025 compared to fiscal year 2024, as well as gains reported in most investment securities held by the Town.

Expenses increased from \$29.8 million in fiscal year 2024 to \$33.8 million in fiscal year 2025. General Government increased \$846 thousand over the prior fiscal year mostly due to compensation increase and inflation. Public Safety expenses increased \$2.3 million, this amount is a net increase that includes the compensation increase, some reduced spending, and an additional \$2.5 million dollar payment to the public safety unfunded pension liability. Highways and Streets expenses increased \$821 thousand due to compensation increase and inflation.

Business-Type Activities. Business-type activities decreased the Town's net position by \$0.6 million in fiscal year 2025. Income from charges for services and expenses remained relatively unchanged in fiscal year 2025 over the prior fiscal year; however, fire services expenditures exceeded fire service revenues, resulting in the decrease in net position.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Activity not required to be reported in a separate fund is included in the General Fund.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The major governmental funds reported by the Town include the General Fund and the Highway User Revenue Fund (HURF).

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$148.2 million, an increase of \$21.3 million, or a 16.8% increase in comparison with the prior year. The combined ending fund balances for fiscal year 2024 were \$127.0 million.

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

The General Fund is the chief operating fund of the Town. At June 30, 2025, the general fund balance had a total ending fund balance of \$137.8 million. The unassigned fund balance of the General Fund was \$104.4 million, or 70.5% of the combined governmental fund balance. The unassigned fund balance of the General Fund on June 30, 2024 was \$115.3 million, or 68.2% of the combined governmental fund balance. As a measure of the General Fund's liquidity, it may be useful to compare General Fund unassigned fund balance to General Fund expenditures. The General Fund unassigned balance of \$104.4 million represents 377.3% of General Fund expenditures.

The Highway User Revenue Fund (HURF) is used to account for the state shared revenues restricted for street and highway purposes. The fund balance on June 30, 2025 was \$0.9 million and was all assigned due to unspent transfers from the General Fund. The HURF Fund received a transfer of \$3.0 million from the General Fund to supplement the cost of street improvement projects, the same amount as fiscal year 2024. HURF expenditures increased \$0.5 million in comparison with the prior year.

The nonmajor governmental funds reported a decrease in fund balance of \$1.4 million. This decrease was largely due to an increase in capital spending.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position was \$(0.4) million for the Fire Service Fund, \$2.2 million for the Sewer Fund and \$0.4 million for the Nonmajor Alarm Fund.

The total change in net position for the enterprise funds was a negative \$0.6 million for fiscal year 2025. The change was primarily due to an increase in the fire service intergovernmental agreement with the City of Phoenix. The Town monitors costs in order to provide reasonable fees to customers for services.

General Fund Budgetary Highlights

The Town adopts an annual appropriated budget for its General Fund which is the legally adopted expenditure control document of the Town. A schedule is provided of the budget amounts compared to the Town's actual financial activity for the General Fund in the other required supplementary section of this report. Actual revenues exceeded expenditures by \$22.5 million which was \$16.6 million more than the final revised budget for fiscal year 2025.

The Town closely monitors its revenues, particularly local sales taxes, licenses and permits, state shared revenues and investment earnings, for any potential shortfall. Actual revenues of \$55.8 million exceeded the \$51.4 million final budget amount by \$4.4 million, or 8.6%. The \$13.2 million of actual expenditures were 87.4% of the final budget. All departments were under the final budget during the current year.

Budgeted revenues and expenditures remained consistent between the original and final budget.

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

Capital Assets and Debt Administration

Capital Assets

The Town's capital assets for its governmental and business-type activities as of June 30, 2025 and 2024 amount to \$123.7 million and \$119.1 million, respectively (net of accumulated depreciation). The net increase in capital assets (net of accumulated depreciation) was \$4.6 million. The increase was due to increased spending on roadway projects, stormwater projects, IT infrastructure, and vehicles replacements.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 4 to the Financial Statements for further information regarding capital assets. The table below provides a summary of 2025 and 2024 assets, net of depreciation/amortization:

Town of Paradise Valley, Arizona Capital Assets As of June 30, 2025 and 2024 (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Capital assets not being depreciated/amortized:						
Land and improvements	\$ 45,835,164	\$ 42,535,164	\$ 2,853,626	\$ 2,853,626	\$ 48,688,790	\$ 45,388,790
Construction in progress	1,909,801	1,226,295	-	-	1,909,801	1,226,295
Sewer capacity rights	-	-	14,349,766	14,349,766	14,349,766	14,349,766
Depreciable/amortized capital assets:						
Infrastructure	40,925,847	41,631,165	-	-	40,925,847	41,631,165
Land improvements	405,976	455,771	-	-	405,976	455,771
Buildings and improvements	5,181,831	5,111,818	2,213,068	2,391,472	7,394,899	7,503,290
Sewer system	-	-	4,593,820	4,818,371	4,593,820	4,818,371
Machinery, equipment and vehicles	4,473,009	3,365,013	733,907	-	5,206,916	3,365,013
Intangibles:						
Right-to-use subscription assets	237,442	386,129	-	-	237,442	386,129
Total	\$ 98,969,070	\$ 94,711,355	\$ 24,744,187	\$ 24,413,235	\$ 123,713,257	\$ 119,124,590

The most significant capital asset acquisitions during the fiscal year were as follows:

- Telecommunications systems update
- Town Hall parking lot resurfacing
- Town Hall mothering room
- Town Hall and Court optimization projects phase 2
- Various road work projects
- Public safety equipment and vehicles
- Public works vehicles

Town of Paradise Valley, Arizona

Management Discussion and Analysis
June 30, 2025

Long-Term Debt

At the end of the fiscal years 2024 and 2023, the Town had total long-term obligations outstanding of \$14.4 million and \$19.9 million respectively. Of these amounts, \$2.0 million are the Excise Tax Revenue Bonds, a decrease of \$1.5 million over 2024, due to scheduled debt payments. Compensated absences increased slightly in fiscal year 2025 to \$1.9 million from \$1.6 million in 2024. Net pension and OPEB liabilities decreased in fiscal year 2025 by \$4.2 million to \$10.1 million, over 2024 of \$14.4 million, due to a payment made to the unfunded pension liabilities. During the fiscal year 2025. Subscription liabilities decreased due to changes in subscription contracts. Additional information on the Town's long-term obligations can be found in Note 5. The table below provides a summary of 2025 and 2024 outstanding debt:

Town of Paradise Valley, Arizona Outstanding Debt As of June 30, 2025 and 2024						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenue bonds	\$ 2,090,000	\$ 3,465,000	\$ -	\$ -	\$ 2,090,000	\$ 3,465,000
Compensated absences	1,927,805	1,642,549	-	-	1,927,805	1,642,549
Subscription liabilities	263,330	337,822	-	-	263,330	337,822
Net pension liabilities	10,131,102	14,369,641	-	-	10,131,102	14,369,641
Net OPEB (asset)/liabilities	(44,137)	48,005	-	-	(44,137)	48,005
Total	\$ 14,368,100	\$ 19,863,017	\$ -	\$ -	\$ 14,368,100	\$ 19,863,017

Economic Factors and Next Year's Budget

The FY 2024-2025 budget is based upon a relatively specific revenue portfolio. The Town has no local property tax. The Town's limited demographics of residential and resort mean that the Town is highly reliant on hotel and bed tax, construction sales tax, and state shared revenues. The Town's sales tax rate is 2.5% and with this revenue stream, especially the amounts derived from construction activities, has allowed the Town Council to continue the aggressive capital improvement plan as well as generate funding for the replenishment of infrastructure, such as roads, buildings, and technology.

Paradise Valley continues a stable fiscal path. On May 22, 2025, the Town Council approved a \$61.3 million budget, which is a 6.1% increase over the prior fiscal year budget of \$57.8 million. The adopted fiscal year 2026 budget includes \$51.2 million for operations, including grants, contingencies, and reserves, and \$10.1 million of capital improvements.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact the Finance Department at:

Town of Paradise Valley
6401 E. Lincoln Drive
Paradise Valley, AZ 85253

Or visit our website at: <http://www.paradisevalleyaz.gov/townhall>



Financial Section

Basic Financial Statements

Government-Wide Financial Statements - include the Statement of Net Position and Statement of Activities and use the accrual basis of accounting for financial reporting.

Governmental Funds Financial Statements - include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also includes the reconciliations to the government-wide financial statements.

Proprietary Funds Financial Statements - include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

Notes to the Financial Statements - Supplemental documents that provide additional information about the government's financial statements.



Financial Section

Basic Financial Statements

Government-Wide Financial Statements - Include the Statement of Net Position and Statement of Activities and use the accrual basis of accounting for financial reporting.



Town of Paradise Valley, Arizona

Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 145,888,008	\$ 3,127,995	\$ 149,016,003
Receivables, net:			
Accounts receivable	2,027,167	516,998	2,544,165
Intergovernmental receivables	2,766,979	-	2,766,979
Court fines receivable	839,239	-	839,239
Lease receivable	1,021,544	-	1,021,544
Interest receivable	294,708	-	294,708
Inventories	40,689	-	40,689
Restricted cash and investments	2,807,938	-	2,807,938
Internal activity	275,797	(275,797)	-
Net OPEB asset	349,734	-	349,734
Capital assets:			
Not being depreciated/amortized	47,744,965	17,203,392	64,948,357
Depreciated/amortized, net	51,224,105	7,540,795	58,764,900
Total assets	<u>255,280,873</u>	<u>28,113,383</u>	<u>283,394,256</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions and other postemployment benefits	4,430,004	-	4,430,004
Total deferred outflows of resources	<u>4,430,004</u>	<u>-</u>	<u>4,430,004</u>
Liabilities			
Accounts payable	2,520,841	438,577	2,959,418
Accrued payroll and related liabilities	335,751	-	335,751
Interest payable	9,492	-	9,492
Customer deposits payable	2,176,317	-	2,176,317
Unearned revenue	51,306	709,302	760,608
Long-term liabilities:			
Due within one year:			
Compensated absences	1,289,711	-	1,289,711
Subscriptions liability	80,867	-	80,867
Bonds payable	1,390,000	-	1,390,000
Due in more than one year:			
Compensated absences	638,094	-	638,094
Subscriptions liability	182,463	-	182,463
Bonds payable	700,000	-	700,000
Net pension/OPEB liabilities	10,132,410	-	10,132,410
Total liabilities	<u>19,507,252</u>	<u>1,147,879</u>	<u>20,655,131</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions and other postemployment benefits	1,484,047	-	1,484,047
Deferred inflows related to leases	1,001,318	-	1,001,318
Total deferred inflows of resources	<u>2,485,365</u>	<u>-</u>	<u>2,485,365</u>
Net Position			
Net investment in capital assets	97,232,836	24,744,187	121,977,023
Restricted for:			
Debt service	128,045	-	128,045
Capital projects	2,188	-	2,188
Contributions and donations	128,695	-	128,695
Court enhancement	1,609,519	-	1,609,519
Opioid remediation	286,114	-	286,114
Post-employment obligations	349,734	-	349,734
PV Mountain Preserve Trust	46,809	-	46,809
Unrestricted	137,934,320	2,221,317	140,155,637
Total net position	<u>\$ 237,718,260</u>	<u>\$ 26,965,504</u>	<u>\$ 264,683,764</u>

See notes to financial statements

Town of Paradise Valley, Arizona

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 14,535,734	\$ 8,589,725	\$ 111,253	\$ 3,300,000	\$ (2,534,756)	\$ -	\$ (2,534,756)
Public safety	14,508,849	172,355	391,225	-	(13,945,269)	-	(13,945,269)
Highways and streets	4,758,393	-	1,003,001	397,286	(3,358,106)	-	(3,358,106)
Interest and fiscal charges	37,587	-	-	-	(37,587)	-	(37,587)
Total governmental activities	33,840,563	8,762,080	1,505,479	3,697,286	(19,875,718)	-	(19,875,718)
Business-Type Activities							
Sewer system	3,621,489	2,828,147	-	109,858	-	(683,484)	(683,484)
Fire service	4,564,507	3,322,705	-	-	-	(1,241,802)	(1,241,802)
Alarm monitor service	189,511	118,967	-	-	-	(70,544)	(70,544)
Total business-type activities	8,375,507	6,269,819	-	109,858	-	(1,995,830)	(1,995,830)
Total government	\$ 42,216,070	\$ 15,031,899	\$ 1,505,479	\$ 3,807,144	(19,875,718)	(1,995,830)	(21,871,548)
General Revenues							
Taxes:							
Sales tax					35,122,924	-	35,122,924
Franchise tax					1,489,116	-	1,489,116
Intergovernmental:							
State shared sales taxes (unrestricted)					1,917,903	-	1,917,903
Urban revenue sharing (unrestricted)					2,659,525	-	2,659,525
Stated shared vehicle license tax					689,642	-	689,642
Investment earnings							
Interest income					6,052,084	160,324	6,212,408
Change in fair value of investments					414,589	-	414,589
Miscellaneous					259,951	-	259,951
Transfers in (out)					(1,200,000)	1,200,000	-
Total general revenues					47,405,734	1,360,324	48,766,058
Change in net position					27,530,016	(635,506)	26,894,510
Net Position, Beginning					210,188,244	27,601,010	237,789,254
Net Position, Ending					\$ 237,718,260	\$ 26,965,504	\$ 264,683,764

See notes to financial statements

Financial Statements

Basic Financial Statements

Government Funds Financial Statements- include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also includes the reconciliations to the government-wide financial statements.

Major Funds

General Fund - This fund is the general operating fund of the Town. It accounts for all financial resources of the Town, except those required to be accounted for in other funds.

Highway User Revenue Fund - This special revenue fund accounts the Town's share of restricted motor fuel tax revenues and lottery proceeds.

Nonmajor Funds - Other governmental funds are the nonmajor funds and are special revenue, capital project, and debt service funds.



Town of Paradise Valley, Arizona

Balance Sheet - Governmental Funds
June 30, 2025

	General	HURF	Nonmajor Funds	Total Funds
Assets				
Cash and cash equivalents	\$ 134,518,564	\$ 2,065,032	\$ 9,304,412	\$ 145,888,008
Receivables, net				
Accounts receivable	2,027,167	-	-	2,027,167
Intergovernmental	2,668,539	98,440	-	2,766,979
Court fines receivable	773,899	-	65,340	839,239
Lease receivable	1,021,544	-	-	1,021,544
Interest receivable	294,708	-	-	294,708
Due from other funds	275,797	-	-	275,797
Inventories	40,689	-	-	40,689
Restricted cash and investments	2,166,053	-	641,885	2,807,938
Total assets	\$ 143,786,960	\$ 2,163,472	\$ 10,011,637	\$ 155,962,069
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 909,232	\$ 1,277,665	\$ 333,944	\$ 2,520,841
Accrued payroll and related liabilities	335,751	-	-	335,751
Unearned revenue	4,500	-	46,806	51,306
Customer deposits payable	2,166,053	-	10,264	2,176,317
Total liabilities	3,415,536	1,277,665	391,014	5,084,215
Deferred Inflows of Resources				
Unavailable revenue	1,563,178	-	65,340	1,628,518
Deferred inflows related to leases	1,001,318	-	-	1,001,318
Total deferred inflows of resources	2,564,496	-	65,340	2,629,836
Fund Balances				
Nonspendable:				
Inventories	40,689	-	-	40,689
Leases	20,226	-	-	20,226
Restricted:				
Debt service	-	-	128,045	128,045
Contributions and donations	-	-	128,695	128,695
Court enhancement	-	-	1,609,519	1,609,519
Opioid remediation	-	-	286,114	286,114
Capital projects	-	-	619,284	619,284
PV Mountain Preserve Trust	-	-	46,809	46,809
Assigned:				
Highways and streets	-	885,807	-	885,807
Debt service	2,117,336	-	-	2,117,336
Public safety	2,000,000	-	-	2,000,000
Facilities	1,463,800	-	-	1,463,800
Pavement preservation	1,414,286	-	-	1,414,286
Capital projects	26,306,872	-	6,736,817	33,043,689
Unassigned	104,443,719	-	-	104,443,719
Total fund balances	137,806,928	885,807	9,555,283	148,248,018
Total liabilities, deferred inflows of resources and fund balances	\$ 143,786,960	\$ 2,163,472	\$ 10,011,637	\$ 155,962,069

See notes to financial statements

Town of Paradise Valley, Arizona

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2025

Fund Balances - Total Governmental Funds \$ 148,248,018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Capital assets, not being depreciated/amortized	\$ 47,744,965	
Capital assets, depreciated/amortized (net)	51,224,105	98,969,070

Accounts receivable, net of allowance for doubtful accounts, that were not available to finance current financial resources.	1,628,518
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Pension and OPEB assets held in trust for future benefits are not available for the Town operations and, therefore, are not reported in the governmental funds.

Net OPEB asset	349,734
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Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the governmental funds.

Deferred outflows of resources related to pensions/OPEB	4,430,004	
Deferred inflows of resources related to Pensions/OPEB	(1,484,047)	2,945,957

Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the funds:

Revenue bonds	(2,090,000)	
Subscription-based information technology arrangements liability	(263,330)	
Net pension liability	(10,131,102)	
Net OPEB liability	(1,308)	
Compensated absences	(1,927,805)	
Accrued interest	(9,492)	(14,423,037)

Total Net Position of Governmental Activities \$ 237,718,260

Town of Paradise Valley, Arizona

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2025

	General Fund	Highway User Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Sales tax	\$ 35,124,424	\$ -	\$ -	\$ 35,124,424
Franchise tax	1,489,116	-	-	1,489,116
Intergovernmental	5,471,063	1,003,001	758,219	7,232,283
Fines and forfeitures	2,364,621	-	400,291	2,764,912
Licenses and permits	3,810,487	-	-	3,810,487
Charges for services	365,990	-	-	365,990
Rents and royalties	124,923	-	-	124,923
Contributions and donations	-	-	46,195	46,195
Investment earnings:				
Interest income	5,933,213	-	118,871	6,052,084
Change in fair value of investments	414,589	-	-	414,589
Other revenues	737,530	-	-	737,530
Total revenues	55,835,956	1,003,001	1,323,576	58,162,533
Expenditures				
Current:				
General government	12,752,852	-	467,719	13,220,571
Public safety	13,712,594	-	5,637	13,718,231
Highways and streets	-	3,620,871	-	3,620,871
Capital outlay	1,133,245	251,282	2,228,185	3,612,712
Debt service:				
Principal	74,492	-	1,375,000	1,449,492
Interest and fiscal charges	9,797	-	34,035	43,832
Total expenditures	27,682,980	3,872,153	4,110,576	35,665,709
Excess (deficiency) of revenues over (under) expenditures	28,152,976	(2,869,152)	(2,787,000)	22,496,824
Other Financing Sources (Uses)				
Transfers in	-	3,000,000	1,441,205	4,441,205
Transfers out	(5,616,501)	-	(24,704)	(5,641,205)
Total other financing sources (uses)	(5,616,501)	3,000,000	1,416,501	(1,200,000)
Net change in fund balances	22,536,475	130,848	(1,370,499)	21,296,824
Fund Balances, Beginning	115,270,453	754,959	10,925,782	126,951,194
Fund Balances, Ending	\$ 137,806,928	\$ 885,807	\$ 9,555,283	\$ 148,248,018

See notes to financial statements

Town of Paradise Valley, Arizona

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

to the Statement of Activities

Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 21,296,824

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay	\$ 3,707,763	
Depreciation/amortization expense	<u>(2,748,675)</u>	959,088

Capital contributions are not reported in the governmental funds

However, in the Statement of Activities, the costs of those assets are reported as capital grants and contributions.		3,300,000
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In the Statement of Activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital asset sold.

Loss on disposal of capital assets		(1,373)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Court fines		150,328
Developer agreement revenue		958,000
Sales tax		<u>(1,500)</u>

Pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability (asset) is measured a year before the Town's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability (assets) adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Pension/OPEB contributions	2,087,030	
Pension/OPEB expense	<u>(2,388,862)</u>	(301,832)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are amortized in the Statement of Activities.

Principal repaid - bonds	1,375,000	
Principal repaid - Subscription-based information technology arrangements	<u>74,492</u>	1,449,492

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenses in governmental funds.

Compensated absences	(285,256)	
Accrued interest	<u>6,245</u>	<u>(279,011)</u>

Change in Net Position of Governmental Activities \$ 27,530,016

See notes to financial statements

Financial Statements

Basic Financial Statements

Proprietary Fund's Financial Statements

Sewer System Fund - This fund is used to account for the activities of the Town's sewer utility operations.

Fire Service Fund - This fund is used to account for the activities of the Town's fire services.

Nonmajor Alarm Fund - This fund is used to account for the activities of the Town's alarm services.



Town of Paradise Valley, Arizona

Statement of Net Position - Proprietary Funds

June 30, 2025

	Business-Type Activities-Enterprise Funds			Total
	Sewer Fund	Fire Service Fund	Nonmajor Business-Type Alarm Fund	
Assets				
Current assets:				
Cash and investments	\$ 2,174,856	\$ 541,610	\$ 411,529	\$ 3,127,995
Accounts receivable, net	284,421	209,859	22,718	516,998
Total current assets	<u>2,459,277</u>	<u>751,469</u>	<u>434,247</u>	<u>3,644,993</u>
Noncurrent Assets				
Capital assets:				
Nondepreciable	14,349,766	2,853,626	-	17,203,392
Depreciable, net	4,593,821	2,946,974	-	7,540,795
Total noncurrent assets	<u>18,943,587</u>	<u>5,800,600</u>	<u>-</u>	<u>24,744,187</u>
Total assets	<u>21,402,864</u>	<u>6,552,069</u>	<u>434,247</u>	<u>28,389,180</u>
Liabilities				
Accounts payable	239,062	199,515	-	438,577
Due to other funds	-	275,797	-	275,797
Unearned revenue	8,249	701,053	-	709,302
Total liabilities	<u>247,311</u>	<u>1,176,365</u>	<u>-</u>	<u>1,423,676</u>
Net Position				
Net investment in capital assets	18,943,587	5,800,600	-	24,744,187
Unrestricted	2,211,966	(424,896)	434,247	2,221,317
Total net position	<u>\$ 21,155,553</u>	<u>\$ 5,375,704</u>	<u>\$ 434,247</u>	<u>\$ 26,965,504</u>

See notes to financial statements

Town of Paradise Valley, Arizona

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

Year Ended June 30, 2025

	Business-Type Activities-Enterprise Funds			Total
	Sewer Fund	Fire Service Fund	Nonmajor Business-Type Alarm Fund	
Operating Revenues				
Charges for services	\$ 2,828,147	\$ 3,322,705	\$ 118,967	\$ 6,269,819
Total operating revenue	<u>2,828,147</u>	<u>3,322,705</u>	<u>118,967</u>	<u>6,269,819</u>
Operating Expenses				
Cost of sales and services	3,234,995	3,905,489	46,955	7,187,439
Administrative charges	161,944	297,140	142,556	601,640
Depreciation	224,550	361,878	-	586,428
Total operating expenses	<u>3,621,489</u>	<u>4,564,507</u>	<u>189,511</u>	<u>8,375,507</u>
Operating income (loss)	<u>(793,342)</u>	<u>(1,241,802)</u>	<u>(70,544)</u>	<u>(2,105,688)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	109,754	30,039	20,531	160,324
Total nonoperating revenue (expense)	<u>109,754</u>	<u>30,039</u>	<u>20,531</u>	<u>160,324</u>
Income (loss) before development fees	<u>(683,588)</u>	<u>(1,211,763)</u>	<u>(50,013)</u>	<u>(1,945,364)</u>
Development Fees	<u>109,858</u>	<u>-</u>	<u>-</u>	<u>109,858</u>
Other Financing Sources (Uses)				
Transfers in	-	1,200,000	-	1,200,000
Total other financing sources (uses)	<u>-</u>	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>
Change in net position	(573,730)	(11,763)	(50,013)	(635,506)
Net Position, Beginning	<u>21,729,283</u>	<u>5,387,467</u>	<u>484,260</u>	<u>27,601,010</u>
Net Position, Ending	<u>\$ 21,155,553</u>	<u>\$ 5,375,704</u>	<u>\$ 434,247</u>	<u>\$ 26,965,504</u>

See note to financial statements

Town of Paradise Valley, Arizona

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2025

	Business-Type Activities-Enterprise Funds			Total
	Sewer Fund	Fire Service Fund	Nonmajor Business-Type Alarm Fund	
Cash Flows From Operating Activities				
Receipts from customers	\$ 2,832,574	\$ 3,372,283	\$ 122,557	\$ 6,327,414
Payments to suppliers	(3,179,751)	(2,846,192)	(46,955)	(6,072,898)
Payments for administrative charges	(161,944)	(297,140)	(142,556)	(601,640)
Net cash flows provided by (used in) operating activities	(509,121)	228,951	(66,954)	(347,124)
Cash Flows From Noncapital Financing Activities				
Transfers in (out)	-	1,200,000	-	1,200,000
Net cash flows provided by (used in) noncapital and related financing activities	-	1,200,000	-	1,200,000
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	-	(917,380)	-	(917,380)
Receipts from development fees	109,858	-	-	109,858
Net cash flows provided by (used in) capital and related financing activities	109,858	(917,380)	-	(807,522)
Cash Flows From Investing Activities				
Cash received from interest income	109,754	30,039	20,531	160,324
Net cash flows provided by (used in) investing activities	109,754	30,039	20,531	160,324
Net change in cash and cash equivalents	(289,509)	541,610	(46,423)	205,678
Cash and Cash Equivalents, Beginning	2,464,365	-	457,952	2,922,317
Cash and Cash Equivalents, Ending	<u>\$ 2,174,856</u>	<u>\$ 541,610</u>	<u>\$ 411,529</u>	<u>\$ 3,127,995</u>

See notes to financial statements

Town of Paradise Valley, Arizona

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities-Enterprise Funds			Total
	Sewer Fund	Fire Service Fund	Nonmajor Business-Type Alarm Fund	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)				
Operating Activities				
Net operating income (loss)	\$ (793,342)	\$ (1,241,802)	\$ (70,544)	\$ (2,105,688)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	224,550	361,878	-	586,428
Provision for bad debt	2,528	10,014	176	12,718
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in:				
Accounts receivable	21,775	41,407	6,331	69,513
Inventory and prepaid items	-	917,380	-	917,380
Increase (decrease) in:				
Accounts payable	55,244	141,917	-	197,161
Unearned revenue	(19,876)	(1,843)	(2,917)	(24,636)
Net cash provided by (used in) operating activities	<u>\$ (509,121)</u>	<u>\$ 228,951</u>	<u>\$ (66,954)</u>	<u>\$ (347,124)</u>

See notes to financial statements

Financial Statements

Notes to Financial Statements



Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Paradise Valley, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the Town's more significant accounting policies follows.

Reporting Entity

The Town of Paradise Valley, Arizona is a municipal government that is governed by an elected mayor, vice-mayor, and five-member governing council (council). The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

The following is a brief review of the component unit included in defining the Town's reporting entity. There are no discretely presented component units and one blended component unit.

Individual Component Units - Blended

The Paradise Valley Mountain Preserve Trust. The Paradise Valley Mountain Preserve Trust (PVMPT) board of trustees consists of five members who are appointed by the Town Council. The PVMPT was created for charitable purposes as defined in the Internal Revenue Code Section 501(c)(3). The Town established and created beneficial interest in the PVMPT to acquire, maintain, preserve and protect in perpetuity undeveloped real property and developed real property that can be returned to its natural state, and interests therein, including scenic and conservation easements, on and around the Paradise Valley Mountain Preserve in the Town of Paradise Valley. The Town Council authorized the Town Manager and appropriate officers of the Town to have operational responsibility over PVMPT by executing an agreement between the Town and PVMPT to provide in-kind and direct expenditures for support services to the PVMPT, including but not limited to the accounting, legal, clerical, property maintenance and management, insurance, real estate transaction expense, promotional, donor and trust estate costs. The Paradise Valley Mountain Preserve Trust cannot be part of another financial reporting entity.

Separate financial statements are not issued for the component unit.

Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the Town as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Interfund services provided and used are not eliminated in the process of consolidation for the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its blended component units. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The General Fund - The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

Highway User Revenue Fund - The Highway User Revenue Special Revenue Fund accounts for the Town's share of restricted motor fuel tax revenues and lottery proceeds.

The Town reports the following major proprietary funds:

Sewer System Fund - The Sewer System Fund accounts for the costs to operate construct and finance the Town's sewer system.

Fire Service Fund - The Fire Service Fund accounts for the costs to operate fire services for the Town.

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year, the expenditures and related liabilities have been recognized in the Debt Service Fund. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Sales taxes, franchise taxes, intergovernmental grants and aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the state treasurer, and highly liquid investments with maturities of three years or less from the date of acquisition.

Cash and investments are pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on the average daily cash balances. State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of the deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns, or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pool. Investments are stated at fair value.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Internal balances" in the Statement of Net Position and as "Due to" or "Due from" other funds in the fund financial statements. All trade accounts receivable are shown net of an allowance for doubtful accounts.

The Town also reports advances to and advances from other funds on the balance sheet of the fund financial statements for long-term interfund borrowings between funds (more than a year).

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are recorded as an expenditure in the governmental funds and as an expense in the governmental activities, business-type activities and proprietary funds when the resources are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Cash and Investments

The Town reports restricted cash and investments in the General Fund for the resort payment reserve, customer deposits, in the Debt Service Fund for cash held with a paying agent, and in the capital projects funds for unspent bond proceeds.

Capital Assets

Capital assets (including property, plant, and equipment) are reported in the governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar assets are recorded at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation/amortization on all assets is provided on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Building and improvements	25
Land improvements	25
Sewer lines	50
Infrastructure	30 to 50
Machinery, furniture, equipment and vehicles	5 to 20

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the Town is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying information-technology assets.

Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will be recognized as a revenue in future periods.

Compensated Absences

A liability for earned yet unpaid compensated absences is reported in the government-wide financial statements. The balance consists of accumulated vacation leave, sick leave, and compensatory time off which is more likely than not to be used, liquidated or converted in future periods through paid time off payments, termination, or retirement as further defined below.

Eligible employees accumulate 5 to 20 days of vacation leave annually depending on length of service and status as a full-time or part-time employee. Vacation leave balances in excess of twice the annual accrual are forfeited on January 1 of each year. Upon separation, employees are paid for all their unused vacation and compensatory time off.

Eligible employees accumulate 6 to 12 days of sick leave annually depending on their status as a full-time or part-time employee. Accumulated sick leave hours over a 480-hour maximum are reduced by half and converted on December 15 of each year to vacation leave or compensation. At the time of resignation or retirement, employees who have worked for the Town for at least 10 years but fewer than 15 years will receive compensation equal to half the unused sick leave subject to the 480-hour maximum. At the time of resignation or retirement, employees who have worked for the Town for at least 15 years will receive compensation for all their unused sick leave subject to the 480-hour maximum.

Leases and Subscription-Based Information Technology Arrangements

Leases

Lessee: As lessee, the Town recognizes lease liabilities with an initial, individual value of \$100,000 or more. The Town uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The Town's estimated incremental borrowing rate is based on the average interest rate of bonds received during the same period as leases.

Lessor: As lessor, the Town recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the Town charges the lessee) and the implicit rate cannot be determined, the Town uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The Town's estimated incremental borrowing rate is calculated as described above.

At the commencement of the lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements The Town recognizes subscription liabilities with an initial, individual value of \$25,000 or more. The Town uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The Town's estimated incremental borrowing rate is calculated as described above.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Pension and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ASRS and PSPRS net OPEB assets/liabilities have limited disclosures in the notes to the financial statements at June 30, 2025 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements.

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts in the period in which the bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The long-term debt of the Town is serviced by two debt service funds, according to the type of debt and the funds benefiting from that debt.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

The Net Investment in Capital Assets on the Statement of Net Position are calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Investment in Capital Asset:		
Nondepreciable/amortized capital assets	\$ 47,744,965	\$ 17,203,392
Other capital assets and right-of-use assets, net of accumulated depreciation/amortization	51,224,105	7,540,795
Cash proceeds restricted for capital projects	617,096	
Less bonds payable outstanding	(2,090,000)	-
Less subscription liability outstanding	(263,330)	-
	<u>\$ 97,232,836</u>	<u>\$ 24,744,187</u>
Total		

Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification include amounts that cannot be spent because they are either not in spendable form such as inventories, advances to other funds, other long-term notes receivable, and prepaid items, or are legally or contractually required to be maintained intact.

Restricted fund balances are those that have externally imposed restrictions on its usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

Committed fund balances are self-imposed limitations approved by the Town Council through ordinance, which is the highest level of decision-making authority within the Town. Only the Town Council can remove or change the constraints placed on committed fund balances through formal resolution. Fund balances must be committed before the end of the fiscal year.

Assigned fund balances are resources constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town Council has authorized the Town Manager or his designee to make assignments of resources for specific purposes.

The unassigned fund balance is the residual classification for the General Fund and includes all amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned. The Town has also established a fund balance policy whereas the unassigned fund balance in the operating budget be equal to at least 90%, and not more than 110% of expenditures.

Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish "operating" revenues and expenses from "nonoperating" items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. State law requires that, prior to April 1, the Economic Estimates commission provides the Town with a final expenditure limit for the coming fiscal year. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the state each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for other funds (except for the Paradise Valley Mountain Preserve Trust Fund).
5. Legal budgets are adopted for all funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures with the exception of the Paradise Valley Mountain Trust Nonmajor Governmental Fund in which an adopted budget is not prepared.

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Supplementary Budgetary Appropriations Were Necessary During the Year

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Statements of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual reports found in the required supplementary information and the other supplementary information present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2025, if any.

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has issued several statements that have been adopted but are not yet effective for the fiscal year ending June 30, 2025. The Town will implement these standards in future reporting periods as required. Those standards include:

- GASB Statement No. 103, *Financial Reporting Model Improvements*,
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

The Town continues to monitor and evaluate the impact of these new standards, and any future accounting standards issued by GASB, to ensure compliance and accurate financial reporting on its future financial statements. The adoption of these standards is expected to enhance the transparency and comparability of the Town's financial reporting. The Town will provide additional disclosures in the financial statements for the periods in which these standards become effective.

2. Cash and Investments

The following table summarizes the Town's cash and investments at June 30, 2025:

Deposits:	
Cash on hand	\$ 128,080
Cash in bank	95,050,703
Investments:	
U.S. Treasury bonds	18,630,983
Corporate bonds and notes	7,142,011
Negotiable certificate of deposits	706,484
Money market funds	18,522,592
State treasurer's investment	<u>11,643,088</u>
Total cash and investments	151,823,941
Less restricted cash and investments	<u>(2,807,938)</u>
Total cash and equivalents	<u>\$ 149,016,003</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements

June 30, 2025

Deposits

The Town's deposits including cash on hand, at June 30, 2025 had a carrying balance of \$95,050,703 and a bank balance of \$94,803,713. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$94,755,343 was covered by collateral held by the Town's custodial bank in the Town's name. Therefore, the Town's deposits were not exposed to any custodial credit risk.

Investments

The Town invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy. The LGIP is registered with the Securities Exchange Commission under the 1940 Investment Advisors Act and is rated by Standard & Poors with AAf/S1+.

The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the Town's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2025, the Town's funds invested with the State Treasurer totaled \$11,643,088.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Town's investments by maturity:

Investment Type	Investment Maturity			Total
	Less Than 0-6 Months	Less Than 6-12 Months	12+ Months	
U.S. Treasury bonds	\$ -	\$ -	\$ 18,630,983	\$ 18,630,983
Corporate bonds and notes	-	97,265	7,044,746	7,142,011
U.S. agency securities	-	-	-	-
Negotiable certificate of deposits	250,928	-	455,556	706,484
Money market funds	18,522,593	-	-	18,522,593
State treasurer's investment	11,643,088	-	-	11,643,088
Total investments	\$ 30,416,609	\$ 97,265	\$ 26,131,285	\$ 56,645,159

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town limits its investments to the State Treasurer's Investment Pool and Federal Agency Securities. The investment in the money market is on hand at the end of the fiscal year in order to make the required principal and interest payments on outstanding bonds. The Town's investments consist of U.S. Treasury bonds, corporate bonds and notes, U.S. agency securities, money market funds, and the state treasurer's investment pool.

The Town's investment rating based on investment type is shown below:

Investment Type	Rating	Agency	Total
U.S. Treasury bonds	AA+/Aaa	S&P/Moody's	\$ 18,630,983
Corporate bonds and notes	A/A1	S&P/Moody's	731,776
Corporate bonds and notes	A/A2	S&P/Moody's	483,935
Corporate bonds and notes	A/Aa3	S&P/Moody's	171,936
Corporate bonds and notes	A-/A1	S&P/Moody's	614,783
Corporate bonds and notes	A-/A2	S&P/Moody's	706,824
Corporate bonds and notes	A-/A3	S&P/Moody's	376,938
Corporate bonds and notes	A-/Baa1	S&P/Moody's	49,980
Corporate bonds and notes	A+/A1	S&P/Moody's	738,453
Corporate bonds and notes	A+/A2	S&P/Moody's	101,101
Corporate bonds and notes	A+/Aa1	S&P/Moody's	253,545
Corporate bonds and notes	A+/Aa2	S&P/Moody's	759,380
Corporate bonds and notes	A+/Aa3	S&P/Moody's	683,307
Corporate bonds and notes	AA-/Aa3	S&P/Moody's	226,220
Corporate bonds and notes	AA-/A1	S&P/Moody's	217,673
Corporate bonds and notes	AA-/Aa2	S&P/Moody's	729,207
Corporate bonds and notes	BBB+/A1	S&P/Moody's	101,399
Corporate bonds and notes	BBB+/A2	S&P/Moody's	195,553
Negotiable Certificate of Deposit	A/A1	S&P/Moody's	250,928
Negotiable Certificate of Deposit	A+/A1	S&P/Moody's	203,534
Negotiable Certificate of Deposit	A+/Aa3	S&P/Moody's	252,023
Money market	AAAm/Aaa-mf	S&P/Moody's	18,522,593
State treasurer's investment	AAAf	S&P/Moody's	11,643,088
			<u>\$ 56,645,159</u>

Concentration of Credit Risk

At June 30, 2025, the Town's investments are included as follows:

Investment Type - Concentration of Credit Risk	Amount	Percent of Town Investments
U.S. Treasury bonds	\$ 18,630,983	32.9 %
Corporate bonds and notes	7,142,011	12.6
Negotiable certificate of deposit	706,484	1.2
Money market funds	18,522,593	32.7
State treasurer's investment	11,643,088	20.6
Total investments	<u>\$ 56,645,159</u>	<u>100 %</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Fair Value Measurement

Investments are measured at fair value. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2025:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)	
Investments by fair value level:				
Debt securities:				
U.S. Treasury bonds	\$ 18,630,983	\$ -	\$ -	\$ 18,630,983
Corporate bonds and notes	-	7,142,011	-	7,142,011
Negotiable certificate of deposit	-	706,484	-	706,484
Total investments by fair value level	<u>\$ 18,630,983</u>	<u>\$ 7,848,495</u>	<u>\$ -</u>	<u>26,479,478</u>
Investments measured by fair value level:				
Money market funds				18,522,593
State treasurer's investment				<u>11,643,088</u>
Total investments by fair value level				<u>30,165,681</u>
Total investments				<u>\$ 56,645,159</u>

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town did not report any investments classified as Level 3 investments. Investments in the state treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State treasurer's investment pools.

Restricted Cash and Investments

Restricted cash and investments at June 30, 2025 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash with paying agent	\$ 24,789	\$ -	\$ 24,789
Cash proceeds for Capital Projects	617,096	-	617,096
Resort payment reserve	500,000	-	500,000
Customer deposits	1,666,053	-	1,666,053
Total	<u>\$ 2,807,938</u>	<u>\$ -</u>	<u>\$ 2,807,938</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

3. Receivables

Intergovernmental Receivables

Intergovernmental receivables consist principally of amounts due from the State of Arizona for various taxes, shared revenues, and highway user revenues.

Enterprise Fund Receivables

Receivables in the proprietary funds are service billings receivable and are shown net of an allowance for doubtful accounts.

	<u>Sewer Fund</u>	<u>Fire Service Fund</u>	<u>Nonmajor Alarm Fund</u>	<u>Total</u>
Receivables:				
Accounts	\$ 304,988	\$ 233,438	\$ 23,059	\$ 561,485
Less allowance for uncollectibles	<u>(20,567)</u>	<u>(23,579)</u>	<u>(341)</u>	<u>(44,487)</u>
Net total receivables	<u>\$ 284,421</u>	<u>\$ 209,859</u>	<u>\$ 22,718</u>	<u>\$ 516,998</u>

There were uncollectible amounts related to revenues of the current period in the amount of \$2,528 for the sewer fund, \$10,014 for the fire service fund and \$176 for the Alarm Fund.

Lease Receivables

As of June 30, 2025, the Town is reporting Leases Receivable of \$1,021,544 and Deferred Inflows Related to Leases of \$1,001,318. For the fiscal year 2025, the Town reported lease revenue of \$77,011 and interest revenue of \$15,896, related to lease payments received. From time to time the Town's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The Town recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the Town's lease receivables. The Town's leases are summarized as follows:

<u>Lease</u>	<u>Lease Receivable</u>	<u>Deferred Inflows Related to Leases</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
AT&T	\$ 510,625	\$ 504,770	\$ 48,458	\$ 8,025
T-Mobile	212,118	206,137	12,493	3,273
Verizon	<u>298,801</u>	<u>290,411</u>	<u>16,060</u>	<u>4,598</u>
Totals	<u>\$ 1,021,544</u>	<u>\$ 1,001,318</u>	<u>\$ 77,011</u>	<u>\$ 15,896</u>

AT&T Lease - Commencing on December 1, 2010, the Town entered into a five-year lease agreement with AT&T for the lease of a building rooftop on Town property. The lease was amended in October 2023, the lease includes options for renewing the lease for four additional five-year terms. The Town is reasonably certain that the lessee will renew this lease for each additional term and is currently in the second of four renewal options. Based on this agreement, the Town is receiving monthly payments through 2035.

Town of Paradise Valley, Arizona

Notes to Financial Statements
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T-Mobile Lease - On January 19, 2007, the Town entered into a five-year lease agreement with T-Mobile for the lease of a building rooftop on Town property. The lease includes options for renewing the lease for five additional five-year terms. The Town is reasonably certain that the lessee will renew this lease for each additional term and is currently in the third of five renewal options. Based on this agreement, the Town is receiving monthly payments through 2042.

Verizon Lease - On August 18, 2008, the Town entered into a five-year lease agreement with Verizon for the lease of a building rooftop on Town property. The lease includes options for renewing the lease for five additional five-year terms. The Town is reasonably certain that the lessee will renew this lease for each additional term and is currently in the second of five renewal options. Based on this agreement, the Town is receiving monthly payments through 2044.

Future payments due to the Town are as follows for the years ending June 30:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 71,543	\$ 14,833	\$ 86,376
2027	72,624	13,752	86,376
2028	73,720	12,656	86,376
2029	74,835	11,541	86,376
2030	75,965	10,411	86,376
2031 - 2035	397,383	34,497	431,880
2036 - 2040	177,109	11,946	189,055
2041 - 2044	78,365	1,617	79,982
Total	\$ 1,021,544	\$ 111,253	\$ 1,132,797

Unavailable Revenue and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unavailable Revenue	Unearned Revenue
General fund:		
Court fines	\$ 563,260	\$ -
Sales tax audit	41,918	-
Developer agreements	958,000	4,500
Nonmajor funds:		
Court fines	65,340	-
Unspent grant funds	-	46,806
Total	\$ 1,628,518	\$ 51,306

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

4. Capital Assets

The following table summarizes the changes to capital assets for governmental activities during the year:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 42,535,164	\$ 3,300,000	\$ -	\$ 45,835,164
Construction in progress	1,226,296	1,481,627	(798,122)	1,909,801
	<u>43,761,460</u>	<u>4,781,627</u>	<u>(798,122)</u>	<u>47,744,965</u>
Capital assets, being depreciated/amortized:				
Land improvements	2,315,797	-	-	2,315,797
Infrastructure	58,047,108	630,909	-	58,678,017
Buildings and improvements	13,202,594	347,181	-	13,549,775
Machinery, equipment, computers and vehicles	14,517,780	2,046,167	(363,447)	16,200,500
Intangibles:				
Right-to-use subscription assets	679,834	-	(80,235)	599,599
	<u>88,763,113</u>	<u>3,024,257</u>	<u>(443,682)</u>	<u>91,343,688</u>
Accumulated depreciation/ amortization:				
Land improvements	(1,860,026)	(49,795)	-	(1,909,821)
Infrastructure	(16,415,943)	(1,336,225)	-	(17,752,168)
Buildings and improvements	(8,090,776)	(277,168)	-	(8,367,944)
Machinery, equipment, computers and vehicles	(11,152,768)	(936,798)	362,073	(11,727,493)
Intangibles:				
Right-to-use subscription assets	(293,705)	(148,687)	80,235	(362,157)
	<u>(37,813,218)</u>	<u>(2,748,673)</u>	<u>442,308</u>	<u>(40,119,583)</u>
Total capital assets, being depreciated/ amortized, net	<u>50,949,895</u>	<u>275,584</u>	<u>(1,374)</u>	<u>51,224,105</u>
Governmental activities capital assets, net	<u>\$ 94,711,355</u>	<u>\$ 5,057,211</u>	<u>\$ (799,496)</u>	<u>\$ 98,969,070</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Depreciation/amortization expense was charged to the functions/programs of the Town as follows:

Governmental activities:	
General government	\$ 1,135,041
Public safety	660,038
Highway and streets	<u>953,594</u>
Total depreciation/amortization expense	<u>\$ 2,748,673</u>

The following table summarizes the changes to capital assets for business-type activities during the year.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,853,626	\$ -	\$ -	\$ 2,853,626
Sewer capacity rights	<u>14,349,766</u>	<u>-</u>	<u>-</u>	<u>14,349,766</u>
	<u>17,203,392</u>	<u>-</u>	<u>-</u>	<u>17,203,392</u>
Capital assets, being depreciated:				
Sewer system	12,569,671	-	-	12,569,671
Buildings and improvements	4,460,118	-	-	4,460,118
Machinery, equipment, computers and vehicles	<u>1,204,601</u>	<u>917,380</u>	<u>-</u>	<u>2,121,981</u>
	<u>18,234,390</u>	<u>917,380</u>	<u>-</u>	<u>19,151,770</u>
Accumulated depreciation:				
Sewer system	(7,751,300)	(224,551)	-	(7,975,851)
Buildings and improvements	(2,068,646)	(178,405)	-	(2,247,051)
Machinery, equipment, computers and vehicles	<u>(1,204,601)</u>	<u>(183,472)</u>	<u>-</u>	<u>(1,388,073)</u>
	<u>(11,024,547)</u>	<u>(586,428)</u>	<u>-</u>	<u>(11,610,975)</u>
Total capital assets, being depreciated, net	<u>7,209,843</u>	<u>330,952</u>	<u>-</u>	<u>7,540,795</u>
Business-type activities capital assets, net	<u>\$ 24,413,235</u>	<u>\$ 330,952</u>	<u>\$ -</u>	<u>\$ 24,744,187</u>

Depreciation expense was charged to the functions/programs of the Town as follows:

Business-type activities:	
Sewer fund	\$ 224,550
Fire service fund	<u>361,878</u>
Total depreciation expense	<u>\$ 586,428</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

5. Long-Term Debt

The following is a summary of changes in long-term obligations for the year ended June 30, 2025:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Governmental activities:					
Private placement revenue bonds	\$ 3,465,000	\$ -	\$ (1,375,000)	\$ 2,090,000	\$ 1,390,000
Compensated absences	1,642,549	285,256	-	1,927,805	1,289,711
Subscription liabilities	337,822	-	(74,492)	263,330	80,867
Net pension liabilities	14,369,641	-	(4,238,539)	10,131,102	-
Net OPEB liabilities	48,005	-	(46,697)	1,308	-
	<u>\$ 19,863,017</u>	<u>\$ 285,256</u>	<u>\$ (5,734,728)</u>	<u>\$ 14,413,545</u>	<u>\$ 2,760,578</u>

*The Town had an early extinguishment of a SBITA agreement.

Bonds

Bonds payable at June 30, 2025, were as follows:

<u>Description</u>	<u>Outstanding at June 30, 2025</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Revenue bonds:			
Excise tax revenue obligation, Series 2020 Issued \$8,140,000	\$ 2,090,000	1.090 %	8/1/2026
Total outstanding revenue bonds	<u>\$ 2,090,000</u>		

The Town has pledged future excise tax revenues, which include, sales tax, franchise tax, General Fund intergovernmental revenues and business licenses, to repay \$8,140,000 in excise tax revenue bonds.

The remaining principal balance is \$2,090,000 is for the outstanding debt on the Excise Tax Revenue Obligations. The Excise Tax Revenue Obligations, Series 2020, bond proceeds were used to fund projects in the Other Capital Projects Fund and the balance of funds are held in the associated fund. All payments however will be made through the Debt Service Fund. The principal and interest payments on the bonds are expected to require less than 10% of pledged revenues. The total remaining principal and interest required on the bonds is \$2,112,836, payable through 2027. In the current year, total principal and interest paid were \$1,409,035 on the Excise Tax Revenue Obligations.

The Governmental Activities debt service requirements for the Town's bonds payable are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Fiscal years ending June 30:		
2026	\$ 1,390,000	\$ 19,021
2027	700,000	3,815
Total	<u>\$ 2,090,000</u>	<u>\$ 22,836</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Subscription-Based Information Technology Arrangements (SBITAs)

The Town has obtained the right to use various IT software under the provisions of various subscription-based information technology arrangements. The terms range from 3 to 30 years, including options that are more likely than not to be exercised. The discount rate applied to the subscription-based technology arrangements are based on actual rates or an estimated incremental borrowing rate, which ranged from 2.84% to 3.94% for all subscription-based technology arrangements reported.

The total of the Town's subscription assets are recorded at cost of \$599,599, less accumulated amortization of \$362,157.

The following schedule details minimum subscription payments to maturity for the Town's subscriptions liability at June 30, 2025:

	Governmental Activities	
	Principal	Interest
Fiscal years ending June 30:		
2026	\$ 80,867	\$ 7,637
2027	87,637	5,291
2028	94,826	2,750
Total	<u>\$ 263,330</u>	<u>\$ 15,678</u>

Variable and Other Payments

From time to time, the Town's leases and SBITAs include variable payments and other payments, such as termination penalties, that are not included in the lease/subscription liabilities because they are either not fixed in substance (variable) or the Town is not reasonably certain the other payments will be required. The Town recognized an insignificant amount of expenses related to these variable and other payments and they have not been further disclosed or included in the measurement of the lease/subscription liabilities.

6. Interfund Receivables, Payables and Transfers

Short-term borrowings between funds are reported as due to/due from other funds and long-term borrowings between funds are reported as advances to and advances from other funds. Interfund borrowings for the fiscal year June 30, 2025 are as follows:

	Due From Enterprise Funds
Due to:	
General Fund	<u>\$ 275,797</u>
Total	<u>\$ 275,797</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Interfund transfers for the fiscal year ended June 30, 2025 are as follows:

Transfer In	Transfers Out		Total
	General Fund	Nonmajor Governmental Funds	
HURF Fund - fund operations	\$ 3,000,000	\$ -	\$ 3,000,000
Nonmajor Governmental Funds	1,441,205	-	1,441,205
Enterprise Funds	1,175,296	24,704	1,200,000
Total	\$ 5,616,501	\$ 24,704	\$ 5,641,205

The General Fund transferred \$3,000,000 to the HURF Fund to fund street projects. The General Fund transferred \$1,441,205 to Debt Service to make the principal and interest payment on the Excise Tax Revenue Obligations, Series 2020.

7. Pensions

The Town contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2025, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net OPEB asset	\$ (349,734)
Net OPEB liability	1,308
Net pension liabilities	10,131,102
Deferred outflows of resources, pensions/OPEB	4,430,004
Deferred inflows of resources, pensions/OPEB	1,484,047
Pension/OPEB expense	2,338,862

The Town reported \$2,087,030 of pension/OPEB contributions as expenditures in the governmental funds related to all pension/OPEB plans to which it contributes.

Net OPEB asset/liabilities have been recorded in the financial statements in accordance with GASB Statement 75, however, due to their relative insignificance, have not been further disclosed in the notes to the financial statements at June 30, 2025.

Arizona State Retirement System

Plan Description

Town employees not covered by the other pension plan described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Town of Paradise Valley, Arizona

Notes to Financial Statements
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Benefits Provided

The ASRS provides retirement, health insurance premium supplement, long-term disability and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement Initial Membership Date	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*with actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27% (12.12% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 12.27% (12.05% for retirement, 0.07% for health insurance premium benefit, and 0.15% for long-term disability) of the active members' annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 10.19% (10.14% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the ASRS would typically fill. The Town's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2025 were \$883,612, \$5,133 and \$10,999 respectively.

During fiscal year 2025, the Town paid for ASRS pension contributions as follows: 89% from the General Fund and 11% from the HURF Fund.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Pension Liability

At June 30, 2025, the Town reported a liability of \$8,005,553 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The Town's proportion measured as of June 30, 2024, was 0.050034%, which was a decrease of 0.002343% from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2025, the Town recognized pension expense for ASRS of \$775,033. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS - Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 446,862	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	511,242
Changes in proportion and differences between Town contributions and proportionate share of contributions	269,785	-
Town contributions subsequent to the measurement date	883,612	-
Total	\$ 1,600,259	\$ 511,242

The \$883,612 reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Years ending June 30:	
2026	\$ (81,615)
2027	510,251
2028	(129,412)
2029	(93,819)
2030	-
Thereafter	-

Town of Paradise Valley, Arizona

Notes to Financial Statements

June 30, 2025

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS:

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 20, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9% to 8.4% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rate	2012 GLDT for long-term disability
Healthcare cost trend rate	N/A

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

ASRS Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44 %	4.48 %
Credit	23	4.40
Real estate	17	6.05
Private equity	10	6.11
Interest rate sensitive	6	(0.45)
Total	100 %	

Discount Rate

At June 30, 2024, the discount rate used to measure the ASRS total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Paradise Valley, Arizona

Notes to Financial Statements
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Sensitivity of Town's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate

The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension liability	\$ 12,258,139	\$ 8,005,553	\$ 4,461,394

Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System

Plan Description

Town police department employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers an agent and cost-sharing multiple-employer defined benefit pension plan and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who are PSPRS members participate in the agent plans.

The PSPRS issues a publicly available financial report that include their financial statements and required supplementary information. The reports are available on the PSPRS website at www.psprs.com.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Public Safety Personnel Retirement System

Benefits Provided

The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS Retirement and Disability	Initial Membership Date		
	Before January 1, 2012	On or After January 1, 2012 and Before July 1, 2017	On or After July 1, 2017
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent: Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited services, not to exceed 80%	
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		

Survivor Benefits

Retired members	80% of retired member's pension benefit
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50% of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the agent plans' benefit terms:

	<u>PSPRS Police</u>
Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>19</u>
Total	<u><u>76</u></u>

Contributions

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2025, are indicated below. Rates are percentage of active members' annual covered payroll.

	<u>PSPRS Police</u>
Active members - pension	7.65 - 11.65 %
Town:	
Pension	46.01 %
Health insurance premium benefit	0.24 %

In addition, the Town was required by statute to contribute at the actuarially determined rate of 9.15% for Police of annual covered payroll of retired members who worked for the Town in positions that would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the Town's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

For the agent plans, the Town's contributions to the plans for the year ended June 30, 2024, were:

	<u>PSPRS Police</u>
Pension:	
Contributions made	\$ 3,678,932
Health insurance premium benefit	
Annual OPEB cost contribution made	8,354

During fiscal year 2025, the Town paid 100% of the PSPRS pension and OPEB contributions from the General Fund.

Town of Paradise Valley, Arizona

Notes to Financial Statements

June 30, 2025

Pension Liability

At June 30, 2025, the Town reported a PSPRS net pension liability of \$2,125,549.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS:

Actuarial valuation and measurement date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3 - 6.25% for pensions
Price inflation	2.5% for pensions
Cost of living adjustment	1.85% for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	N/A

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.2% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. public entity	24 %	3.62 %
International public entity	16	4.47
Global private equity	27	7.05
Core bonds	6	2.44
Private credit	20	6.24
Diversifying strategies	5	3.15
Cash - Mellon	2	0.89
Total	100 %	

Discount Rates

At June 30, 2024, the discount rate used to measure the PSPRS total pension liabilities was 7.2%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Paradise Valley, Arizona

Notes to Financial Statements

June 30, 2025

Changes in the Net Pension Liability (Asset)

PSPRS - Police	Pension Increase (Decrease)		
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2024	\$ 46,798,068	\$ 40,145,358	\$ 6,652,710
Adjustments to beginning of year			
Changes for the year:			
Service cost	672,333	-	672,333
Interest on the total liability	3,313,139	-	3,313,139
Differences between expected and actual experience in the measurement of the liability	1,624,059	-	1,624,059
Changes in assumptions or other inputs	-	-	-
Contributions, employer	-	5,876,787	(5,876,787)
Contributions, employee	-	222,941	(222,941)
Net investment income	-	4,054,978	(4,054,978)
Benefit payments, including refunds of employee contributions	(2,909,168)	(2,909,168)	-
Administrative expense	-	(18,014)	18,014
Other changes	-	-	-
Net changes	2,700,363	7,227,524	(4,527,161)
Balances, at June 30, 2025	\$ 49,498,431	\$ 47,372,882	\$ 2,125,549

Sensitivity of the Town's Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the Town's net pension liabilities (assets) calculated using the discount rate of 7.2%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.2%) or 1 percentage point higher (8.2%) than the current rate:

PSPRS - Police	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net pension liability	\$ 8,435,074	\$ 2,125,549	\$ (3,064,444)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued PSPRS financial reports.

Pension Expense

For the year ended June 30, 2025, the Town recognized \$1,668,997 of PSPRS pension expense.

Town of Paradise Valley, Arizona

Notes to Financial Statements
June 30, 2025

Pension Deferred Outflows/Inflows of Resources

At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,584,514	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	783,023
Town contributions subsequent to the measurement date	3,678,932	-
Total	<u>\$ 5,263,446</u>	<u>\$ 783,023</u>

The amounts reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Police
Years ending June 30:	
2026	\$ 27,466
2027	1,231,768
2028	(247,683)
2029	(210,060)
2030	-
Thereafter	-

8. Commitments and Contingencies

Commitments

At June 30, 2025, the Town has the following active construction commitments:

Project	Governmental Activities	
	Spent to Date	Remaining Commitment
Mockingbird Lane Storm Drainage	\$ 645,452	\$ 136,432
Mockingbird Lane (56 th to Invergordon)	37,726	9,274
Doubletree Ranch Rd. Entry Monument	38,306	3,350
Miscellaneous Street Improvements	134,200	-
Total	<u>\$ 855,684</u>	<u>\$ 149,056</u>

Town of Paradise Valley, Arizona

Notes to Financial Statements

June 30, 2025

These projects will be financed from operating funds. These contracts will be paid in future periods.

Contingencies

The Town is a defendant in various lawsuits. In the opinion of the Town's legal counsel, the status of the lawsuits are either not presently determinable or in the event of an unfavorable decision, would not significantly impact the Town.

9. Risk Management

The Town of Paradise Valley, Arizona, is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. The limit for basic coverage is for \$2,000,000 per occurrence on a claims made basis. The aggregate excess coverage is for an additional \$18,000,000, excluding land use liability claims, on a follow form, claims made basis. The excess land use liability aggregate is \$5,000,000. No settlements exceeded insurance coverage during any of the past three fiscal years.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the Pool to meet its expected financial obligations. The Pool has the authority to assess its members' additional premiums should reserves and annual premiums be insufficient to meet the Pool's obligations. The Town is also insured by Arizona Municipal Risk Retention Pool for potential worker related accidents.



Financial Section

Required Supplementary Information

Budgetary Comparison Schedules

Pension Schedules



Financial Section

Required Supplementary Information

Budgetary Comparison Schedules



Town of Paradise Valley, Arizona

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 37,286,546	\$ 37,286,546	\$ 36,613,540	\$ (673,006)
Intergovernmental revenue	5,458,171	5,458,171	5,471,063	12,892
Fines and forfeitures	2,892,500	2,892,500	2,364,621	(527,879)
Licenses and permits	3,085,100	3,085,100	3,810,487	725,387
Charges for services	390,000	390,000	365,990	(24,010)
Rents and royalties	120,200	120,200	124,923	4,723
Investment earnings:				
Interest income	1,973,300	1,973,300	5,933,213	3,959,913
Change in fair value of investments	(100,000)	(100,000)	414,589	514,589
Other revenue	252,100	252,100	737,530	485,430
Total revenues	51,357,917	51,357,917	55,835,956	4,478,039
Expenditures				
Current:				
General government:				
Mayor and council	494,550	494,550	493,497	1,053
Tourism and promotion	2,490,800	2,490,800	2,194,480	296,320
Town manager	1,948,187	1,948,187	1,727,284	220,903
Town attorney	944,583	944,583	691,778	252,805
Municipal court	990,956	990,956	1,082,594	(91,638)
Public works	1,070,243	1,070,243	1,114,182	(43,939)
Community development	3,975,106	3,973,606	3,204,075	769,531
Finance	1,100,051	1,100,051	988,430	111,621
Information technology	2,062,458	2,062,458	1,666,470	395,988
Total general government	15,076,934	15,075,434	13,162,790	1,912,644
Public safety:				
Police	12,606,545	15,106,545	14,435,901	670,644
Contingency	8,493,244	5,993,244	-	5,993,244
Debt service:				
Principal	-	-	74,492	(74,492)
Interest and fiscal charges	-	-	9,797	(9,797)
Total expenditures	36,176,723	36,175,223	27,682,980	8,492,243
Excess (deficiency) of revenues over expenditures	15,181,194	15,182,694	28,152,976	12,970,282
Other Financing Sources (Uses)				
Transfers out	(9,185,982)	(9,185,982)	(5,616,501)	3,569,481
Total other financing sources (uses)	(9,185,982)	(9,185,982)	(5,616,501)	3,569,481
Net change in fund balances	5,995,212	5,996,712	22,536,475	16,539,763
Fund Balances, Beginning	115,270,453	115,270,453	115,270,453	-
Fund Balances, Ending	\$ 121,265,665	\$ 121,267,165	\$ 137,806,928	\$ 16,539,763

See notes to budgetary schedules

Town of Paradise Valley, Arizona

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Highway User Revenue Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 966,228	\$ 966,228	\$ 1,003,001	\$ 36,773
Total revenues	966,228	966,228	1,003,001	36,773
Expenditures				
Current:				
Highways and streets	3,685,152	3,685,152	3,620,871	64,281
Capital Outlay	243,420	243,420	251,282	(7,862)
Total expenditures	3,928,572	3,928,572	3,872,153	56,419
Excess (deficiency) of revenues over expenditures	(2,962,344)	(2,962,344)	(2,869,152)	93,192
Other Financing Sources (Uses)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Total other financing sources (uses)	3,000,000	3,000,000	3,000,000	-
Net change in fund balances	37,656	37,656	130,848	93,192
Fund Balances, Beginning	754,959	754,959	754,959	-
Fund Balances, Ending	\$ 792,615	\$ 792,615	\$ 885,807	\$ 93,192

See notes to budgetary schedules

Town of Paradise Valley, Arizona

Required Supplementary Information
Notes to Budgetary Schedules
Year Ended June 30, 2025

1. Budgeting and Budgetary Control

A.R.S. requires the Town to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted. Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, each fund includes only one department.

2. Budgetary Basis of Accounting

The Town's budget is prepared on a basis consistent with generally accepted accounting principles. The General Fund includes actual capital outlay allocated by function and department.



Financial Section

Required Supplementary Information

Pension Schedules



Town of Paradise Valley, Arizona

Required Supplementary Information

Schedule of the Town's Proportionate Share of the Net Pension Liability Cost-Sharing Pension Plan - Arizona Retirement System

June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Town's proportion of the net pension liability	0.050034%	0.047691%	0.047257%	0.048890%	0.052441%	0.046320%	0.046970%	0.041500%	0.041970%	0.040410%
Town's proportionate share of the net pension liability	\$ 8,005,553	\$ 7,716,931	\$ 7,713,882	\$ 6,423,929	\$ 9,086,027	\$ 6,740,099	\$ 6,535,321	\$ 6,464,891	\$ 6,774,380	\$ 6,294,396
Town's covered payroll	6,995,436	6,225,512	5,625,470	5,496,120	5,364,035	4,884,597	4,489,642	3,865,826	4,288,977	3,725,267
Town's proportionate share of the net pension liability as a percentage of its covered payroll	114.44%	123.96%	137.12%	116.88%	169.39%	137.99%	145.56%	167.23%	157.95%	168.96%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

See notes to pension plan schedules

Town of Paradise Valley, Arizona

Required Supplementary Information

Schedule of Changes in the Town's Net Pension Liability (Asset) and Related Ratios Agent Pension Plan - Public Safety Personnel Retirement System

June 30, 2025

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total Pension Liability										
Service cost	\$ 672,333	\$ 653,979	\$ 716,343	\$ 681,972	\$ 661,624	\$ 671,680	\$ 653,388	\$ 625,699	\$ 503,757	\$ 413,268
Interest on the total pension liability (asset)	3,313,139	3,143,624	3,018,254	2,904,118	2,757,574	2,659,136	2,526,602	2,325,975	2,201,463	2,160,197
Changes on benefit terms	-	-	-	-	-	-	-	388,150	745,131	-
Differences between expected and actual experience in the measurement of the pension liability	1,624,059	1,505,424	917,878	247,996	777,242	(677,490)	477,835	572,004	692,654	24,766
Changes of assumptions or other inputs	-	-	384,422	-	-	1,328,614	-	1,461,598	1,116,822	-
Benefit payments, including refunds of employee contributions	(2,909,168)	(3,024,858)	(2,293,195)	(2,316,715)	(2,101,945)	(2,160,406)	(2,263,213)	(2,250,789)	(2,453,037)	(1,782,549)
Net change in total pension liability (asset)	2,700,363	2,278,169	2,743,702	1,517,371	2,094,495	1,821,534	1,394,612	3,122,637	2,806,790	815,682
Total pension liability, beginning	46,798,068	44,519,899	41,776,197	40,258,826	38,164,331	36,342,797	34,948,185	31,825,548	29,018,758	28,203,076
Total pension liability (asset), ending (a)	<u>\$ 49,498,431</u>	<u>\$ 46,798,068</u>	<u>\$ 44,519,899</u>	<u>\$ 41,776,197</u>	<u>\$ 40,258,826</u>	<u>\$ 38,164,331</u>	<u>\$ 36,342,797</u>	<u>\$ 34,948,185</u>	<u>\$ 31,825,548</u>	<u>\$ 29,018,758</u>
Plan Fiduciary Net Position										
Contributions, employer	\$ 5,876,787	\$ 749,818	\$ 965,554	\$ 3,017,681	\$ 4,645,860	\$ 10,736,527	\$ 2,971,262	\$ 8,029,673	\$ 3,056,411	\$ 1,708,529
Contributions, employee	222,941	249,659	417,235	243,603	235,281	237,748	237,556	320,063	312,821	411,948
Net investment income	4,054,978	2,941,001	(1,668,749)	10,764,133	419,264	1,341,038	1,121,032	1,380,854	57,574	307,573
Benefit payments, including refunds of employee contributions	(2,909,168)	(3,024,858)	(2,293,195)	(2,316,715)	(2,101,945)	(2,160,406)	(2,263,213)	(2,250,789)	(2,453,037)	(1,782,549)
Administrative expense	(18,014)	(14,891)	(30,141)	(42,645)	(34,193)	(24,283)	(17,762)	(12,618)	(8,686)	(7,885)
Other changes	-	(10,047)	-	51,880	27,230	50,956	(442,067)	182,874	679,608	(5,169)
Net change in plan fiduciary net position	7,227,524	890,682	(2,609,296)	11,717,937	3,191,497	10,181,580	1,606,808	7,650,057	1,644,691	632,447
Plan Fiduciary Net position, Beginning	40,145,358	39,254,676	41,863,972	30,146,035	28,775,016	18,606,745	16,999,937	9,349,880	7,705,189	7,072,742
Adjustments to beginning of year	-	-	-	-	(1,820,478)	(13,309)	-	-	-	-
Plan Fiduciary Net Position, Ending (b)	<u>\$ 47,372,882</u>	<u>\$ 40,145,358</u>	<u>\$ 39,254,676</u>	<u>\$ 41,863,972</u>	<u>\$ 30,146,035</u>	<u>\$ 28,775,016</u>	<u>\$ 18,606,745</u>	<u>\$ 16,999,937</u>	<u>\$ 9,349,880</u>	<u>\$ 7,705,189</u>
Town's Net Pension Liability (Asset), Ending (a) - (b)	<u>\$ 2,125,549</u>	<u>\$ 6,652,710</u>	<u>\$ 5,265,223</u>	<u>\$ (87,775)</u>	<u>\$ 10,112,791</u>	<u>\$ 9,389,315</u>	<u>\$ 17,736,052</u>	<u>\$ 17,948,248</u>	<u>\$ 22,475,668</u>	<u>\$ 21,313,569</u>
Plan Fiduciary Net Position as a Percentage of to Total Pension Liability	95.71%	85.78%	88.17%	100.21%	74.88%	75.40%	51.20%	48.64%	29.38%	26.55%
Covered Payroll	<u>\$ 2,547,589</u>	<u>\$ 2,778,030</u>	<u>\$ 3,037,812</u>	<u>\$ 2,926,966</u>	<u>\$ 2,866,163</u>	<u>\$ 2,929,989</u>	<u>\$ 2,862,125</u>	<u>\$ 2,757,599</u>	<u>\$ 2,706,916</u>	<u>\$ 2,290,190</u>
Town's Net Pension Liability (Asset) as a Percentage of Payroll	83.43%	239.48%	173.32%	-3.00%	352.83%	320.46%	619.68%	650.87%	830.31%	930.65%

See notes to pension plan schedules

Town of Paradise Valley, Arizona

Required Supplementary Information

Schedule of the Town Pension Contributions - Arizona Retirement System

June 30, 2025

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 883,612	\$ 841,551	\$ 742,081	\$ 675,619	\$ 640,298	\$ 614,182	\$ 546,098	\$ 489,371	\$ 416,736	\$ 465,354
Town's contributions in relation to the statutorily required contribution	883,612	841,551	742,081	675,619	640,298	614,182	546,098	489,371	416,736	465,354
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 7,332,880	\$ 6,995,436	\$ 6,225,512	\$ 5,625,470	\$ 5,496,120	\$ 5,364,035	\$ 4,884,597	\$ 4,489,642	\$ 3,865,826	\$ 4,288,977
Town's contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

See notes to pension plan schedules

Town of Paradise Valley, Arizona

Required Supplementary Information

Schedule of the Town Pension Contributions - Public Safety Personnel Retirement System

June 30, 2025

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,178,932	\$ 916,630	\$ 749,818	\$ 918,938	\$ 1,121,028	\$ 1,642,025	\$ 1,748,183	\$ 1,968,946	\$ 1,737,912	\$ 1,708,137
Town's contributions in relation to the actuarially determined contribution	<u>3,678,932</u>	<u>5,916,630</u>	<u>749,818</u>	<u>965,554</u>	<u>3,017,681</u>	<u>4,642,025</u>	<u>10,734,594</u>	<u>2,944,164</u>	<u>8,009,063</u>	<u>3,042,273</u>
Town's contribution deficiency (excess)	<u>\$ (2,500,000)</u>	<u>\$ (5,000,000)</u>	<u>\$ -</u>	<u>\$ (46,616)</u>	<u>\$ (1,896,653)</u>	<u>\$ (3,000,000)</u>	<u>\$ (8,986,411)</u>	<u>\$ (975,218)</u>	<u>\$ (6,271,151)</u>	<u>\$ (1,334,136)</u>
Town's covered payroll	<u>\$ 2,562,339</u>	<u>\$ 2,547,589</u>	<u>\$ 2,778,030</u>	<u>\$ 3,037,812</u>	<u>\$ 2,926,966</u>	<u>\$ 2,866,163</u>	<u>\$ 2,929,989</u>	<u>\$ 2,862,125</u>	<u>\$ 2,757,599</u>	<u>\$ 2,706,916</u>
Town's contributions as a percentage of covered payroll	<u>143.58%</u>	<u>232.24%</u>	<u>24.33%</u>	<u>31.78%</u>	<u>103.10%</u>	<u>161.96%</u>	<u>366.37%</u>	<u>102.87%</u>	<u>290.44%</u>	<u>112.39%</u>

See notes to pension plan schedules

Town of Paradise Valley, Arizona

Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2025

1. Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period as of the 2023 actuarial valuation	19 years for under funded 20 years for over funded
Asset valuation method	7-year smoothed fair value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2014 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0% to 8.0% to 3.5% to 7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5% to 8.5% to 4.0% to 8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0% to 9.0% to 4.5% to 8.5% for PSPRS.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 - 6.25% for PSPRS and CORP. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Town of Paradise Valley, Arizona

Required Supplementary Information

Notes to Pension Plan Schedules

June 30, 2025

2. Factors That Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plan's pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS - required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS - required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the Town refunded excess employee contributions to PSPRS members. PSPRS allowed the Town to reduce its actual employer contributions for the refund amounts. As a result, the Town's pension contributions were less than the actuarially or statutorily determined for 2018 and 2019.

Financial Section

Supplementary Information

Combining Financial Statements Nonmajor Governmental Funds

Special Revenue Funds

Donations Fund - This fund accounts for the Town's contributions and donations received.

Grants Fund - This fund accounts for federal and state grants and other contributions that are restricted for specific use.

Opioid Settlement Fund - This fund accounts for the Town's restricted share of the class action lawsuit received for the opioid settlement.

Court Enhancement Fund - This fund accounts for the Town's restricted court funds received to improve the Town court.

Paradise Valley Mountain Preserve Fund - This fund accounts for the Town's activity of the Mountain Preserve Trust including acquiring, maintaining, preserving, and protecting undeveloped property on and around the Preserve. The Town does not budget for this fund.

Capital Projects Funds

Capital Projects Fund - This fund accounts for the Town's major capital facilities other than those financed by proprietary funds.

Other Capital Projects Fund - This fund accounts for the Town's major capital facilities financed through the 2020 Series Bonds issued.

Debt Service Funds

Debt Service Fund - 2016 - This fund accounts for the Town's accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs for newly issued debt.

Debt Service Fund - 2020 - This fund accounts for the Town's accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs for newly issued debt.



Town of Paradise Valley, Arizona

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2025

	Special Revenue Funds					Capital Project Funds			Debt Service Funds			Total Nonmajor Governmental Funds	
	Donations Fund	Grants Fund	Opioid Settlement Fund	Court Enhancement Fund	Paradise Valley Mountain Preserve Trust	Total Special Revenue Funds	Capital Projects Fund	Other Capital Projects Fund	Total Capital Project Funds	2016 Debt Service Fund	2020 Debt Service Fund		Total Debt Service Funds
Assets													
Cash and investments	\$ 87,046	\$ 113,926	\$ 286,114	\$ 1,643,486	\$ 46,984	\$ 2,177,556	\$ 7,011,148	\$ 2,188	\$ 7,013,336	\$ 15,696	\$ 97,824	\$ 113,520	\$ 9,304,412
Receivables, net:													
Court fines receivable	-	-	-	65,340	-	65,340	-	-	-	-	-	-	65,340
Restricted cash and investments	-	-	-	-	-	-	10,264	617,096	627,360	-	14,525	14,525	641,885
Total assets	\$ 87,046	\$ 113,926	\$ 286,114	\$ 1,708,826	\$ 46,984	\$ 2,242,896	\$ 7,021,412	\$ 619,284	\$ 7,640,696	\$ 15,696	\$ 112,349	\$ 128,045	\$ 10,011,637
Liabilities and Fund Balances													
Liabilities													
Accounts payable	\$ -	\$ 25,471	\$ -	\$ 33,967	\$ 175	\$ 59,613	\$ 274,331	\$ -	\$ 274,331	\$ -	\$ -	\$ -	\$ 333,944
Unearned revenue	-	46,806	-	-	-	46,806	-	-	-	-	-	-	46,806
Customer deposit payable	-	-	-	-	-	-	10,264	-	10,264	-	-	-	10,264
Total liabilities	-	72,277	-	33,967	175	106,419	284,595	-	284,595	-	-	-	391,014
Deferred Inflows of Resources													
Unavailable revenue	-	-	-	65,340	-	65,340	-	-	-	-	-	-	65,340
Fund Balances													
Restricted:													
Debt service	-	-	-	-	-	-	-	-	-	15,696	112,349	128,045	128,045
Contributions and donations	87,046	41,649	-	-	-	128,695	-	-	-	-	-	-	128,695
Court enhancement	-	-	-	1,609,519	-	1,609,519	-	-	-	-	-	-	1,609,519
Opioid remediation	-	-	286,114	-	-	286,114	-	-	-	-	-	-	286,114
Capital projects	-	-	-	-	-	-	-	619,284	619,284	-	-	-	619,284
PV Mountain Preserve Trust	-	-	-	-	46,809	46,809	-	-	-	-	-	-	46,809
Assigned:													
Capital projects	-	-	-	-	-	-	6,736,817	-	6,736,817	-	-	-	6,736,817
Total fund balances	87,046	41,649	286,114	1,609,519	46,809	2,071,137	6,736,817	619,284	7,356,101	15,696	112,349	128,045	9,555,283
Total liabilities and fund balances	\$ 87,046	\$ 113,926	\$ 286,114	\$ 1,708,826	\$ 46,984	\$ 2,242,896	\$ 7,021,412	\$ 619,284	\$ 7,640,696	\$ 15,696	\$ 112,349	\$ 128,045	\$ 10,011,637

Town of Paradise Valley, Arizona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2025

	Special Revenue Funds					Capital Project Funds			Debt Service Funds			Total Nonmajor Governmental Funds	
	Donations Fund	Grants Fund	Opioid Settlement Fund	Court Enhancement Fund	Paradise Valley Mountain Preserve Trust	Total Special Revenue Funds	Capital Projects Fund	Other Capital Projects Fund	Total Capital Project Funds	2016 Debt Service Fund	2020 Debt Service Fund		Total Debt Service Funds
Revenues													
Intergovernmental	\$ -	\$ 435,083	\$ 84,520	\$ -	\$ -	\$ 519,603	\$ 238,616	\$ -	\$ 238,616	\$ -	\$ -	\$ -	\$ 758,219
Fines and forfeitures	-	-	-	400,291	-	400,291	-	-	-	-	-	-	400,291
Contributions and donations	40,604	-	-	-	5,591	46,195	-	-	-	-	-	-	46,195
Investment earnings:													
Interest income	-	-	11,324	74,904	495	86,723	-	26,891	26,891	-	5,257	5,257	118,871
Total revenues	40,604	435,083	95,844	475,195	6,086	1,052,812	238,616	26,891	265,507	-	5,257	5,257	1,323,576
Expenditures													
Current:													
General government	13,787	33,566	-	371,572	2,950	421,875	45,844	-	45,844	-	-	-	467,719
Public safety	5,637	-	-	-	-	5,637	-	-	-	-	-	-	5,637
Capital outlay	-	359,868	-	37,743	5,223	402,834	1,825,351	-	1,825,351	-	-	-	2,228,185
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	1,375,000	1,375,000	1,375,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	34,035	34,035	34,035
Total expenditures	19,424	393,434	-	409,315	8,173	830,346	1,871,195	-	1,871,195	-	1,409,035	1,409,035	4,110,576
Excess (deficiency) of revenues over (under) expenditures	21,180	41,649	95,844	65,880	(2,087)	222,466	(1,632,579)	26,891	(1,605,688)	-	(1,403,778)	(1,403,778)	(2,787,000)
Other Financing Sources (Uses)													
Transfers in	-	-	-	-	-	-	-	-	-	-	1,441,205	1,441,205	1,441,205
Transfers out	-	-	-	-	-	-	-	(24,704)	(24,704)	-	-	-	(24,704)
Total other financing sources (uses)	-	-	-	-	-	-	-	(24,704)	(24,704)	-	1,441,205	1,441,205	1,416,501
Net change in fund balances	21,180	41,649	95,844	65,880	(2,087)	222,466	(1,632,579)	2,187	(1,630,392)	-	37,427	37,427	(1,370,499)
Fund Balances, Beginning	65,866	-	190,270	1,543,639	48,896	1,848,671	8,369,396	617,097	8,986,493	15,696	74,922	90,618	10,925,782
Fund Balances, Ending	\$ 87,046	\$ 41,649	\$ 286,114	\$ 1,609,519	\$ 46,809	\$ 2,071,137	\$ 6,736,817	\$ 619,284	\$ 7,356,101	\$ 15,696	\$ 112,349	\$ 128,045	\$ 9,555,283

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Donations Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Contributions and donations	\$ 21,500	\$ 21,500	\$ 40,604	\$ 19,104
Expenditures				
Current:				
General government	15,000	15,000	13,787	1,213
Public safety	5,000	5,000	5,637	(637)
Total expenditures	20,000	20,000	19,424	576
Excess (deficiency) of revenues over (under) expenditures	1,500	1,500	21,180	19,680
Fund Balances, Beginning	65,866	65,866	65,866	-
Fund Balances, Ending	\$ 67,366	\$ 67,366	\$ 87,046	\$ 19,680

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Grants Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 95,000	\$ 110,000	\$ 435,083	\$ 325,083
Other	68,400	-	-	-
Total revenues	163,400	110,000	435,083	325,083
Expenditures				
Current:				
General government	30,000	30,000	33,566	(3,566)
Public safety	100,000	100,000	-	100,000
Capital outlay	-	-	359,868	(359,868)
Contingency	50,000	50,000	-	50,000
Total expenditures	180,000	180,000	393,434	(213,434)
Excess (deficiency) of revenues over (under) expenditures	(16,600)	(70,000)	41,649	111,649
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ (16,600)	\$ (70,000)	\$ 41,649	\$ 111,649

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Opioid Settlement Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 84,520	\$ 84,520
Investment earnings	-	-	11,324	11,324
Total revenues	-	-	95,844	95,844
Expenditures				
Current:				
General government	50,000	50,000	-	50,000
Excess (deficiency) of revenues over (under) expenditures	(50,000)	(50,000)	95,844	145,844
Fund Balances, Beginning	61,199	61,199	190,270	129,071
Fund Balances, Ending	\$ 11,199	\$ 11,199	\$ 286,114	\$ 274,915

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Court Enhancement Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 418,500	\$ 418,500	\$ 400,291	\$ (18,209)
Investment earnings	24,800	24,800	74,904	50,104
Total revenues	443,300	443,300	475,195	31,895
Expenditures				
Current:				
General government	584,852	584,852	409,315	175,537
Excess (deficiency) of revenues over (under) expenditures	(141,552)	(141,552)	65,880	207,432
Fund Balances, Beginning	1,543,639	1,543,639	1,543,639	-
Fund Balances, Ending	\$ 1,402,087	\$ 1,402,087	\$ 1,609,519	\$ 207,432

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Paradise Valley Mountain Preserve Trust Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Contributions and donations	\$ 24,000	\$ 24,000	\$ 5,591	\$ (18,409)
Investment earnings	500	500	495	(5)
Total revenues	24,500	24,500	6,086	(18,414)
Expenditures				
Current:				
General government	15,100	15,100	8,173	6,927
Total expenditures	15,100	15,100	8,173	6,927
Excess (deficiency) of revenues over (under) expenditures	9,400	9,400	(2,087)	(11,487)
Fund Balances, Beginning	48,896	48,896	48,896	-
Fund Balances, Ending	\$ 58,296	\$ 58,296	\$ 46,809	\$ (11,487)

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budgeted to Actual

Capital Projects Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,617,641	\$ 3,617,641	\$ 238,616	\$ (3,379,025)
Contributions and donations	120,000	-	-	-
Total revenues	<u>3,737,641</u>	<u>3,617,641</u>	<u>238,616</u>	<u>(3,379,025)</u>
Expenditures				
Current:				
General Government	(650,000)	650,000	45,844	604,156
Capital outlay	<u>6,857,122</u>	<u>7,294,000</u>	<u>1,825,351</u>	<u>5,468,649</u>
Total expenditures	<u>6,207,122</u>	<u>7,944,000</u>	<u>1,871,195</u>	<u>6,072,805</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,469,481)</u>	<u>(4,326,359)</u>	<u>(1,632,579)</u>	<u>2,693,780</u>
Other Financing Sources (Uses)				
Transfers in	<u>3,569,481</u>	<u>3,569,481</u>	<u>-</u>	<u>(3,569,481)</u>
Net change in fund balances	1,100,000	(756,878)	(1,632,579)	(875,701)
Fund Balances, Beginning	<u>8,369,396</u>	<u>8,369,396</u>	<u>8,369,396</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 9,469,396</u>	<u>\$ 7,612,518</u>	<u>\$ 6,736,817</u>	<u>\$ (875,701)</u>

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in in Fund Balances - Budget to Actual

Other Capital Projects Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 26,891	\$ 26,891
Expenditures				
Capital outlay	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	26,891	26,891
Other Financing Sources (Uses)				
Transfers out	-	-	(24,704)	(24,704)
Net change in fund balances	-	-	2,187	2,187
Fund Balances, Beginning	617,097	617,097	617,097	-
Fund Balances, Ending	<u>\$ 617,097</u>	<u>\$ 617,097</u>	<u>\$ 619,284</u>	<u>\$ 2,187</u>

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Debt Service Fund - 2016

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Net change in fund balances	-	-	-	-
Fund Balances, Beginning	15,696	15,696	15,696	-
Fund Balances, Ending	\$ 15,696	\$ 15,696	\$ 15,696	\$ -

Town of Paradise Valley, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Debt Service Fund - 2020

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 2,000	\$ 2,000	\$ 5,257	\$ 3,257
Expenditures				
Debt service:				
Principal	1,375,000	1,375,000	1,375,000	-
Interest and fiscal charges	41,501	41,501	34,035	7,466
Total expenditures	1,416,501	1,416,501	1,409,035	7,466
Excess (deficiency) of revenues over (under) expenditures	(1,414,501)	(1,414,501)	(1,403,778)	10,723
Other Financing Sources (Uses)				
Transfers in	1,416,501	1,416,501	1,441,205	24,704
Net change in fund balances	2,000	2,000	37,427	35,427
Fund Balances, Beginning	74,922	74,922	74,922	-
Fund Balances, Ending	\$ 76,922	\$ 76,922	\$ 112,349	\$ 35,427

Statistical Section

Contents	Pages
Financial trends: These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	117-121
Revenue capacity: These schedules contain information to help the reader assess the Town's most significant local revenue sources, property tax and sales and uses taxes.	122-124
Debt capacity: These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	125-127
Demographic and economic statistics: These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.	128-129
Operating information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	130-132

Town of Paradise Valley, Arizona

Net Position by Component

Table 1

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities										
Net investment in capital assets	\$ 78,383,694	\$ 79,851,973	\$ 76,859,341	\$ 75,320,342	\$ 79,859,462	\$ 87,149,848	\$ 88,151,880	\$ 89,738,887	\$ 91,514,630	\$ 97,232,836
Restricted	224,308	455,140	784,098	1,133,666	1,310,426	1,485,326	1,848,633	2,086,305	2,199,264	2,551,104
Unrestricted	10,434,716	13,495,213	24,148,689	35,192,544	44,200,680	52,315,124	70,282,831	90,211,489	116,474,350	137,934,320
Total governmental activities net position	<u>\$ 89,042,718</u>	<u>\$ 93,802,326</u>	<u>\$ 101,792,128</u>	<u>\$ 111,646,552</u>	<u>\$ 125,370,568</u>	<u>\$ 140,950,298</u>	<u>\$ 160,283,344</u>	<u>\$ 182,036,681</u>	<u>\$ 210,188,244</u>	<u>\$ 237,718,260</u>
Business-Type Activities										
Net investment in capital assets	\$ 26,904,413	\$ 26,808,710	\$ 26,751,905	\$ 26,544,773	\$ 26,111,984	\$ 25,681,256	\$ 25,253,674	\$ 24,830,143	\$ 24,413,235	\$ 24,744,187
Unrestricted	1,034,839	1,233,402	1,432,368	1,766,608	2,076,152	1,993,739	3,414,646	3,258,815	3,187,775	2,221,317
Total business-type activities net position	<u>\$ 27,939,252</u>	<u>\$ 28,042,112</u>	<u>\$ 28,184,273</u>	<u>\$ 28,311,381</u>	<u>\$ 28,188,136</u>	<u>\$ 27,674,995</u>	<u>\$ 28,668,320</u>	<u>\$ 28,088,958</u>	<u>\$ 27,601,010</u>	<u>\$ 26,965,504</u>
Primary Government										
Net investment in capital assets	\$ 105,288,107	\$ 106,660,683	\$ 103,611,246	\$ 101,865,115	\$ 105,971,446	\$ 112,831,104	\$ 113,405,554	\$ 114,569,030	\$ 115,927,865	\$ 121,977,023
Restricted	224,308	455,140	784,098	1,133,666	1,310,426	1,485,326	1,848,633	2,086,305	2,199,264	2,551,104
Unrestricted	11,469,555	14,728,615	25,581,057	36,959,152	46,276,832	54,308,863	73,697,477	93,470,304	119,662,125	140,155,637
Total primary government net position	<u>\$ 116,981,970</u>	<u>\$ 121,844,438</u>	<u>\$ 129,976,401</u>	<u>\$ 139,957,933</u>	<u>\$ 153,558,704</u>	<u>\$ 168,625,293</u>	<u>\$ 188,951,664</u>	<u>\$ 210,125,639</u>	<u>\$ 237,789,254</u>	<u>\$ 264,683,764</u>

Town of Paradise Valley, Arizona

Changes in Net Position

Table 2

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 8,605,414	\$ 9,458,609	\$ 9,995,805	\$ 10,566,002	\$ 11,125,607	\$ 13,992,812	\$ 13,044,083	\$ 13,049,857	\$ 13,689,314	\$ 14,535,734
Public safety	9,054,408	10,249,410	9,755,591	10,755,292	10,301,269	11,828,735	8,529,786	9,381,733	12,146,819	14,508,849
Highways and streets	3,568,394	3,669,088	5,154,182	5,835,417	2,250,772	1,891,810	4,168,527	5,259,921	3,937,254	4,758,393
Interest on long-term debt	281,348	192,227	146,463	111,690	273,078	176,222	133,035	116,434	67,181	37,587
Total governmental activities expenses	21,509,564	23,569,334	25,052,041	27,268,401	23,950,726	27,889,579	25,875,431	27,807,945	29,840,568	33,840,563
Business-type activities:										
Sewer	2,185,714	2,124,328	2,114,532	2,698,883	2,829,517	3,038,499	2,571,406	2,739,938	2,522,877	3,621,489
Fire service	2,921,260	3,037,830	3,247,709	3,119,018	3,439,910	3,599,090	3,767,565	4,301,947	4,457,551	4,564,507
Alarm monitor system	100,719	128,521	279,499	268,048	130,521	145,924	149,921	131,963	166,247	189,511
Total business-type activities expenses	5,207,693	5,290,679	5,641,740	6,085,949	6,399,948	6,783,513	6,488,892	7,173,848	7,146,675	8,375,507
Total primary government expenses	26,717,257	28,860,013	30,693,781	33,354,350	30,350,674	34,673,092	32,364,323	34,981,793	36,987,243	42,216,070
Program Revenue										
Governmental activities:										
Charges for services:										
General government	6,845,255	4,648,109	6,119,735	6,995,777	5,430,961	5,865,032	6,995,575	6,813,545	7,536,083	8,589,725
Public safety	82,694	71,787	58,799	109,162	120,670	79,235	72,394	90,968	228,729	172,355
Highways and streets	-	-	-	-	9,938	-	-	-	-	-
Operating grants and contributions	1,121,420	1,144,233	1,065,863	1,140,106	1,289,846	7,239,085	3,817,930	1,312,821	1,356,130	1,505,479
Capital grants and contributions	-	208,085	1,178,960	674,197	1,864,973	2,809,088	965,452	-	487,432	3,697,286
Total governmental activities program revenues	8,049,369	6,072,214	8,423,357	8,919,242	8,716,388	15,992,440	11,851,351	8,217,334	9,608,374	13,964,845
Business-type activities:										
Charges for services:										
Sewer system	2,250,608	2,415,051	2,661,503	2,891,642	2,883,464	2,586,842	2,771,162	2,827,694	2,771,079	2,828,147
Fire service	3,101,634	3,121,961	3,138,471	3,122,406	3,238,846	3,227,180	3,206,224	3,235,618	3,300,932	3,322,705
Alarm monitor system	199,750	190,727	168,127	143,073	135,642	128,079	129,282	117,888	125,615	118,967
Capital grants and contributions	76,875	-	-	-	-	320,423	1,367,448	294,209	306,033	109,858
Total business-type activities revenues	5,628,867	5,727,739	5,968,101	6,157,121	6,257,952	6,262,524	7,474,116	6,475,409	6,503,659	6,379,677
Total primary government revenues	13,678,236	11,799,953	14,391,458	15,076,363	14,974,340	22,254,964	19,325,467	14,692,743	16,112,033	20,344,522
Net (expense) revenue:										
Governmental activities	(13,460,195)	(17,497,120)	(16,628,684)	(18,349,159)	(15,234,338)	(11,897,139)	(14,024,080)	(19,590,611)	(20,232,194)	(19,875,718)
Business-type activities	421,174	437,060	326,361	71,172	(141,996)	(520,989)	985,224	(698,439)	(643,016)	(1,995,830)
Total primary government net expense	<u>\$ (13,039,021)</u>	<u>\$ (17,060,060)</u>	<u>\$ (16,302,323)</u>	<u>\$ (18,277,987)</u>	<u>\$ (15,376,334)</u>	<u>\$ (12,418,128)</u>	<u>\$ (13,038,856)</u>	<u>\$ (20,289,050)</u>	<u>\$ (20,875,210)</u>	<u>\$ (21,871,548)</u>

Town of Paradise Valley, Arizona

Changes in Net Position

Table 2

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes:										
Sales tax	\$ 14,553,528	\$ 17,151,386	\$ 19,276,803	\$ 21,812,160	\$ 22,400,711	\$ 21,574,254	\$ 30,453,757	\$ 32,611,036	\$ 34,875,255	\$ 35,122,924
Franchise tax	1,146,142	1,056,547	1,288,360	1,273,973	1,252,683	1,264,626	1,369,026	1,374,569	1,472,153	1,489,116
State shared revenue	2,760,822	2,980,931	3,156,391	3,170,318	3,374,400	3,828,265	3,517,268	4,280,460	1,899,770	1,917,903
Urban revenue sharing	-	-	-	-	-	-	-	-	3,340,483	2,659,525
Auto lieu tax revenue	530,413	548,523	595,778	616,863	617,312	694,823	685,471	629,426	658,749	689,642
Investment income	274,390	185,141	250,226	1,330,269	1,313,248	114,901	(731,209)	2,448,457	5,349,341	6,052,084
Change in fair value of investments	-	-	-	-	-	-	-	-	582,339	414,589
Gain on disposal of right of use assets	-	-	-	-	-	-	-	-	56,651	-
Miscellaneous and special items	-	-	-	-	-	-	-	-	149,016	259,951
Transfers	(50,000)	334,200	184,200	-	-	-	-	-	-	(1,200,000)
Total governmental activities	<u>19,215,295</u>	<u>22,256,728</u>	<u>24,751,758</u>	<u>28,203,583</u>	<u>28,958,354</u>	<u>27,476,869</u>	<u>35,294,313</u>	<u>41,343,948</u>	<u>48,383,757</u>	<u>47,405,734</u>
Business-type Activities:										
Taxes	-	-	-	-	-	-	-	-	-	-
Investment income	22,032	-	-	55,936	18,751	7,848	8,101	119,077	155,068	160,324
Transfers	50,000	(334,200)	(184,200)	-	-	-	-	-	-	1,200,000
Total business-type activities	<u>72,032</u>	<u>(334,200)</u>	<u>(184,200)</u>	<u>55,936</u>	<u>18,751</u>	<u>7,848</u>	<u>8,101</u>	<u>119,077</u>	<u>155,068</u>	<u>1,360,324</u>
Total primary government	<u>\$ 19,287,327</u>	<u>\$ 21,922,528</u>	<u>\$ 24,567,558</u>	<u>\$ 28,259,519</u>	<u>\$ 28,977,105</u>	<u>\$ 27,484,717</u>	<u>\$ 35,302,414</u>	<u>\$ 41,463,025</u>	<u>\$ 48,538,825</u>	<u>\$ 48,766,058</u>
Change in net position:										
Governmental activities	\$ 5,755,100	\$ 4,759,608	\$ 8,123,074	\$ 9,854,424	\$ 13,724,016	\$ 15,579,730	\$ 21,270,233	\$ 21,753,337	\$ 28,151,563	\$ 27,530,016
Business-type activities	493,206	102,860	142,161	127,108	(123,245)	(513,141)	993,325	(579,362)	(487,948)	(635,506)
Total primary government	<u>\$ 6,248,306</u>	<u>\$ 4,862,468</u>	<u>\$ 8,265,235</u>	<u>\$ 9,981,532</u>	<u>\$ 13,600,771</u>	<u>\$ 15,066,589</u>	<u>\$ 22,263,558</u>	<u>\$ 21,173,975</u>	<u>\$ 27,663,615</u>	<u>\$ 26,894,510</u>

Town of Paradise Valley, Arizona

Fund Balances of Governmental Funds

Table 3

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Nonspendable	\$ 709,554	\$ 2,748,409	\$ 628,372	\$ 459,594	\$ 1,321,377	\$ 873,141	\$ 51,030	\$ 43,280	\$ 55,260	\$ 60,915
Assigned	-	494,500	1,168,500	2,363,500	2,363,500	3,111,055	15,850,747	23,653,933	28,629,205	33,302,294
Unassigned	<u>29,666,433</u>	<u>26,547,108</u>	<u>32,762,200</u>	<u>31,178,328</u>	<u>37,153,444</u>	<u>48,074,318</u>	<u>57,082,287</u>	<u>70,062,345</u>	<u>86,585,988</u>	<u>104,443,719</u>
Total general fund	<u>\$ 30,375,987</u>	<u>\$ 29,790,017</u>	<u>\$ 34,559,072</u>	<u>\$ 34,001,422</u>	<u>\$ 40,838,321</u>	<u>\$ 52,058,514</u>	<u>\$ 72,984,064</u>	<u>\$ 93,759,558</u>	<u>\$ 115,270,453</u>	<u>\$ 137,806,928</u>
All Other Governmental Funds										
Nonspendable	\$ 6,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	5,694,934	5,921,497	2,143,013	1,133,666	9,313,080	4,079,038	4,208,697	3,027,642	2,556,386	2,818,466
Assigned	4,960,708	4,337,958	9,549,782	13,025,370	13,572,626	10,682,313	8,907,303	8,244,477	9,124,355	7,622,624
Unassigned	<u>-</u>	<u>(16,600)</u>	<u>(3,165)</u>	<u>-</u>	<u>-</u>	<u>3,272</u>	<u>9,573</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 10,662,170</u>	<u>\$ 10,242,855</u>	<u>\$ 11,689,630</u>	<u>\$ 14,159,036</u>	<u>\$ 22,885,706</u>	<u>\$ 14,764,623</u>	<u>\$ 13,125,573</u>	<u>\$ 11,272,119</u>	<u>\$ 11,680,741</u>	<u>\$ 10,441,090</u>

Town of Paradise Valley, Arizona

Changes in Fund Balances of Governmental Funds

Table 4

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 15,699,670	\$ 18,576,603	\$ 20,565,163	\$ 23,086,133	\$ 23,603,226	\$ 22,840,680	\$ 31,824,433	\$ 33,927,438	\$ 36,348,908	\$ 36,613,540
Intergovernmental	4,393,807	4,712,850	4,825,303	4,914,274	5,278,968	9,826,857	8,162,053	6,219,377	7,840,694	7,232,283
Fines and forfeitures	3,697,261	2,364,100	2,881,561	3,404,559	1,763,211	2,143,881	2,602,309	3,130,265	3,073,161	2,764,912
Licenses and permits	2,071,846	2,285,398	2,712,910	2,823,054	3,232,232	3,084,019	3,558,410	3,038,938	3,888,658	3,810,487
Charges for services	261,829	-	309,900	406,865	308,938	283,180	359,055	368,287	364,695	365,990
Rents and royalties	159,360	307,779	123,101	101,924	77,496	80,601	127,655	108,736	113,944	124,923
Contributions and donations	-	-	-	-	-	-	-	88,260	49,255	46,195
Investment income	274,390	185,141	250,226	1,330,269	1,313,248	114,901	(731,209)	2,448,457	5,931,680	6,052,084
Other	579,469	118,706	1,190,577	475,574	316,374	270,096	1,142,360	264,424	263,202	1,152,119
Total revenues	27,137,632	28,550,577	32,858,741	36,542,652	35,893,693	38,644,215	47,045,066	49,594,182	57,874,197	58,162,533
Expenditures										
General government	7,794,295	7,925,090	9,159,411	10,116,904	10,016,895	9,557,350	11,656,135	11,856,238	12,577,910	13,220,571
Public safety	8,972,593	13,930,804	8,883,377	17,366,356	11,148,102	9,818,166	8,472,671	8,829,375	15,144,604	13,718,231
Highways and streets	2,786,005	2,860,702	4,372,002	3,258,493	1,869,376	3,592,139	3,844,232	4,414,702	3,187,046	3,620,871
Capital outlay	2,737,601	3,924,736	3,223,563	2,619,549	3,820,224	10,377,694	916,520	3,284,862	2,046,556	3,612,712
Debt service:										
Issuance cost	125,697	-	-	-	137,600	-	-	-	-	-
Principal retirement	1,155,556	1,022,598	1,008,389	1,123,998	1,365,000	2,040,000	2,730,000	2,929,075	2,925,257	1,449,492
Interest on long-term debt	189,558	226,133	180,369	145,596	112,927	159,756	139,008	122,565	73,357	43,832
Total expenditures	23,761,305	29,890,063	26,827,111	34,630,896	28,470,124	35,545,105	27,758,566	31,436,817	35,954,730	35,665,709
Excess of revenues over (under) expenditures	3,376,327	(1,339,486)	6,031,630	1,911,756	7,423,569	3,099,110	19,286,500	18,157,365	21,919,467	22,496,824
Other Financing Sources (Uses)										
Subscription-based information technology arrangements	-	-	-	-	-	-	-	764,675	-	-
Transfers in	4,831,055	6,446,038	9,018,440	9,403,807	9,238,625	23,836,841	3,813,446	7,520,087	6,421,102	4,441,205
Transfers out	(4,881,055)	(6,111,838)	(8,834,240)	(9,403,807)	(9,238,625)	(23,836,841)	(3,813,446)	(7,520,087)	(6,421,102)	(5,641,205)
Issuance of long-term debt	7,880,000	-	-	-	8,140,000	-	-	-	-	-
Total other financing sources and (uses)	7,830,000	334,200	184,200	-	8,140,000	-	-	764,675	-	(1,200,000)
Net change in fund balances	\$ 11,206,327	\$ (1,005,286)	\$ 6,215,830	\$ 1,911,756	\$ 15,563,569	\$ 3,099,110	\$ 19,286,500	\$ 18,922,040	\$ 21,919,467	\$ 21,296,824
Debt Service as a Percentage of Noncapital Expenditures	7.0%	4.8%	5.0%	4.0%	6.6%	8.7%	10.7%	10.8%	8.8%	4.7%

Town of Paradise Valley, Arizona

General Government Tax Revenues by Source

Table 5

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sale and Use Tax</u>	<u>Occupancy</u>	<u>Franchise</u>	<u>Total</u>
2016	\$ 11,345,902	\$ 3,207,626	\$ 1,146,142	\$ 15,699,670
2017	13,818,317	3,701,739	1,056,547	18,576,603
2018	14,833,522	4,443,281	1,288,360	20,565,163
2019	16,964,383	4,847,777	1,273,973	23,086,133
2020	18,346,804	4,003,739	1,252,683	23,603,226
2021	17,816,818	3,759,236	1,264,625	22,840,679
2022	23,724,250	6,731,157	1,369,026	31,824,433
2023	25,615,262	6,937,607	1,374,569	33,927,438
2024	28,240,607	6,636,148	1,472,152	36,348,907
2025	28,340,023	6,782,901	1,489,116	36,612,040

Source: Finance Department

Town of Paradise Valley, Arizona

Local Taxes Collected by Category

Table 6

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Sales and Use Tax by Category (1):										
Communications and utilities	\$ 965,755	\$ 957,578	\$ 1,019,237	\$ 954,873	\$ 966,974	\$ 1,072,183	\$ 1,040,520	\$ 1,121,062	\$ 1,241,069	\$ 1,286,805
Construction	3,181,485	4,327,639	4,762,342	5,718,854	7,566,098	6,995,777	7,474,120	8,304,986	9,952,045	9,343,177
Manufacturing	158,886	44,432	42,372	33,311	23,384	4,992	13,293	10,802	12,319	14,946
Retail Trade	856,216	2,082,847	3,682,628	4,277,634	5,048,564	5,425,364	6,307,316	6,015,520	7,172,802	7,650,929
Finance, insurance and real estate	341,602	397,083	523,693	747,190	593,466	1,026,009	756,324	870,971	882,533	850,378
Hospitality	4,931,846	5,287,561	4,405,605	4,935,524	3,879,600	3,023,336	7,773,420	8,903,300	8,568,478	8,683,607
Services	313,346	13	2	(96)	-	(20)	-	(13)	(6)	-
Other	596,766	721,164	397,643	297,095	268,718	269,177	359,258	388,633	411,366	510,180
Total	<u>\$ 11,345,902</u>	<u>\$ 13,818,317</u>	<u>\$ 14,833,522</u>	<u>\$ 16,964,385</u>	<u>\$ 18,346,804</u>	<u>\$ 17,816,818</u>	<u>\$ 23,724,251</u>	<u>\$ 25,615,261</u>	<u>\$ 28,240,607</u>	<u>\$ 28,340,023</u>
Bed Tax Collected	<u>\$ 3,207,626</u>	<u>\$ 3,701,739</u>	<u>\$ 4,443,281</u>	<u>\$ 4,847,777</u>	<u>\$ 4,003,739</u>	<u>\$ 3,759,236</u>	<u>\$ 6,731,157</u>	<u>\$ 6,937,607</u>	<u>\$ 6,636,148</u>	<u>\$ 6,782,901</u>

Source: Arizona Department of Revenue

Town of Paradise Valley, Arizona

Direct and Overlapping Sales Tax Rates

Table 7

Last Ten Fiscal Years

Fiscal Year	Privilege (Sales) Tax Rates			Total
	Town Direct Rate	Maricopa County Rate	State Rate	
2016	2.50%	0.70%	5.60%	8.80%
2017	2.50%	0.70%	5.60%	8.80%
2018	2.50%	0.70%	5.60%	8.80%
2019	2.50%	0.70%	5.60%	8.80%
2020	2.50%	0.70%	5.60%	8.80%
2021	2.50%	0.70%	5.60%	8.80%
2022	2.50%	0.70%	5.60%	8.80%
2023	2.50%	0.70%	5.60%	8.80%
2024	2.50%	0.70%	5.60%	8.80%
2025	2.50%	0.70%	5.60%	8.80%

Fiscal Year	Use Tax Rates			Total
	Town Direct Rate	Maricopa County Rate	State Rate	
2016	2.50%	0.00%	5.60%	8.10%
2017	2.50%	0.00%	5.60%	8.10%
2018	2.50%	0.00%	5.60%	8.10%
2019	2.50%	0.00%	5.60%	8.10%
2020	2.50%	0.00%	5.60%	8.10%
2021	2.50%	0.00%	5.60%	8.10%
2022	2.50%	0.00%	5.60%	8.10%
2023	2.50%	0.00%	5.60%	8.10%
2024	2.50%	0.00%	5.60%	8.10%
2025	2.50%	0.00%	5.60%	8.10%

Fiscal Year	Bed Tax Rates			Total
	Town Direct Rate (1)	Maricopa County Rate	State Rate	
2016	5.90%	1.77%	5.50%	13.17%
2017	5.90%	1.77%	5.50%	13.17%
2018	5.90%	1.77%	5.50%	13.17%
2019	5.90%	1.77%	5.50%	13.17%
2020	5.90%	1.77%	5.50%	13.17%
2021	5.90%	1.77%	5.50%	13.17%
2022	5.90%	1.77%	5.50%	13.17%
2023	5.90%	1.77%	5.50%	13.17%
2024	5.90%	1.77%	5.50%	13.17%
2025	5.90%	1.77%	5.50%	13.17%

Sources: Arizona Department of Revenue & Model City Tax Code

Town of Paradise Valley, Arizona

Ratio of Outstanding Debt by Type
Table 8
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Per Capita	Population
	Excise Tax Revenue Bonds	SBITA	Note Payable	Capital Leases	Excise Tax Revenue Bonds	Note Payable			
2016	\$ 10,153,914	\$ -	\$ -	\$ 167,789	\$ 1,034,061	\$ -	\$ 11,355,764	832	13,653
2017	9,192,013	-	-	73,186	596,637	-	9,861,836	708	13,930
2018	8,188,994	-	-	-	211,006	-	8,400,000	585	14,355
2019	7,065,000	-	-	-	-	-	7,065,000	491	14,400
2020	13,840,000	-	-	-	-	-	13,840,000	946	14,637
2021	11,800,000	-	-	-	-	-	11,800,000	799	14,769
2022	9,070,000	-	-	-	-	-	9,070,000	714	12,707
2023	6,285,000	-	-	-	-	-	6,285,000	495	12,700
2024	3,465,000	337,882	-	-	-	-	3,802,882	298	12,749
2025	2,090,000	263,330	-	-	-	-	2,353,330	184	12,781

Source: Finance Department

Town of Paradise Valley, Arizona

Pledged Revenue Coverage

Table 9

Last Ten Fiscal Years

(Dollars in Thousands)

Excise Tax Revenue Bonds				
Fiscal Year	Excise Tax *	Principal	Interest	Coverage
2016	\$ 18,610,585	\$ 1,330,000	\$ 214,382	12.05
2017	21,709,229	1,350,000	237,635	13.67
2018	23,728,328	1,290,000	179,875	16.14
2019	26,261,153	1,335,000	137,632	17.83
2020	26,980,975	1,365,000	107,864	18.32
2021	26,672,419	2,040,000	159,755	12.13
2022	35,343,776	2,730,000	139,008	12.32
2023	38,209,548	2,785,000	100,456	13.24
2024	41,593,511	2,820,000	76,988	14.36
2025	41,189,468	1,449,492	43,832	27.58

*Excise Tax revenue is comprised of local taxes, franchise fees, business license fees, state shared sales tax and state shared income tax.

Source: Finance Department

Town of Paradise Valley, Arizona

Direct and Overlapping Governmental Activities Debt

Table 10

As of June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt
Debt Repaid With Property Taxes			
Maricopa County Special Health Care District	\$ 544,135,000	2.04%	\$ 11,091,306
Maricopa County Community College District	57,615,000	2.04	1,174,388
East Valley Institute of Technology District No. 401	none	3.89	-
Creighton Unified School District No. 14	54,530,000	12.77	6,963,280
Scottsdale Unified School District No. 48	246,180,000	15.56	38,302,512
Phoenix Union High School District No. 210	364,285,000	1.11	4,034,378
Subtotal, overlapping debt			61,565,864
Town Direct Debt	-	-	2,353,330
Total direct and overlapping debt			\$ 63,919,194

Source: Stifel, Nicolaus & Company, Inc.

^a The percentage of overlapping debt applicable to the Town is calculated based on the Town's net limited assessed property valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the general obligation debt of those overlapping governments that is borne by the residents and business of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Paradise Valley, Arizona

Population Statistics

Table 11

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (A)</u>	<u>Personal Income (A x B)</u>	<u>Per Capita Personal Income (B)</u>	<u>Unemployment Rate</u>
2016	13,653	\$ 1,283,736,978	\$ 94,026	1.6
2017	13,930	1,432,212,950	102,815	1.9
2018	14,355	1,598,314,410	111,342	2.2
2019	14,400	1,648,008,000	114,445	2.5
2020	14,637	1,853,585,769	126,637	3.1
2021	14,769	1,951,073,514	132,106	3.4
2022	12,707	1,880,623,293	147,999	1.9
2023	12,700	1,805,457,400	142,162	1.7
2024	12,749	1,938,702,183	152,067	1.7
2025	12,781	1,908,433,358	149,318	1.9

Sources: Population information provided by the Maricopa Association of Governments, Per Capita Personal Income data provided by U.S. Census, American Community Survey. Unemployment data provided by the Arizona Office of Economic Opportunity.

Note: Population information is based on an estimate published the fiscal year. Unemployment Rate is a yearly average.

Town of Paradise Valley, Arizona

Principal Employers
Table 12
2025 and 2016

	2025			2016		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
JW Marriott Camelback Inn	544	1	10.3%	631	1	17.9%
Sanctuary Camelback Mountain	401	2	7.6%	300	4	8.5%
Omni Resort & Spa at Montelucia	377	3	7.2%	358	2	10.2%
Scottsdale Plaza Resort	230	4	4.4%	332	3	9.4%
Hermosa Inn	178	5	3.4%	109	8	3.1%
Mountain Shadows	160	6	3.0%	-	-	0.0%
Phoenix Country Day School	150	7	2.8%	141	6	4.0%
DoubleTree by Hilton	137	8	2.6%	230	5	6.5%
Scottsdale Unified School District	136	9	2.6%	-	-	0.0%
Paradise Valley Country Club	120	10	2.3%	110	7	3.1%
Town of Paradise Valley	-	-	0.0%	87	10	2.5%
Early Learning Childhood Center	-	-	0.0%	90	9	2.6%
Total	2,433		46.15%	2,388		67.90%
Total town employment	5,272			3,517		

Source: Maricopa Association of Governments 2022 Employer Database

Note: 2022 is the most recent information available.

Town of Paradise Valley, Arizona

Full-time Equivalent Employees by Function

Table 13

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General government:										
Town manager	4.0	4.0	5.0	7.0	7.0	6.0	6.0	6.0	4.0	4.0
Town attorney	3.0	3.0	3.0	4.0	4.0	4.0	4.8	5.4	4.4	4.1
Finance	4.0	4.0	4.0	4.0	4.5	4.6	4.6	4.7	5.8	5.8
Information technology	3.0	3.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Community development	10.0	10.0	11.0	9.0	10.0	10.0	13.0	20.0	19.0	19.0
Municipal court	5.0	5.0	6.0	7.0	7.0	8.5	11.0	11.0	11.5	12.0
Engineering	4.0	4.0	4.0	5.0	6.0	6.0	6.0	6.0	-	-
Post office	-	-	-	-	-	-	-	-	2.0	2.0
Public works	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Police:										
Sworn	33.0	33.0	34.0	34.0	34.0	35.0	35.0	37.0	37.0	35.0
Civilians	8.0	8.0	10.0	15.0	15.0	15.0	14.5	15.0	15.0	17.0
Highways and streets	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0
Total	<u>87.0</u>	<u>87.0</u>	<u>94.0</u>	<u>103.0</u>	<u>105.5</u>	<u>107.1</u>	<u>112.9</u>	<u>124.1</u>	<u>117.7</u>	<u>117.9</u>

Source: Finance Department Budget Document

Town of Paradise Valley, Arizona

Operating Indicators by Function

Table 14

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
Building permits issued	706	649	667	659	708	825	924	1,019	870	825
Value of building permits issued	\$ 142,370,728	\$ 122,718,034	\$ 181,737,513	\$ 221,618,999	\$ 231,442,549	\$ 177,636,337	\$ 237,091,212	\$ 190,036,763	\$ 284,566,350	\$ 273,414,703
Police:										
Physical arrests	206	351	336	565	268	201	171	132	105	121
Parking violations	408	362	162	134	159	224	285	59	33	52
Traffic violations	1,829	3,036	5,532	6,395	3,162	1,818	3,398	2,118	1,992	3,039
Other public works:										
Street resurfacing (miles)	27.90	26.40	19.40	18.65	14.20	5.00	15.00	13.20	11.90	7.50
Potholes repaired	10.00	7.00	13.00	19.00	62.00	26.00	28.00	13.00	16.00	99.00
Sewer system:										
Number of customers	2,162	2,173	2,191	2,210	2,252	2,287	2,322	2,365	2,417	2,452

Source: Town of Paradise Valley

Town of Paradise Valley, Arizona

Capital Asset Statistics

Table 15

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol and detective vehicles	20	20	20	20	20	20	20	20	20	20
Fire service:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire pumpers, support vehicles	3	3	3	3	3	3	3	3	3	3
Other public works:										
Streets (miles)	147	147	147	147	148	148	148	148	148	148
Traffic signals	12	12	12	12	12	13	13	13	13	13
Wastewater:										
Sanitary sewers (feet)	327,624	327,624	327,624	327,624	327,624	327,624	327,624	327,624	327,627	327,627
Treatment capacity (thousands of gallons)	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026

Source: finance department

Compliance Section



**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Honorable Mayor and Town Council of
Town of Paradise Valley, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise Valley, Arizona (the Town), as of June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town's Response to Finding and Corrective Action Plan

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Additionally, the Town is responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The Town's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Tempe, Arizona
December 4, 2025

Town of Paradise Valley

Schedule of Findings
June 30, 2025

Finding Related to Financial Statements Reported in Accordance With *Government Auditing Standards*

Finding: 2025-001: Donated Capital Contributions

Criteria - Management is responsible for maintaining effective internal control over financial reporting and ensuring compliance with generally accepted accounting principles (GAAP). This includes designating individuals with suitable skills, knowledge, and experience to record all donated capital contributed assets accepted by the Town through Town resolution in the correct fiscal year and in accordance with GAAP.

Condition/Context - During our audit of the Town of Paradise Valley's financial statements, it was noted that land donated to the Paradise Valley Mountain Preserve Trust in the amount of \$3,300,000 was not recorded in the government-wide Statement of Net Position and Statement of Activities in a timely manner for the fiscal year ended June 30, 2025. The land was accepted by resolution of the governance for the mountain preserve trust, but the transaction was omitted from the Town's capital asset listing originally audited. Because the mountain preserve trust is a non-major fund of the Town, all assets donated to the trust should be recognized when accepted by resolution.

Effect - The omission resulted in an understatement of capital assets and capital contributions on the government-wide financial statements by \$3,300,000. This misstatement could impact users' understanding of the Town's financial position and activities and may affect decision-making by stakeholders.

Cause - The Town did not have adequate internal controls in place to ensure that all donated capital assets accepted through resolution were properly identified, communicated, detected and recorded in the correct fiscal year. Additionally, management did not have a suitable procedure in place to oversee the process between Town finance and governance resolutions from which a central file of all donated capital contributions can be used to reconcile between capital asset additions and resolutions throughout the year.

Recommendation - We recommend that the Town strengthen its internal control procedures by:

- Establishing a formal process to identify and record all donated capital assets upon acceptance by resolution with the help of the Town Clerk's office and the Town's Finance Department.
- Implementing periodic reviews and reconciliations to verify completeness of capital asset records from a centrally located file where all resolutions of accepted assets can be found and recorded in a timely manner.

Views of Responsible Officials and Planned Corrective Action - The Town concurs with the finding. See Corrective Action Plan



Town of Paradise Valley
6401 East Lincoln Drive
Paradise Valley, Arizona 85253

Town of Paradise Valley Corrective Action Plan For the Year Ended June 30, 2025

Finding 2025-001

Condition

During our audit of the Town of Paradise Valley's financial statements, it was noted that land donated to the Paradise Valley Mountain Preserve in the amount of \$3,300,000 was not recorded in the government-wide Statement of Net Position and Statement of Activities in a timely manner for the fiscal year ended June 30, 2025. The land was accepted by resolution from governance of the mountain preserve trust, but the transaction was omitted from the Town's capital asset listing originally audited

Corrective Action Plan

Corrective Action Planned: Town Clerk will forward all resolutions of the Paradise Valley Mountain Preserve Trust to the Finance Director. In addition, prior to fiscal year end, the Finance Department will check with Department Directors to see if any donations have been made.

Name(s) of Contact Person(s) Responsible for Corrective Action: Leslie DeReche,
Director of Finance

Anticipated Completion Date: Effective immediately.

Town of Paradise Valley, Arizona

Annual Expenditure Limitation Report

June 30, 2025

Town of Paradise Valley, Arizona

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June 30, 2025

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Independent Accountants' Report

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
of the Town of Paradise Valley, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Paradise Valley, Arizona for the year ended June 30, 2025. The Town's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination. We have presented the results of our examination in the accompanying schedules.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Town of Paradise Valley and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Annual Expenditure Limitation Report of the Town of Paradise Valley, Arizona is fairly presented in accordance with the Uniform Expenditure Reporting System as described in Note 1, in all material respects.

Baker Tilly US, LLP

Tempe, Arizona
December 4, 2025

Town of Paradise Valley, Arizona

Annual Expenditure Limitation Report - Part I

Year Ended June 30, 2025

1. Economic Estimates Commission expenditure limitation	\$	<u>45,679,447</u>	
2. Voter-approved alternative expenditure limitation			
3. Enter applicable amount from line 1 or line 2			\$ <u>45,679,447</u>
4. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>41,990,769</u>	
5. Board-authorized expenditures necessitated by a disaster the Governor declared	-		
6. Board-authorized expenditures necessitated by a disaster the Governor did not declare	-		
7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	-		
8. Subtotal			\$ <u>41,990,769</u>
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve			
10. Total adjusted amount subject to the expenditure limitation	+		\$ <u>41,990,769</u>
11. Amount under (in excess of) the expenditure limitation			\$ <u><u>3,688,678</u></u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the Uniform Expenditure Reporting System.

Signature of chief financial officer:



Name and title: Leslie DeReche, Chief Financial Officer

Telephone number: (480) 348-3680

Date: 12/4/25

See notes to annual expenditure limitation report

Town of Paradise Valley, Arizona

Annual Expenditure Limitation Report - Part II

Year Ended June 30, 2025

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation, line D	\$ 35,626,047	\$ 8,693,741	\$ 44,319,788
B. Less exclusions claimed:			
1. Debt proceeds	-	-	-
2. Debt service requirements (Note 4)	1,409,035	-	1,409,035
3. Dividends, interest, and gains on the sale or redemption of investment securities	-	-	-
4. Trustee or custodian	-	-	-
5. Grants and aid from the federal government (Note 8)	18,150	-	18,150
6. Grants, aid, contributions or gifts from a private agency, organization or individual, except amounts received in lieu of taxes (Note 5)	19,424	-	19,424
7. Amounts received from the State of Arizona (Note 6)	34,783	-	34,783
8. Quasi-external interfund transactions (Note 7)	10,264	5,912	16,176
9. Voter-approved amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-
10. Highway user revenues in excess of those received in fiscal year 1979-80 (Note 9)	831,451	-	831,451
11. Contracts with other political subdivisions	-	-	-
12. Refunds, reimbursements, and other recoveries	-	-	-
13. Voter-approved exclusions not identified above	-	-	-
14. Prior years carryforward	-	-	-
15. Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-
16. Total exclusions claimed	<u>2,323,107</u>	<u>5,912</u>	<u>2,329,019</u>
C. Amounts subject to the expenditure limitation	<u>\$ 33,302,940</u>	<u>\$ 8,687,829</u>	<u>\$ 41,990,769</u>

See notes to annual expenditure limitation report

Town of Paradise Valley, Arizona

Annual Expenditures Limitation Report - Reconciliation

Year Ended June 30, 2025

Description	Governmental Funds	Enterprise Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 35,665,709	\$ 8,375,507	\$ 44,041,216
B. Subtractions:			
1. Items not requiring use of current financial resources:			
a. Depreciation (Note 2)	-	586,428	586,428
c. Bad debt expense (Note 2)	-	12,718	12,718
2. Expenditures of separate legal entities established under Arizona Revised Statutes (Note 3)	8,173	-	8,173
3. Required fees paid to the Industrial Commission of Arizona	31,489	-	31,489
4. Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	-	-	-
5. Involuntary court judgments	-	-	-
6. Total subtractions	<u>39,662</u>	<u>599,146</u>	<u>638,808</u>
C. Additions:			
1. Principal payments on long-term debt	-	-	-
2. Capital asset acquisitions	-	917,380	917,380
3. Amounts paid in the current year but reported as expenses in previous years:	-	-	-
a. Claims previously recognized as IBNR	-	-	-
b. Landfill closure and postclosure care costs and pollution remediation	-	-	-
4. Pension and OPEB contributions paid in the current year	-	-	-
5. Transfers to separate legal entities	-	-	-
6. Total additions	<u>-</u>	<u>917,380</u>	<u>917,380</u>
D. Amounts reported on Part II, line A	<u>\$ 35,626,047</u>	<u>\$ 8,693,741</u>	<u>\$ 44,319,788</u>

See notes to annual expenditure limitation report

Town of Paradise Valley, Arizona

Notes to Annual Expenditure Limitation Report
June 30, 2025

1. Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditure, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses and Changes in Net Position for the Proprietary Funds, and the Statement of Cash Flows for the Proprietary Funds.

2. Items Not Requiring the Use of Working Capital

The subtraction for items not requiring the use of working capital includes the current year depreciation expense \$(586,428) recorded in the Enterprise Funds and bad debt expense \$(12,718) recorded in the Enterprise Funds.

3. Expenditures of Separate Legal Entities Established Under ARS

The subtraction for expenditures of separate legal entities established under ARS includes expenditures of the Paradise Valley Mountain Preserve Trust Fund \$(8,173) in the Governmental Funds.

4. Debt Service Requirements

The exclusion claimed for debt service requirements in the Governmental Funds consist of principal retirement and interest expense on revenue bonds in the Governmental Funds as follows:

	Governmental Funds		
	Principal	Interest	Total
Excise Tax Revenue Bonds: Series 2020	\$ 1,375,000	\$ 34,035	\$ 1,409,035
Total	\$ 1,375,000	\$ 34,035	\$ 1,409,035

5. Grants, Aid, Contributions or Gifts From a Private Agency, Organization or Individual

Amounts received from contributions consist of the following:

AMRRP	\$ 19,424
Total	\$ 19,424

Town of Paradise Valley, Arizona

Notes to Annual Expenditure Limitation Report
June 30, 2025

6. Amounts Received From the State

Amounts received from the state consist of the following:

LTAFF II	\$ 34,783
Total	<u>\$ 34,783</u>

7. Quasi-External Interfund Transactions

The Town pays sewer charges to its Sewer System Enterprise Fund. Therefore, these expenditures are deducted from the Governmental Funds to avoid double counting, and the related expenditures are reported in the Enterprise Fund.

8. Federal Grants

The following schedule presents revenues from which exclusions have been claimed for federal grants in the Governmental Funds:

Federal grants:			
Department of Justice	2022 BVP Award	\$	1,218
National Highway Traffic Safety	2023-II-004		3,754
National Highway Traffic Safety	2024-II-003		6,410
National Highway Traffic Safety	2023-PTS-041		2,479
National Highway Traffic Safety	2024-PTS-040		<u>4,289</u>
Total		\$	<u>18,150</u>

9. Highway User Revenue in Excess of 1979-80

Highway user revenues (HURF) in excess of fiscal year 1979-80 and LTAFF revenues:

HURF Fund Revenue	\$ 1,003,001
Less 1979-80 Revenue	<u>(171,550)</u>
Total	<u>\$ 831,451</u>
Current year expenditures	\$ 3,872,153
Nonexcludable expenditures:	
Transfer from the General Fund	(3,000,000)
Expenditures in excess of 1979-80 revenues	(171,550)
Net change in fund balance	<u>130,848</u>
Total excludable expenditures	<u>\$ 831,451</u>

Town of Paradise Valley, Arizona

Notes to Annual Expenditure Limitation Report
June 30, 2025

10. Governmental and Enterprise Fund Carryforward

The Town has the following carryforward to offset future expenditures for purposes of the Annual Expenditure Limitation Report:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Balance, June 30, 2024	\$ 5,234,996	\$ 155,068	\$ 5,390,064
Current year interest	6,052,084	160,324	6,212,408
Less interest received from:			
Nonexcludable funds	(80,656)	-	(80,656)
Funds with no expenditures	(38,215)	-	(38,215)
Current year carryforward used	<u>-</u>	<u>-</u>	<u>-</u>
Balance, June 30, 2025	<u>\$ 5,933,213</u>	<u>\$ 160,324</u>	<u>\$ 6,093,537</u>

Reporting and insights from 2025 audit:

Town of Paradise Valley

June 30, 2025

Executive summary

December 4, 2025

The Honorable Mayor and City Council
Town of Paradise Valley
Paradise Valley, Arizona

We have completed our audit of the financial statements of the Town of Paradise Valley for the year ended June 30, 2025, and have issued our report thereon dated December 4, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Town's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas of the Town of Paradise Valley should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Brian Hemmerle, CPA, CFE, Principal: brian.hemmerle@bakertilly.com or +1 (480) 752-4307
- Cailee Lewis, Senior Manager: cailee.lewis@bakertilly.com or + 1 (480) 752-4331

Sincerely,

Baker Tilly US, LLP



Brian Hemmerle, CPA, CFE, Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. Non-attest services are provided by Baker Tilly Advisory Group, LP.

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Town's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the Town's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report and key audit matters
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Town and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Town's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the Town's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as material weaknesses:

- **Missing key controls**

There are certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed below.

Controls over Donated Capital Contributions

- Donated Capital Contributions presented to the governing body for review and approval should be provided to management within the finance department for proper recognition within the financial reporting system.
- Year-end reconciliations (capital assets) should be reviewed and approved by someone other than the preparer to ensure completeness of records.

The Town's written responses to the material weakness identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. One new accounting policies was adopted for compensated absences this year, however it was immaterial to the financial statements and the application of existing accounting policies was not changed during 2025. We noted no transactions entered into by the Town during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension/OPEB assets/liabilities and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation/Amortization	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

- There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.
- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Town or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the financial statements. The schedule within the attachments summarizes the material corrected misstatements, that, in our judgment, may not have been detected except through our auditing procedures. The internal control matters section of this report describes the effects on the financial reporting process indicated by the corrected misstatements, other than those that we consider to be of a lesser magnitude than significant deficiencies and material weaknesses.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Town's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Town that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Town's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Non-attest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation and related notes
- Adjusting journal entries
- Baker Tilly will assist in preparing the GASB 68 / 74 Pension / OPEB journal entries using actuary and plan provided support for (ASRS, PSPRS, EORP, CORP).
- Providing management with templates for compiling the management's discussion and analysis (MD&A)

- Preparation of Part II of the Data Collection Form (if applicable)
- Data entry of the auditee section of the data collection form (if applicable)

In addition, as part of the financial statement preparation we prepared GASB No. 34 conversion entries which are summarized in the “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position” and the “Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities” in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Audit committee resources

Our business is to know every aspect of yours and to maintain a constant lookout for what's next. We invite you to learn about some of the trending challenges and opportunities for public sector organizations like yours and how Baker Tilly can help.

To explore more trending topics and regulatory updates, visit our resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.



Funding evaluation and pursuit

Public sector organizations may be eligible for grants, tax credits and other financial incentives through funding opportunities such as the Inflation Reduction Act, the Clean Communities Investment Accelerator, and the Infrastructure Investment and Jobs Act.

Baker Tilly can help you navigate, understand and pursue various federal and state funding sources through grant research and tracking, advising and writing, and management and compliance services.



Digital transformation

Digitizing public services can be a game changer for governments. Streamlining inefficient processes, providing digital access and delivery of services to meet public expectations, implementing technology to protect constituent data, leveraging information to make data-driven decisions and migrating outdated on-premises systems to the cloud are crucial to an entity’s success.

Through these types of digital services, Baker Tilly can help you scale with future demand and be better positioned to rapidly respond to changing demands.



Cybersecurity

Public sector organizations face significant challenges from cyber threats and IT regulations. It can feel like you are on the defense keeping up with the latest risks, regulations and emerging trends. To mitigate risk, you must understand your organization's unique vulnerabilities, cybersecurity processes and controls.

Baker Tilly can help enhance your cybersecurity posture and ensure compliance, with solutions in IT compliance and security and cybersecurity and data protection to safeguard your data and navigate complex risk environments.

**Appendix A:
Management representation letter
and Summary schedule of
corrected and uncorrected
misstatements**

December 4, 2025

Baker Tilly US, LLP
2055 E Warner Rd. Ste 101

Tempe, Az 85284

Dear Baker Tilly US, LLP,

We are providing this letter in connection with your audit of the financial statements of the Town of Paradise Valley, Arizona as of June 30, 2025 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise Valley, Arizona and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief as of December 4, 2025, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 27, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with accounting principles generally accepted in the United States of America U.S. GAAP.

Baker Tilly US, LLP
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- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 9) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 10) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the appropriate accounts.
- 11) We are not aware of any known actual, possible, pending, or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States of America, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 12) Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 13) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Town Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 14) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.

- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 17) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you the names of our related parties and all the related party relationships and transactions, including side agreements, of which we are aware.

Other

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 25) The Town of Paradise Valley, Arizona has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 26) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 27) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.

- d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 28) As part of your audit, you assisted with the preparation of the financial statements. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements.
- 29) We have made all management decisions and performed all management functions in relation to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, as identified in the engagement letter or an addendum to the engagement letter. We have designated the Town Finance Director, an employee with suitable skill, knowledge, and/or experience to oversee the services received. Furthermore, we have established and maintained internal controls, including monitoring activities related to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, and we have evaluated and accept responsibility for the adequacy and results of the nonattest services received.
- 30) The nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, are listed below.
- a) Financial statement preparation and related notes
 - b) Adjusting journal entries
 - c) Preparing the Data Collection Form on the Federal Audit Clearinghouse website (if applicable)
 - d) Data entry of the auditee section of the data collection form (if applicable)
 - e) Providing management with templates for compiling the management's discussion and analysis (MD&A)
 - f) Baker Tilly will assist in preparing the GASB 68 / 74 Pension / OPEB journal entries using actuary and plan provided support for (ASRS, PSPRS, EORP, CORP).

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 31) The Town of Paradise Valley, Arizona has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The Town of Paradise Valley, Arizona has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 33) The financial statements include all fiduciary activities required by GASB No. 84.
- 34) The financial statements properly classify all funds and activities.
- 35) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 37) The Town of Paradise Valley, Arizona has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 38) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 43) Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
- 44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 45) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 46) We have excluded certain short-term obligations from current liabilities because we intend to refinance/have refinanced the obligations on a long-term basis. This subsequent event is properly disclosed in the financial statements.
- 47) We have reviewed our employment agreements and personnel policy related to compensated absences and believe our calculation of compensated absences is in alignment with the requirements of GASB Statement No. 101.
- 48) Tax-exempt bonds issued have retained their tax-exempt status.
- 49) We have appropriately disclosed the Town of Paradise Valley, Arizona's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 50) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

- 51) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 52) With respect to the supplementary information, (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 53) With respect to the Combining Fund Financial Statements and Budgetary Annual Financial Report, Other Supplementary Information of the Annual Comprehensive Financial Report, and the statement that fulfills the HURF requirement pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2:
 - a) We acknowledge our responsibility for presenting the Combining Fund Financial Statements and Budgetary Annual Financial Report and Other Supplementary Information of the Annual Comprehensive Financial Report in accordance with accounting principles generally accepted in the United States of America, and we believe the other information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. We acknowledge our responsibility for presenting the other information (the statement that fulfills the HURF requirement pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2) in accordance with constitutional requirements, and we believe the other information (the statement that fulfills the HURF requirement pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2), including its form and content, is fairly presented in accordance with its constitutional requirements.
 - a) The methods of measurement and presentation of the other information listed above have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the other information.
- 54) We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 55) We believe that the actuarial assumptions and methods used to measure OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 56) We assume responsibility for, and agree with, the information provided by the Arizona Retirement Systems as audited by the Arizona State Pensions auditors relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

- 57) We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed.
- 58) We have implemented GASB Statement No. 87, *Leases*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 59) We have reviewed our long-term debt agreements and believe that all terms related to significant events of default with finance-related consequences, termination events with finance-related consequences and subjective acceleration clauses have been properly identified and disclosed.
- 60) Unused lines of credit, collateral pledged to secure debt and direct borrowings and private placements have been properly identified and disclosed.
- 61) We have implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 62) We have implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 63) We have identified any leases, subscription-based information technology agreements or other contracts that are required to be reported as leases or subscription obligations and are in agreement with the key assumptions used in the measurement of any lease/subscription related assets, liabilities or deferred inflows of resources.
- 64) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases/subscriptions.
- 65) We have implemented GASB Statement No. 99, *Omnibus 2022*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 66) We have implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 67) We have implemented GASB Statement No. 101, *Compensated Absences*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 68) We have implemented GASB Statement No. 102, *Certain Risk Disclosures*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with this Standard.
- 69) We have evaluated our ongoing operations and determined there are no concentrations or constraints meeting the requirements for disclosure under GASB Statement No. 102.

Baker Tilly US, LLP
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- 70) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- 71) The auditing standards define an annual report as “a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity’s operations and the financial results and financial position as set out in the financial statements.” Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors’ report thereon. Our annual report is comprised of the items described in the audit report as other information. We have provided you with the final version of the annual report. There are no material inconsistencies between the financial statements and any other information contained within the annual report.

TOWN OF PARADISE VALLEY, ARIZONA

Leslie DeReche

Leslie DeReche

Date: December 4, 2025

Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
GASB - 1	6/30/2025	E	Deferred outflows of resources related to pen	000-000-13100 EE	M402		217,842.00				
GASB - 1	6/30/2025	E	Deferred outflows of employer pension contrib	000-000-13110 EE	M402		825,159.00				
GASB - 1	6/30/2025	E	Deferred inflow of resources related to pensi	000-000-21820 EE	M402			351,185.00			
GASB - 1	6/30/2025	E	Net Pension Liability	000-000-21890 EE	M402			7,716,931.00			
GASB - 1	6/30/2025	E	Net Position	000-000-31000 EE	M402		7,025,115.00				
GASB Entry - To post beginning GASB 68 Balances - ASRS									Recurring		
GASB - 2	6/30/2025	E	Highways and Streets Expense	000-40-61100 EE	M402		89,886.00				
GASB - 2	6/30/2025	E	General Government Expense	000-45-61100 EE	M402		545,638.00				
GASB - 2	6/30/2025	E	Public Safety Expense	000-62-61100 EE	M402		139,509.00				
GASB - 2	6/30/2025	E	Deferred outflows of resources related to pen	000-000-13100 EE	M402		498,805.00				
GASB - 2	6/30/2025	E	Deferred outflows of employer pension contrib	000-000-13110 EE	M402			825,159.00			
GASB - 2	6/30/2025	E	Deferred inflow of resources related to pensi	000-000-21820 EE	M402			160,057.00			
GASB - 2	6/30/2025	E	Net Pension Liability	000-000-21890 EE	M402			288,622.00			
GASB Entry - To record changes for GASB 68									Recurring		
GASB - 3	6/30/2025	E	Highways and Streets Expense	000-40-61100 EE				100,234.00			
GASB - 3	6/30/2025	E	General Government Expense	000-45-61100 EE				613,636.00			
GASB - 3	6/30/2025	E	Public Safety Expense	000-62-61100 EE				169,742.00			
GASB - 3	6/30/2025	E	Deferred outflows of employer pension contrib	000-000-13110 EE			883,612.00				
GASB Entry - To reclassify employer pension contributions for CY - GASB68 - ASRS											
GASB - 4	6/30/2025	E	Net OPEB Asset -HBS	000-000-12100 EE	M403		259,975.00				
GASB - 4	6/30/2025	E	Deferred outflows of resources related to OPE	000-000-13120 EE	M403		22,284.00				
GASB - 4	6/30/2025	E	Deferred outflows of employer OPEB contribut	000-000-13130 EE	M403		17,834.00				
GASB - 4	6/30/2025	E	Deferred inflow of resources related to OPEB	000-000-21830 EE	M403			131,731.00			
GASB - 4	6/30/2025	E	Net OPEB Liability - LTD	000-000-21895 EE	M403			6,271.00			
GASB - 4	6/30/2025	E	Net Position	000-000-31000 EE	M403			162,091.00			
GASB Entry - To post beginning effe cts of GASB72 - ASRS									Recurring		
GASB - 5	6/30/2025	E	Highways and Streets Expense	000-40-61100 EE	M403			4,482.00			
GASB - 5	6/30/2025	E	General Government Expense	000-45-61100 EE	M403			27,199.00			
GASB - 5	6/30/2025	E	Public Safety Expense	000-62-61100 EE	M403			6,954.00			
GASB - 5	6/30/2025	E	Net OPEB Asset -HBS	000-000-12100 EE	M403		44,314.00				
GASB - 5	6/30/2025	E	Deferred outflows of resources related to OPE	000-000-13120 EE	M403			4,458.00			
GASB - 5	6/30/2025	E	Deferred outflows of resources related to OPE	000-000-13120 EE	M403						
GASB - 5	6/30/2025	E	Deferred outflows of employer OPEB contribut	000-000-13130 EE	M403			17,834.00			
GASB - 5	6/30/2025	E	Deferred inflow of resources related to OPEB	000-000-21830 EE	M403		11,650.00				
GASB - 5	6/30/2025	E	Net OPEB Liability - LTD	000-000-21895 EE	M403		4,963.00				
GASB Entry - To post the changes re lated to GASB72									Recurring		

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Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
GASB - 6	6/30/2025	E	Highways and Streets Expense	000-40-61100 EE	M403			1,830.00			
GASB - 6	6/30/2025	E	General Government Expense	000-45-61100 EE	M403			11,203.00			
GASB - 6	6/30/2025	E	Public Safety Expense	000-62-61100 EE	M403			3,099.00			
GASB - 6	6/30/2025	E	Deferred outflows of employer OPEB contribut	000-000-13130 EE	M403		16,132.00				
GASB Entry - To reclassify OPEB exp enditures for the CY for GASB72									Recurring		
GASB - 7	6/30/2025	E	Deferred outflows of resources related to pen	000-000-13100 EE	M410		1,499,715.00				
GASB - 7	6/30/2025	E	Deferred outflows of employer pension contrib	000-000-13110 EE	M410		5,916,630.00				
GASB - 7	6/30/2025	E	Deferred inflow of resources related to pensi	000-000-21820 EE	M410			418,696.00			
GASB - 7	6/30/2025	E	Net Position	000-000-31000 EE	M410			344,939.00			
GASB - 7	6/30/2025	E	Net Pension Liability (Asset)	000-000-21890PSPRS EE	M410			6,652,710.00			
GASB Entry - To post beginning GASB 68 - PSPRS									Recurring		
GASB - 8	6/30/2025	E	Public Safety Expense	000-62-61100 EE			1,668,997.00				
GASB - 8	6/30/2025	E	Deferred outflows of resources related to pen	000-000-13100 EE			84,799.00				
GASB - 8	6/30/2025	E	Deferred outflows of employer pension contrib	000-000-13110 EE				5,916,630.00			
GASB - 8	6/30/2025	E	Deferred inflow of resources related to pensi	000-000-21820 EE				364,327.00			
GASB - 8	6/30/2025	E	Net Pension Liability	000-000-21890 EE			4,527,161.00				
GASB Entry - To properly state change in NPL in the CY for PSPRS											
GASB - 9	6/30/2025	E	Public Safety Expense	000-62-61100 EE	M410			1,178,932.00			
GASB - 9	6/30/2025	E	Deferred outflows of employer pension contrib	000-000-13110 EE	M410		1,178,932.00				
GASB Entry - To reclassify contributions for GASB68 - PSPRS									Recurring		
GASB - 10	6/30/2025	E	Deferred outflows of resources related to OPE	000-000-13120 EE	M411		42,742.00				
GASB - 10	6/30/2025	E	Deferred outflows of employer OPEB contribut	000-000-13130 EE	M411		12,554.00				
GASB - 10	6/30/2025	E	Deferred inflow of resources related to OPEB	000-000-21830 EE	M411			30,364.00			
GASB - 10	6/30/2025	E	Net Position	000-000-31000 EE	M411		16,802.00				
GASB - 10	6/30/2025	E	Net OPEB Asset (Liability)	000-000-21895PSPRS EE	M411			41,734.00			
GASB Entry - To record beginning ba lances for GASB75 - PSPRS									Recurring		
GASB - 11	6/30/2025	E	Public Safety Expense	000-62-61100 EE	M411			16,533.00			
GASB - 11	6/30/2025	E	Deferred outflows of resources related to OPE	000-000-13120 EE	M411			18,755.00			
GASB - 11	6/30/2025	E	Deferred outflows of employer OPEB contribut	000-000-13130 EE	M411			12,554.00			
GASB - 11	6/30/2025	E	Deferred inflow of resources related to OPEB	000-000-21830 EE	M411			39,337.00			
GASB - 11	6/30/2025	E	Net OPEB Asset (Liability)	000-000-21895PSPRS EE	M411		87,179.00				
GASB Entry - To record change for G ASB75 - PSPRS									Recurring		
GASB - 12	6/30/2025	E	Public Safety Expense	000-62-61100 EE	M411			8,354.00			

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Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
EH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement	
GASB - 12	6/30/2025	E	Deferred outflows of employer OPEB contrib	000-000-13130 EE	M411		8,354.00					
			GASB Entry -To reclassify OPEB contributions in CY- PSPRS							Recurring		
GASB - 13	6/30/2025	E	Compensated Absences - Long Term	000-000-22100 EE				1,642,549.00				
GASB - 13	6/30/2025	E	Net Position	000-000-31000 EE			1,642,549.00					
			GASB Entry - To Record Beginning Balance of Compensated Absences							Recurring		
GASB - 14	6/30/2025	E	Highways and Streets Expense	000-40-61100 EE			14,735.00					
GASB - 14	6/30/2025	E	General Government Expense	000-45-61100 EE			285,623.00					
GASB - 14	6/30/2025	E	Public Safety Expense	000-62-61100 EE				15,102.00				
GASB - 14	6/30/2025	E	Compensated Absences - Long Term	000-000-22100 EE				285,256.00				
			GASB Entry - To record Change in Compensated Absences							Recurring		
GASB - 15	6/30/2025	E	Compensated Absences - Long Term	000-000-22100 EE			1,289,711.00					
GASB - 15	6/30/2025	E	Compensated Absences - Short Term	000-000-22150 EE				1,289,711.00				
			GASB Entry - To reclassify short term portion of Compensated Absences							Recurring		
GASB - 16	6/30/2025	E	Revenue Bonds - Long Term	000-000-23000 EE				3,465,000.00				
GASB - 16	6/30/2025	E	Net Position	000-000-31000 EE			3,465,000.00					
			GASB Entry - To record beginning debt							Recurring		
GASB - 17	6/30/2025	E	PROCEEDS FROM ISSUANCE LTD	33-39-993 33								
GASB - 17	6/30/2025	E	DEBT 2016 PRINCIPAL EXP	40-40-960 40								
GASB - 17	6/30/2025	E	DEBT 2020 PRINCIPAL EXP	42-40-960 42				1,375,000.00				
GASB - 17	6/30/2025	E	Revenue Bonds - Long Term	000-000-23000 EE								
GASB - 17	6/30/2025	E	Revenue Bonds - Long Term	000-000-23000 EE			1,375,000.00					
			GASB Entry - To record change in debt							Recurring		
GASB - 18	6/30/2025	E	Revenue Bonds - Long Term	000-000-23000 EE			1,390,000.00					
GASB - 18	6/30/2025	E	Revenue Bonds - Short Term	000-000-23500 EE				1,390,000.00				
			GASB Entry - To reclass short term debt							Recurring		
GASB - 19	6/30/2025	E	DEFERRED REVENUE COURT FINES	10-22603 10	FF		411,845.00					
GASB - 19	6/30/2025	E	DEF REV-SALES TAX NOTES REC	10-22607 10	FF		43,418.00					
GASB - 19	6/30/2025	E	DEFERRED REVENUE COURT FINES	21-22603 21	FF		66,427.00					
GASB - 19	6/30/2025	E	Net Position	000-000-31000 EE	FF			521,690.00				

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Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
GASB Entry - To record beginning deferred revenue									Recurring		
GASB - 20	6/30/2025	E	Unearned Revenue	10-21800 10	FF		958,000.00				
GASB - 20	6/30/2025	E	DEFERRED REVENUE	10-22600 10	FF						
GASB - 20	6/30/2025	E	DEFERRED REVENUE COURT FINES	10-22603 10	FF		151,415.00				
GASB - 20	6/30/2025	E	DEF REV-SALES TAX NOTES REC	10-22607 10	FF			1,500.00			
GASB - 20	6/30/2025	E	DEFERRED REVENUE-FIVE STAR	10-22608 10	FF						
GASB - 20	6/30/2025	E	DEFERRED REVENUE COURT FINES	21-22603 21	FF			1,087.00			
GASB - 20	6/30/2025	E	DEFERRED REVENUE-FIVE STAR	30-22608 30	FF						
GASB - 20	6/30/2025	E	TOWN SALES TAX AUDIT	10-31-111 10	FF		1,500.00				
GASB - 20	6/30/2025	E	TOWN MANAGEMENT FEE	10-32-310 10	FF						
GASB - 20	6/30/2025	E	MONTELUCIA DEV AGREEMENT	10-32-767 10	FF			108,000.00			
GASB - 20	6/30/2025	E	COURT FINES - COUNTER	10-35-400 10	FF			151,415.00			
GASB - 20	6/30/2025	E	MISCELLANEOUS INCOME	10-38-730 10	FF						
GASB - 20	6/30/2025	E	FIVE STAR (PARCEL B)	10-38-770 10	FF			850,000.00			
GASB - 20	6/30/2025	E	COURT ENHANCEMENT	21-35-418 21	FF		1,087.00				
GASB - 20	6/30/2025	E	H&H Capital Contributions Offset to Capital O	30-38-300HH 30	FF						
GASB Entry - To record change in deferred revenue									Recurring		
GASB - 21	6/30/2025	E	Non-Depreciable Assets	000-000-11000 EE			43,761,459.00				
GASB - 21	6/30/2025	E	Depreciable Assets	000-000-11100 EE			88,083,280.00				
GASB - 21	6/30/2025	E	Accumulated Depreciation	000-000-11200 EE				37,519,513.00			
GASB - 21	6/30/2025	E	Net Position	000-000-31000 EE				94,325,226.00			
GASB Entry- To record beginning capital assets									Recurring		
GASB - 22	6/30/2025	E	Highways and Streets Expense	000-40-61100 EE				1,993,917.00			
GASB - 22	6/30/2025	E	General Government Expense	000-45-61100 EE				662,758.00			
GASB - 22	6/30/2025	E	Public Safety Expense	000-62-61100 EE				1,051,088.00			
GASB - 22	6/30/2025	E	Non-Depreciable Assets	000-000-11000 EE							
GASB - 22	6/30/2025	E	Non-Depreciable Assets	000-000-11000 EE			1,481,628.00				
GASB - 22	6/30/2025	E	Non-Depreciable Assets	000-000-11000 EE				798,122.00			
GASB - 22	6/30/2025	E	Depreciable Assets	000-000-11100 EE			2,226,135.00				
GASB - 22	6/30/2025	E	Depreciable Assets	000-000-11100 EE			798,122.00				
GASB Entry - To record capital asset additions									Recurring		
GASB - 23	6/30/2025	E	General Government Expense	000-45-61100 EE			1,373.00				
GASB - 23	6/30/2025	E	Non-Depreciable Assets	000-000-11000 EE							
GASB - 23	6/30/2025	E	Depreciable Assets	000-000-11100 EE							
GASB - 23	6/30/2025	E	Depreciable Assets	000-000-11100 EE				363,446.00			
GASB - 23	6/30/2025	E	Accumulated Depreciation	000-000-11200 EE			362,073.00				
GASB Entry - To record asset deletions									Recurring		

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Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement	
GASB - 24	6/30/2025	E	Highways and Streets Expense	000-40-61100 EE			953,593.00					
GASB - 24	6/30/2025	E	General Government Expense	000-45-61100 EE			986,357.00					
GASB - 24	6/30/2025	E	Public Safety Expense	000-62-61100 EE			660,038.00					
GASB - 24	6/30/2025	E	Accumulated Depreciation	000-000-11200 EE				2,599,988.00				
			GASB Entry - To record depreciation by function							Recurring		
GASB - 25	6/30/2025	E	Accrued Interest	000-000-23600 EE				15,737.00				
GASB - 25	6/30/2025	E	Net Position	000-000-31000 EE			15,737.00					
			GASB Entry - To record beginning accrued interest							Recurring		
GASB - 26	6/30/2025	E	DEBT 2020 INTEREST EXPENDITURE	42-40-961 42				6,245.00				
GASB - 26	6/30/2025	E	Accrued Interest	000-000-23600 EE			6,245.00					
			GASB Entry - To record accrued interest for the 2020 Bond							Recurring		
GASB - 27	6/30/2025	E	OTHER FINANCING SOURCE	10-39-990 10	W200.2							
GASB - 27	6/30/2025	E	General Government Expense	000-45-61100 EE	W200.2							
GASB - 27	6/30/2025	E	Public Safety Expense	000-62-61100 EE	W200.2							
GASB - 27	6/30/2025	E	Accumulated Amortization - SBITA's	000-000-11300 EE	W200.2			293,705.00				
GASB - 27	6/30/2025	E	Right-to-Use Assets - SBITAs	000-000-11500 EE	W200.2							
GASB - 27	6/30/2025	E	Right-to-Use Assets - SBITAs	000-000-11500 EE	W200.2		679,834.00					
GASB - 27	6/30/2025	E	SBITA Liability - LT	000-000-24000 EE	W200.2			337,822.00				
GASB - 27	6/30/2025	E	Net Position	000-000-31000 EE	W200.2			48,307.00				
			GASB - To record beginning balance of SBITA's							Recurring		
GASB - 28	6/30/2025	E	DEBT PRINCIPLE EXPENDITURE	10-40-960 10	W200.2							
GASB - 28	6/30/2025	E	DEBT PRINCIPLE EXPENDITURE	10-40-960 10	W200.2			74,492.00				
GASB - 28	6/30/2025	E	General Government Expense	000-45-61100 EE	W200.2		148,687.00					
GASB - 28	6/30/2025	E	Public Safety Expense	000-62-61100 EE	W200.2							
GASB - 28	6/30/2025	E	Accumulated Amortization - SBITA's	000-000-11300 EE	W200.2							
GASB - 28	6/30/2025	E	Accumulated Amortization - SBITA's	000-000-11300 EE	W200.2			148,687.00				
GASB - 28	6/30/2025	E	Right-to-Use Assets - SBITAs	000-000-11500 EE	W200.2							
GASB - 28	6/30/2025	E	SBITA Liability - LT	000-000-24000 EE	W200.2							
GASB - 28	6/30/2025	E	SBITA Liability - LT	000-000-24000 EE	W200.2		74,492.00					
			GASB - To record change in SBITA's Liability and record SBITA amortization on right to use assets							Recurring		
GASB - 29	6/30/2025	E	SBITA Liability - LT	000-000-24000 EE	W200.2		80,867.00					
GASB - 29	6/30/2025	E	SBITA's Liability - ST	000-000-24500 EE	W200.2			80,867.00				
			GASB - To reclass ST and LT for SBITA's							Recurring		Judgmental

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Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
GASB - 30	6/30/2025	E	Non-Depreciable Assets	000-000-11000 EE			3,300,000.00				
GASB - 30	6/30/2025	E	Contributed Capital	000-000-42000 EE				3,300,000.00			
To record donated land addition											Judgmental
CLIENT- 01	6/30/2025	N	RESTRICTED: POLICE DONATIONS	25-29813 25			4,021.00				
CLIENT- 01	6/30/2025	N	DONATIONS - MISCELLANEOUS	25-30-832 25				4,021.00			
Client entry- To reclass shred IT event revenues to a revenue account.											
CLIENT- 02	6/30/2025	N	MARKET TO MARKET VALUE	01-11612 01	A.910		266,220.00				
CLIENT- 02	6/30/2025	N	CASH ALLOCATION - OTHER FUNDS	01-11900 01	A.910			266,220.00			
CLIENT- 02	6/30/2025	N	CASH - COMBINED FUND	10-11900 10	A.910		266,220.00				
CLIENT- 02	6/30/2025	N	YR END MKT GAIN/LOSS	10-37-900 10	A.910			266,220.00			
Client Entry- To adjust the year-end mark to market balance.											
CLIENT- 03	6/30/2025	R	ACCOUNTS RECEIVABLE	10-13110 10							
CLIENT- 03	6/30/2025	R	PFM-ACCRUED INTEREST RECEIVABL	10-13310 10							
Client Entry- To reclass amount out of AR to PFM investment account.											
CLIENT- 04	6/30/2025	N	PREPAID EXPENSES	10-15610 10			29,920.00				
CLIENT- 04	6/30/2025	N	PREPAID EXPENSES	10-15610 10			46,791.00				
CLIENT- 04	6/30/2025	N	SOFTWARE ANNUAL LICENSES	10-52-280 10				29,920.00			
CLIENT- 04	6/30/2025	N	SOFTWARE MAINTENANCE CONTRACT	10-52-290 10				46,791.00			
Client Entry - to correct a system error related to prepaid expenses.											
CLIENT- 05	6/30/2025	N	CASH ALLOCATION - OTHER FUNDS	01-11900 01				4,999.00			
CLIENT- 05	6/30/2025	N	ACCOUNTS PAYABLE	01-21310 01			4,999.00				
CLIENT- 05	6/30/2025	N	CASH - COMBINED FUND	10-11900 10			4,999.00				
CLIENT- 05	6/30/2025	N	ACCOUNTS PAYABLE	10-21310 10				4,999.00			
Client Entry - to clear cashing clearing account at year-end.											
CLIENT- 06	6/30/2025	N	MISCELLANEOUS INCOME	10-38-730 10				314,579.00			
CLIENT- 06	6/30/2025	N	MISCELLANEOUS	10-51-840 10			314,579.00				
Client Entry - To reclass insurance claim monies into miscellaneous income											
CLIENT- 07	6/30/2025	N	COMPUTERS	80-16125 80				211,187.00			
CLIENT- 07	6/30/2025	N	CONSTRUCTION IN PROGRESS	80-16170 80			211,187.00				

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Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
Client Entry- To adjust fixed assets for assets moved from CIP to general fixed assets.											
CLIENT- 08	6/30/2025	N	PREPAID EXPENSES	53-15610 53				917,380.00			
CLIENT- 08	6/30/2025	N	VEHICLES	53-16130 53			917,380.00				
CLIENT- 08	6/30/2025	N	A.D. VEHICLES	53-16196 53				183,473.00			
CLIENT- 08	6/30/2025	N	DEPRECIATION	53-40-899 53			183,473.00				
Client Entry - reclassify fire truck from prepaid expenses to fixed asset											
CLIENT- 09	6/30/2025	N	LEASE RECEIVABLE	10-13105 10	V100.1			70,480.00			
CLIENT- 09	6/30/2025	N	DEFERRED REVENUE-LEASES	10-22606 10	V100.1		77,011.00				
CLIENT- 09	6/30/2025	N	RENTAL INC - WIRELESS FACILITY	10-34-737 10	V100.1		86,376.00				
CLIENT- 09	6/30/2025	N	Lease Revenue	10-34-700HH 10	V100.1			77,011.00			
CLIENT- 09	6/30/2025	N	Lease Interest Revenue	10-34-710HH 10	V100.1			15,896.00			
Client Entry - To adjust lease balances for CY activity.											
CLIENT- 10	6/30/2025	N	DEBT PRINCIPLE EXPENDITURE	10-40-960 10	W200.2		74,492.00				
CLIENT- 10	6/30/2025	N	DEBT INTEREST EXPENDITURE	10-40-961 10	W200.2		9,797.00				
CLIENT- 10	6/30/2025	N	SOFTWARE ANNUAL LICENSES	10-47-280 10	W200.2			84,289.00			
Client Entry- to record CY SBITA Pmt's to principal.											
CLIENT - 11	6/30/2025	N	ACCOUNTS RECEIVABLE	10-13110 10			322,935.00				
CLIENT - 11	6/30/2025	N	INTEREST - MISCELLANEOUS	10-37-616 10				322,935.00			
Client Entry - To accrue WF Sweep Dividend for June received in July.											
CLIENT - 12	6/30/2025	N	POST OFFICE INVENTORY	10-17510 10			24,657.00				
CLIENT - 12	6/30/2025	N	INVENTORY-POST OFFICE METER	10-17515 10			4,000.00				
CLIENT - 12	6/30/2025	N	INVENTORY-TOWN HALL POSTAGE	10-17520 10			2,001.00				
CLIENT - 12	6/30/2025	N	UNASSIGNED FUND BALANCE	10-29800 10			38,688.00				
CLIENT - 12	6/30/2025	N	NONSPENDABLE: INVENTORY	10-29842 10				38,688.00			
CLIENT - 12	6/30/2025	N	POSTAGE	10-44-753 10				2,001.00			
CLIENT - 12	6/30/2025	N	POST OFFICE STAMP PURCHASES	10-58-687 10				24,657.00			
CLIENT - 12	6/30/2025	N	POST OFFICE METER REPLENISH	10-58-750 10				4,000.00			
Client Entry - To account for balance in the town hall postage machine and post office stock at 6/30/2025.											
CLIENT - 13	6/30/2025	N	ACCOUNTS RECEIVABLE COURT	10-13515 10			147,721.00				
CLIENT - 13	6/30/2025	N	ACCOUNTS RECEIVABLE COURT	10-13515 10			210,539.00				
CLIENT - 13	6/30/2025	N	ACCRUED LIABILITIES	10-21312 10				210,539.00			
CLIENT - 13	6/30/2025	N	DEFERRED REVENUE COURT FINES	10-22603 10				147,721.00			
CLIENT - 13	6/30/2025	N	ACCOUNTS RECEIVABLE COURT	21-13515 21			65,340.00				
CLIENT - 13	6/30/2025	N	DEFERRED REVENUE COURT FINES	21-22603 21				65,340.00			

310-7

Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
Client Entry - To account for the difference between prior and current year outstanding for the Town's portion of AR in the Court											
CLIENT - 14	6/30/2025	N	ACCOUNTS RECEIVABLE COURT	10-13515 10				34,579.00			
CLIENT - 14	6/30/2025	N	ACCOUNTS RECEIVABLE COURT	10-13515 10				203,179.00			
CLIENT - 14	6/30/2025	N	ACCRUED LIABILITIES	10-21312 10			203,179.00				
CLIENT - 14	6/30/2025	N	DEFERRED REVENUE COURT FINES	10-22603 10			34,579.00				
CLIENT - 14	6/30/2025	N	ACCOUNTS RECEIVABLE COURT	21-13515 21				72,600.00			
CLIENT - 14	6/30/2025	N	DEFERRED REVENUE COURT FINES	21-22603 21			72,600.00				
Client Entry - to account for the difference between CY and PY outstanding portion of of AR in the Court.											
CLIENT - 15	6/30/2025	N	CASH CLEARING - UTILITIES	01-11750 01			11.00				
CLIENT - 15	6/30/2025	N	CASH CLEARING - UTILITIES	01-11750 01			585.00				
CLIENT - 15	6/30/2025	N	CASH CLEARING - UTILITIES	01-11750 01			40.00				
CLIENT - 15	6/30/2025	N	CASH ALLOCATION - OTHER FUNDS	01-11900 01				636.00			
CLIENT - 15	6/30/2025	N	CASH - COMBINED FUND	10-11900 10			585.00				
CLIENT - 15	6/30/2025	N	CASH - COMBINED FUND	53-11900 53			51.00				
CLIENT - 15	6/30/2025	N	ACCOUNTS RECEIVABLE	53-13110 53				40.00			
CLIENT - 15	6/30/2025	N	ACCOUNTS PAYABLE	53-21310 53				11.00			
CLIENT - 15	6/30/2025	N	ONSITE TRAINING	10-62-770 10				585.00			
Client Entry - To adjust the cash clearing accounts down to zero at year-end.											
CLIENT - 16	6/30/2025	N	ACCOUNTS RECEIVABLE	10-13110 10			152,393.00				
CLIENT - 16	6/30/2025	N	ACCOUNTS RECEIVABLE	10-13110 10			3,085.00				
CLIENT - 16	6/30/2025	N	ACCOUNTS RECEIVABLE	10-13110 10			22,385.00				
CLIENT - 16	6/30/2025	N	ACCOUNTS RECEIVABLE THIRD	53-13111 53			16,463.00				
CLIENT - 16	6/30/2025	N	ACCOUNTS RECEIVABLE THIRD	53-13111 53			6,170.00				
CLIENT - 16	6/30/2025	N	THIRD PARTY REVIEW BLDG INSP	10-32-291 10				44,393.00			
CLIENT - 16	6/30/2025	N	THIRD PARTY REVIEW BLDG INSP	10-32-291 10				22,385.00			
CLIENT - 16	6/30/2025	N	MONTELUCCIA DEV AGREEMENT	10-32-767 10				108,000.00			
CLIENT - 16	6/30/2025	N	GAS & OIL	10-66-435 10				3,085.00			
CLIENT - 16	6/30/2025	N	THIRD PARTY FIRE SERV REIMBURS	53-38-766 53				16,463.00			
CLIENT - 16	6/30/2025	N	THIRD PARTY FIRE SERV REIMBURS	53-38-766 53				6,170.00			
Client Entry - To adjust AR balances at year-end.											
CLIENT - 17	6/30/2025	N	CASH CLEARING - AR	01-11760 01			24,264.00				
CLIENT - 17	6/30/2025	N	CASH ALLOCATION - OTHER FUNDS	01-11900 01				24,264.00			
CLIENT - 17	6/30/2025	N	CASH - COMBINED FUND	10-11900 10			24,264.00				
CLIENT - 17	6/30/2025	N	CASH - COMBINED FUND	10-11900 10				15,452.00			
CLIENT - 17	6/30/2025	N	ACCOUNTS RECEIVABLE	10-13110 10				24,264.00			
CLIENT - 17	6/30/2025	N	ACCOUNTS RECEIVABLE	10-13110 10			15,452.00				
CLIENT - 17	6/30/2025	N	CASH - COMBINED FUND	53-11900 53			15,452.00				
CLIENT - 17	6/30/2025	N	ACCOUNTS RECEIVABLE THIRD	53-13111 53				15,452.00			

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Town of Paradise Valley, Arizona

Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
BH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
Client Entry - To adjust AR balances at year-end (Part 2).											
CLIENT - 18	6/30/2025	N	A.D. SEWER LINES	55-16193 55				224,550.00			
CLIENT - 18	6/30/2025	N	DEPRECIATION	55-40-899 55			224,550.00				
Client Entry - To book depreciation expense for sewer related capital assets.											
CLIENT - 19	6/30/2025	N	ACCOUNTS PAYABLE	53-21310 53				183,220.00			
CLIENT - 19	6/30/2025	N	THIRD PARTY FIRE SERV REIMBURS	53-38-766 53			19,345.00				
CLIENT - 19	6/30/2025	N	THIRD PARTY REIMBURSEMENTS	53-40-342 53			163,875.00				
Client Entry - To record accruals for third party reimbursements to the City of Phoenix.											
CLIENT - 20	6/30/2025	N	2020 DEBT INTEREST PAYABLE	42-21420 42				6,245.00			
CLIENT - 20	6/30/2025	N	DEBT 2020 INTEREST EXPENDITURE	42-40-961 42			6,245.00				
Reclass entry to add additional interest expense											
CLIENT - 21	6/30/2025	N	ACCOUNTS RECEIVABLE	50-13110 50			292.00				
CLIENT - 21	6/30/2025	N	UNEARNED REVENUE	50-21800 50				292.00			
Client Entry - To adjust ending unearned revenue balance.											
CLIENT - 22	6/30/2025	N	SEWER BUYBACK DUE RESIDENTS	55-22620 55				68,502.00			
CLIENT - 22	6/30/2025	N	SEWER BUYBACK - TOWN	55-30-630 55			17,255.00				
CLIENT - 22	6/30/2025	N	SETTLEMENTS	55-40-841 55			51,247.00				
Client Entry - to reclass revenue recorded in sewer liability accounts.											
CLIENT - 23	6/30/2025	N	Unearned Revenue	10-21800 10				958,000.00			
CLIENT - 23	6/30/2025	N	MONTELUCCIA DEV AGREEMENT	10-32-767 10			108,000.00				
CLIENT - 23	6/30/2025	N	FIVE STAR (PARCEL B)	10-38-770 10			850,000.00				
Client Entry - To move 5 start revenue collected after 8/31/2025.											
CLIENT - 24	6/30/2025	N	LAND	95-16150 95			3,300,000.00				
CLIENT - 24	6/30/2025	N	NET INVESTMENT IN CAP ASSETS	95-29820 95				3,300,000.00			
To adjust the preserve mountain trust for contributed land.											
							189,008,526.00	189,008,526.00			

310-9

Town of Paradise Valley, Arizona

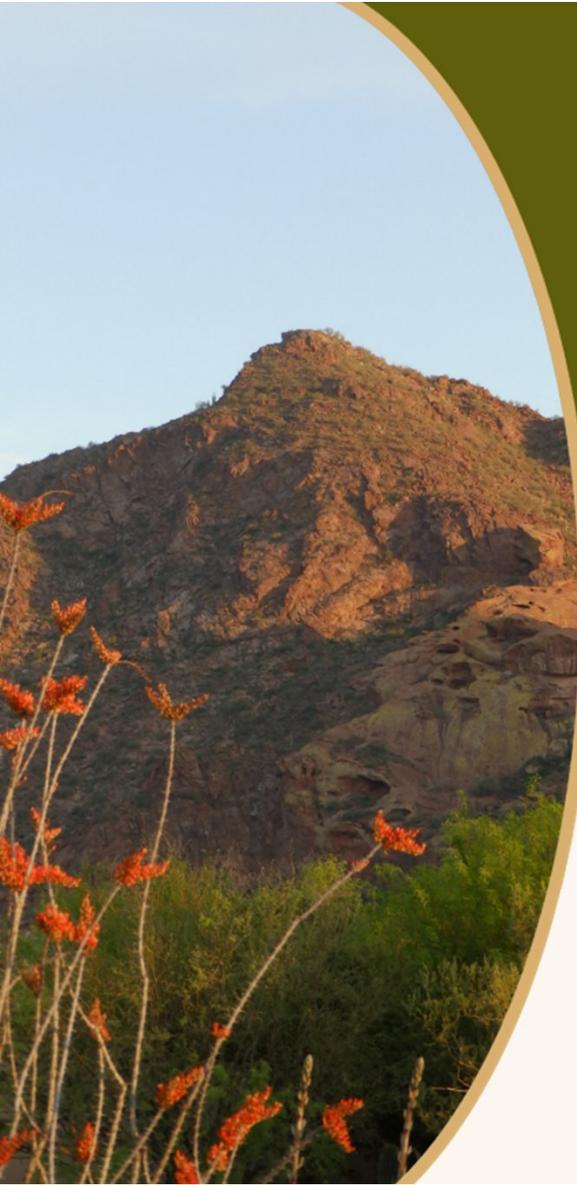
Year End: June 30, 2025

Normal adjusting journal entries

Date: 7/1/2024 To 6/30/2025

Completed by	Reviewed by	Reviewed by
MA28834 10/15/2025		
Partner Review	IR	
EH28807 11/25/2025		

Number	Date	Type	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Difference	Misstatement
			Net Income (Loss)	26,894,510.00							



Town of Paradise Valley

June 30, 2024

June 30, 2025 Financial Statements and Related Reports

December 11, 2025



Annual Financial Statement Audit

The purpose of the audit is to provide reasonable assurance that the financial statements are reported in accordance with Generally Accepted Accounting Principles.

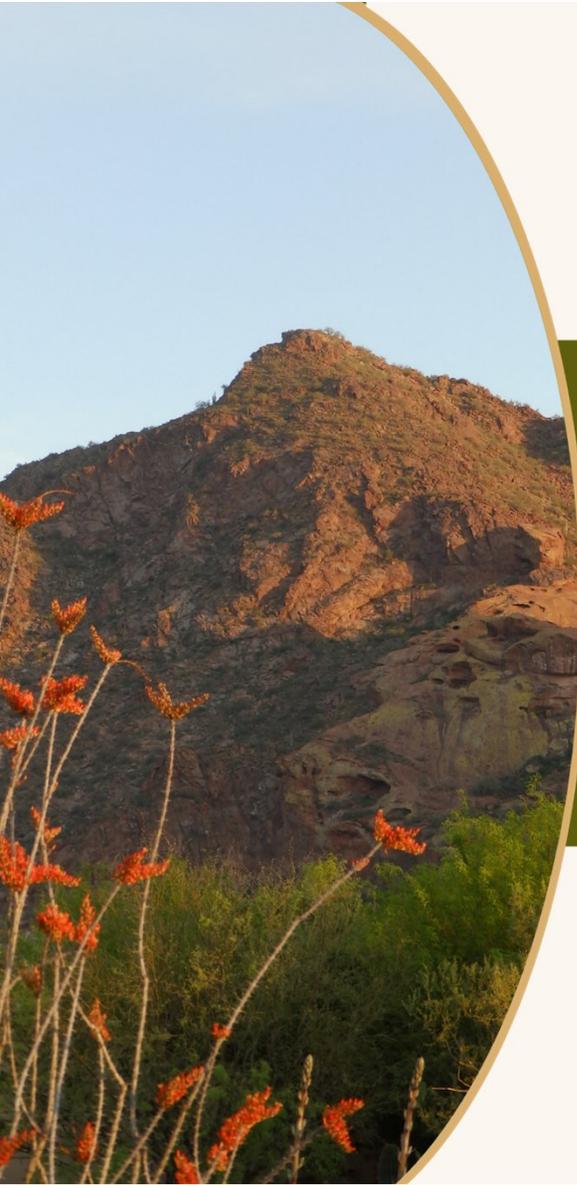
The auditors have issued the following reports:

- The Annual Comprehensive Financial Report (ACFR), including compliance with the use of Highway User Revenue Funds
- The Annual Expenditure Limitation Report (AELR)
- Required Communication to Governance



Financial Highlights

- Clean opinion on the Annual Comprehensive Financial Report and the Annual Expenditure Limitation Report (AELR)
- Below the expenditure limitation by \$3.7 million
(Actual adjusted expenditures \$42.0 million vs \$45.7 million expenditure limit)



General Fund Fund Balance (In Millions)

2025	\$137.8
2024	\$115.3
2023	\$ 93.8
2022	\$ 73.0
2021	\$ 52.1



General Fund Revenues

FY 2025 General Fund Revenue	Amount (In Millions)	Percent of Total
Sales Tax	\$ 35.1	63%
Intergovernmental	5.5	10%
Investment Income	6.3	11%
Licenses & Permits	3.8	7%
Fines & Forfeitures	2.4	4%
Franchise Tax	1.5	3%
Other	1.2	2%
Total	\$ 55.8	100%

Fiscal Year	General Fund Tax Revenue (In Millions)
2025	\$35.1
2024	\$ 34.9
2023	\$ 32.6
2022	\$ 30.5
2021	\$ 21.6



Town Year-over-Year Expenditures

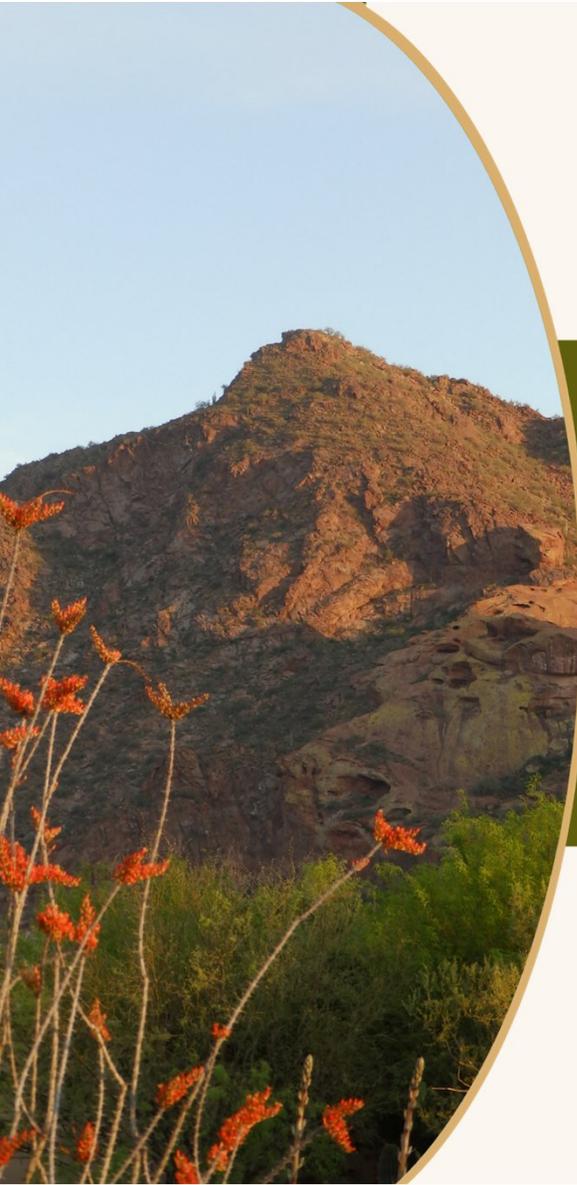
Fund	FY 2025 (in Millions)	FY 2024 (in Millions)	FY 2023 (In Millions)	FY 2022 (In Millions)	FY 2021 (In Millions)
General Fund	\$ 27.7	\$ 28.3	\$ 21.5	\$ 19.9	\$ 19.2
Highway User Revenue Fund	\$ 3.9	\$ 3.3	\$ 4.5	\$ 3.9	\$ 3.6
Alarm Fund	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Fire Services Fund	\$ 4.6	\$ 4.5	\$ 4.3	\$ 3.8	\$ 3.6
Sewer Fund	\$ 3.6	\$ 2.5	\$ 2.7	\$ 2.6	\$ 3.0

Fire Service Fund



	FY 2025 (In Millions)	FY 2024 (In Millions)	FY 2023 (In Millions)	FY 2022 (In Millions)	FY 2021 (In Millions)
Operations					
Revenues	\$ 3.3	\$ 3.3	\$ 3.2	\$ 3.2	\$ 3.2
Expenses	<u>(4.6)</u>	<u>(4.5)</u>	<u>(4.3)</u>	<u>(3.8)</u>	<u>(3.6)</u>
Operating Income/(Loss)	(1.2)	(1.2)	(1.1)	(0.6)	(0.4)
Investment Income/Other	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>
Net Change	\$ (1.1)	\$ (1.1)	\$ (1.0)	\$ (0.6)	\$ (0.4)

The fire service fee has not increased. Expenses have increased due to rising costs and increased contracted services through the City of Phoenix



Questions?



Reporting and insights from 2025 audit:

Town of Paradise Valley

June 30, 2025

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Executive summary



We have completed our audit of the financial statements of the **Town of Paradise Valley** for the year ended June 30, 2025 and have issued our report thereon dated **December 4, 2025**.

- Financial Statement Audit Report
 - **Unqualified opinion**
- *Government Auditing Standards* Compliance Report
 - **No instances of noncompliance or other matters**
 - **Identified material weakness**

This presentation supplements our letter to governance dated **December 4, 2025** as required by our professional standards.



Our responsibilities



As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. Reasonable assurance is a high level of assurance, but not an absolute level of assurance.
- Assessing the risks of material misstatement of the basic financial statements whether due to fraud or error. Included in that assessment is a consideration of the Town's internal control over financial reporting
- Performing appropriate procedures based upon our risk assessment
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management
- Forming and expressing an opinion based on our audit about whether the basic financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly in all material respects and in accordance with accounting principles generally accepted in the United States of America
 - Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by Government Auditing Standards
- Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities.





Our responsibilities

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance including:

- Internal control matters – **Reportable Finding – Donated Capital Contributions.**
- Qualitative aspects of the Town's accounting practice including policies, accounting estimates and financial statement disclosures – **This can be found on Note 1 of the financial statements**
- Significant unusual transactions – **All significant and unusual transactions have been audited with no reportable issues.**
- Significant difficulties encountered – **No difficulties to report**
- Disagreements with management – **No disagreements to report**
- Circumstances that affect the form and content of the auditors' report and key audit matters – **None noted**
- Audit consultations outside the engagement team – **None noted**
- Corrected and uncorrected misstatements – **No misstatements identified**
- Other audit findings or issues – **None noted**



Internal control matters



We considered the **Town's** internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the **Town's** internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.





Internal control matters

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. **We identified the following deficiencies as material weaknesses:**

- Controls over Donated Capital Contributions

- Donated Capital Contributions presented to the governing body for review and approval should be provided to management within the finance department for proper recognition within the financial reporting system.
- Year-end reconciliations (capital assets) should be reviewed and approved by someone other than the preparer to ensure completeness of records.





Required communications

Management's consultations with other accountants

- In some cases, management may decide to consult with other accountants about auditing and accounting matters.
 - None noted

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any instances of known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Town's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the basic financial statements including the effects on the basic financial statements and the adequacy of the related disclosures and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Town's related parties.



Nonattest services



The following nonattest services were provided by Baker Tilly:

- Financial statement preparation and related notes
- Proposing entries affecting the financial statements
- Providing management with templates for compiling the management's discussion and analysis (MD&A)

In addition, we prepared GASB No. 34 conversion entries which are summarized in the, "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the, "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

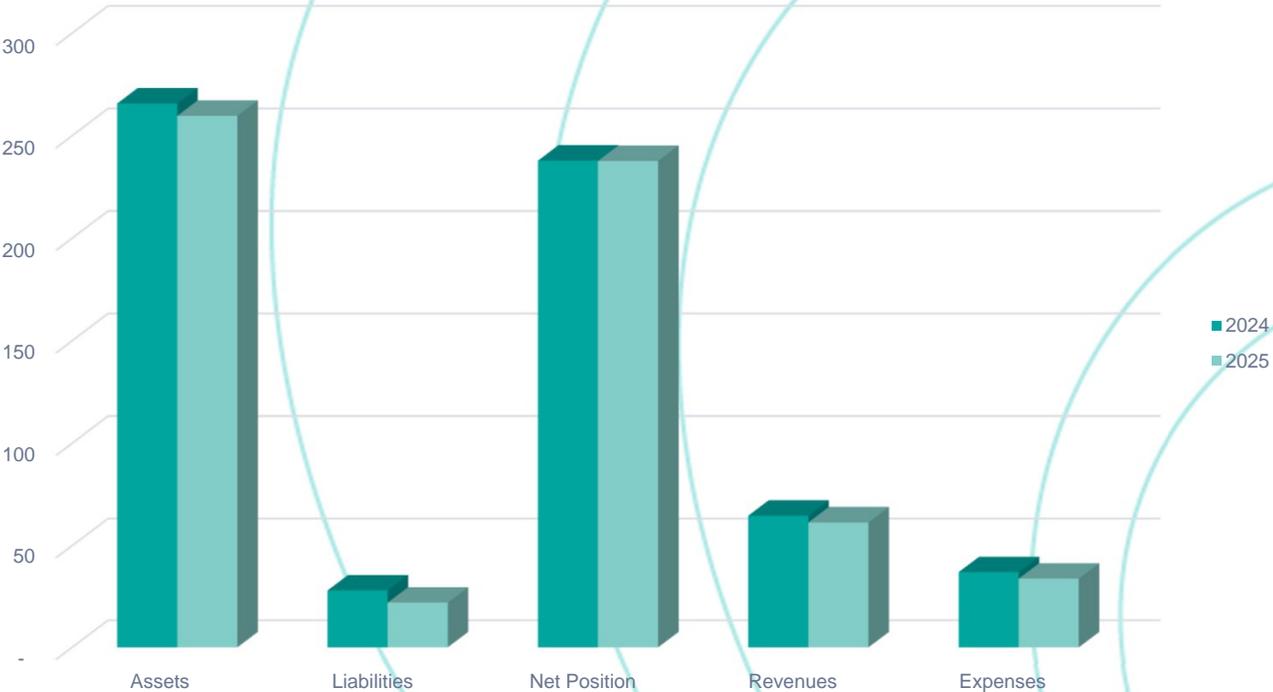
None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.



Financial Highlights



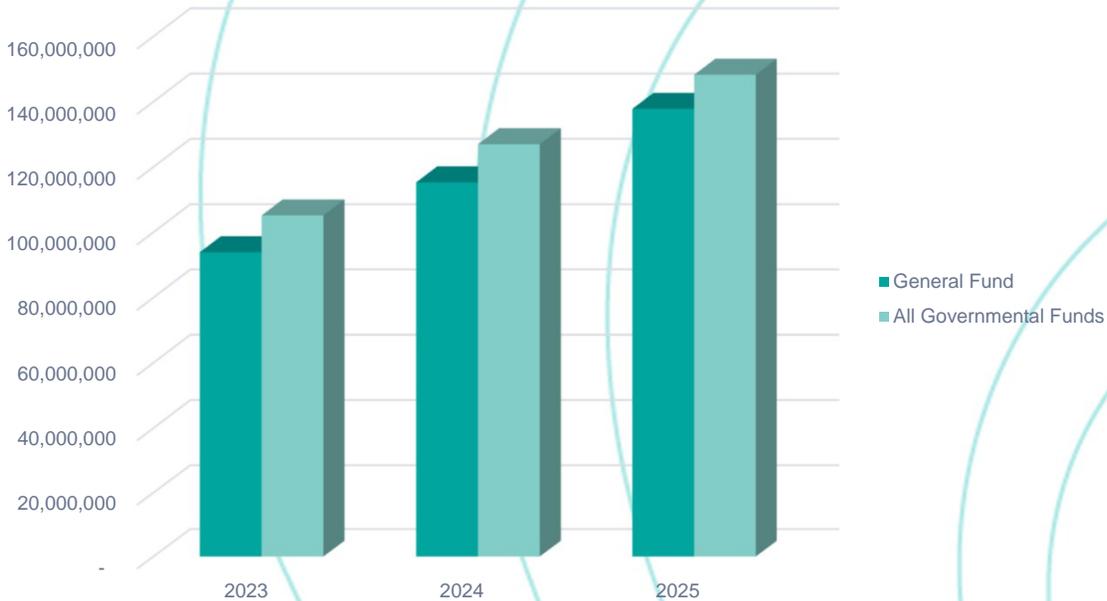
Total Government-Wide (In Millions)



Financial Highlights



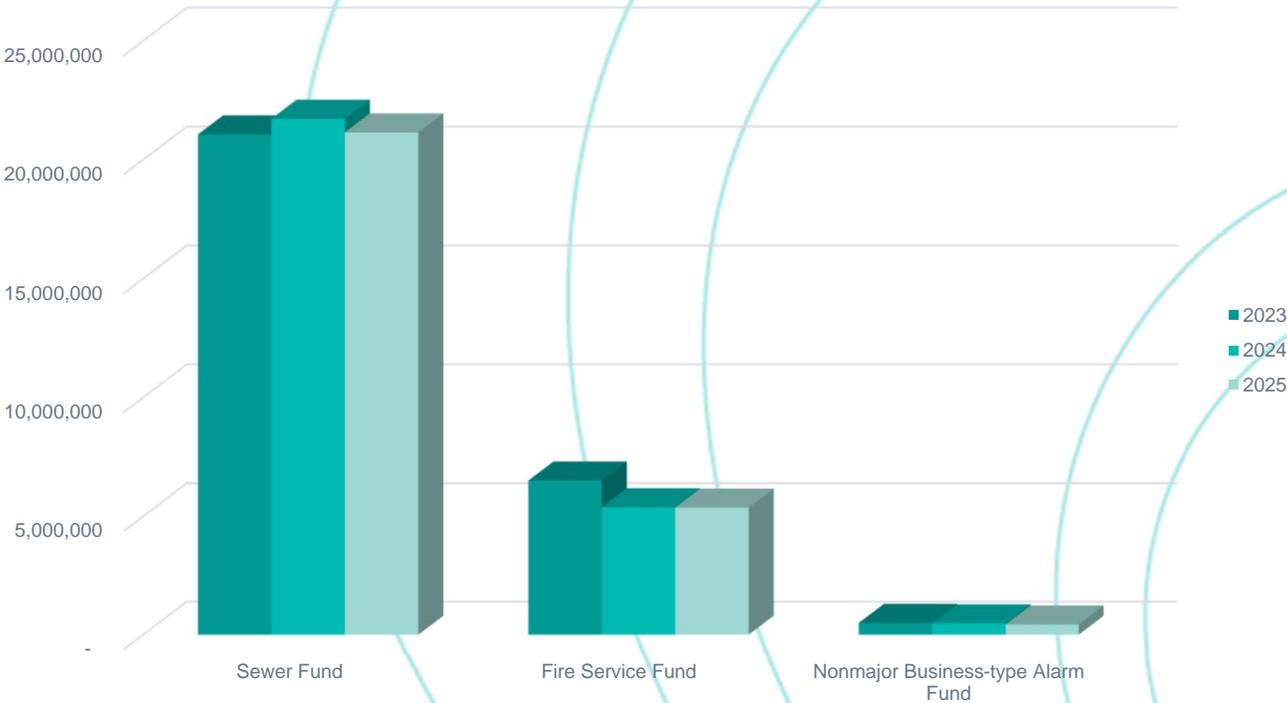
Fund Balance - Governmental



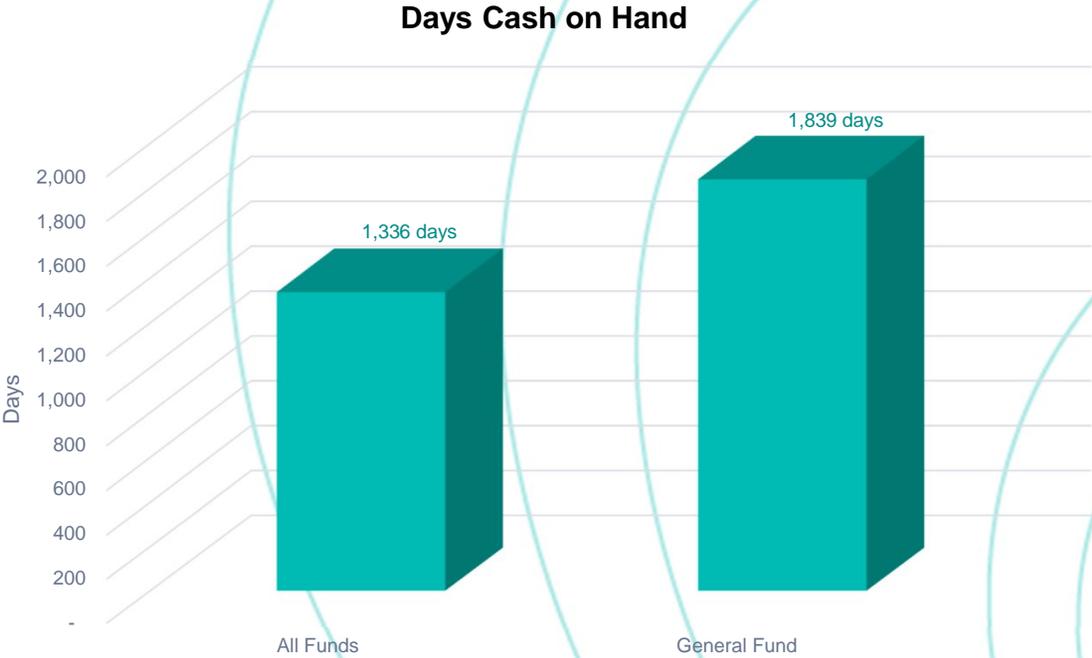
Financial Highlights



Fund Balance - Enterprise Funds



Financial Highlights



Questions?



Brian Hemmerle, CPA, CFE
Partner

E: Brian.Hemmerle@bakertilly.com



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Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 25-268

AGENDA TITLE:

Discussion and Possible Action to Adopt Ordinance 2025-05 Amendments to Administrative Review of Certain Plat Applications

RECOMMENDATION:

Adopt Ordinance 2025-05

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton & Town Council Members

FROM: Andrew Ching, Town Manager
Chad Weaver, Community Development Director
Paul Michaud, Planning Manager

DATE: December 11, 2025

DEPARTMENT: Community Development Department
Chad Weaver, 480-348-3522

AGENDA TITLE: Discussion and Possible Action on Administrative Review on Certain Plat Applications

RECOMMENDATION

It is recommended that the Town Council approve Ordinance 2025-05 amending Article 2-5 and Chapter 6, Subdivisions, of the Town Code that will allow for the administrative review of certain plat applications in accordance with current State of Arizona legislation along with correcting any technical and other conforming changes.

REQUEST

Proposed amendments to Article 2-5 (Committees and Commissions), Section 2-5-2 (Planning Commission), of the Town Code and Chapter 6, Subdivisions, of the Town Code that will allow for the administrative review of certain plat applications in accordance with current State of Arizona legislation along with correcting any technical and other conforming changes.

TOWN COUNCIL DISCUSSION

The Town Council discussed Ordinance 2025-05 at its November 13th study session. There was discussion regarding the wording of nearly 90-degrees for side lot lines proposed in Section 6-3-5(B). The term nearly has been removed from Ordinance 2025-05 in this section. The comments provided were that the term nearly is not specific enough, the change is not legislatively required, and the change seems unnecessary without consideration of specific examples. Based on this input, the direction leaves the provision at 90 degrees and retains the ability of a property owner to seek a modification through the Planning Commission and Town Council process via Article 6-8. To clarify, the other item mentioned was whether a lot split under the Planning Commission purview that is denied moves directly to the Town Council. This is the current process and is not changing. The Planning Commission discussed the idea about changing it but at the end of that discussion there was no change. Lastly, there was clarification on the removal of the term General Plan in Section 6-3-2(A) that relates to the Town Street Cross Sections. The removal of this term is because these

street cross sections are no longer found in the adopted General Plan.

PLANNING COMMISSION DISCUSSION

Unlike text amendments to the Zoning Ordinance, a text amendment to the Town Code provisions only requires Town Council review and action. However, due to the nature of the changes within the subdivision regulations of the Town Code, the Planning Commission provided input at their November 4th meeting. Overall, the Planning Commission was agreeable with the proposed amendments. There was discussion regarding the Non-Administrative Land Modification process for a lot split on a site under 2.5-net acres (which is a Planning Commission approval process) be appealable to the Town Council instead of directly moving to the Town Council if denied. However, after discussion, the current process with a direct route to the Town Council on a denial was seen to be the most expeditious and likely route an applicant would take. The other discussion point related to allowing for some latitude on compliance to the side lot lines at 90 degrees with a few Planning Commission Members expressing the need to quantify, leaving as-is, and consideration of a staff approval with a 7-day review process by the Planning Commission offered as a possible option.

BACKGROUND

In 2025, the Legislature of the State of Arizona passed House Bill 2447 (Attachment B). This legislation requires (compared to the previous 'may' language) municipal legislative bodies to authorize administrative personnel to review and approve site plans, development plans, land divisions, lot line adjustments, and plat amendments, and to review and approve design review plans based on objective standards, without a public hearing. Also, it allows municipalities to adopt a self-certification program for registered architects and professional engineers (not being pursued), allowing them to be responsible for compliance with ordinances and construction standards. This legislation becomes effective on January 1, 2026. As such, municipalities across Arizona have been evaluating and amending their codes and/or policies in advance of the December 31st deadline.

The Town Council has been updated on this legislation during the process by the Town Manager and Town Attorney. Town Council discussed this legislation and general direction at an executive session on September 11, 2025. Based on this discussion, Town staff drafted the attached proposed amendments related to certain plat applications via draft Ordinance 2025-05 (Attachment D).

TEXT AMENDMENT CHANGES

The general approach for the proposed text amendment is that the Town processes related to site plans, development plans, land divisions, lot line adjustments, and plat amendments are already administrative. However, draft Ordinance 2025-05 is an opportunity to clarify and further define the administrative process. The current processing remains the same (including preliminary plat, replat, easement or right-of-way abandonment, and administrative land modification). The changes are on final plat with some changes to the non-administrative land modification process. This is outlined in the Land Modification Process Table (Attachment C) with the changes summarized below.

- Correct Section 6-2-3 by removing the word “final plat” under Section 6-2-3 as the Planning Commission is not the approver of a final plat (which is the current code). This section covers time limits on Planning Commission action.
- Add a definition for “Staff”.
- Modify the final plat/map process from Town Council review and action at a public meeting to a staff approval process with a 7-day Town Council review (like the Managerial Special Use Permit (SUP) and Personal Wireless Service Facility process in the Town) with the Mayor still required to sign the plat/map. This applies to any zoning district (including SUP). Town Council will still review/act on a final plat/map if the Planning Commission rejects the preliminary plat or the plat has a modification of the subdivision standards pursuant to Article 6-8. Indirectly, Planning Commission and Town Council will see the final plat/map if the applicant requests a private road Conditional Use Permit (CUP) and/or the application includes a Special Use Permit for a private roadway gate (as these processes remain the same). Also, the final plat requires a preliminary plat (which the Planning Commission reviews/approves which allows for oversight by more than staff).
- Correct the General Plan reference of the width of all rights-of-way and streets to the Town’s Typical Street Cross Sections as this was removed from the 2022 General Plan.
- Correct the reference regarding lighting under subdivision walls or fences that a lighting plan for safety/security shall be submitted with the Special Use Permit application to with the application as may be required under Article XI, Special Uses And Additional Use Regulations, of the Zoning Ordinance. Article XI covers SUPs, private gate SUPs, and private road CUPs that this type of lighting would be included.
- Correct under hillside provision that private roadways are approved by the private road Conditional Use Permit (which is approved by the Planning Commission and appealable to the Town Council) and not approved by the Town Council. Years back this process was by Special Use Permit that was approved by the Town Council. Also, under public roads, the surface material is noted as decorative pavers or other surface material. However, asphalt is the typical public road standard with decorative surface material allowable by a private road CUP.
- Modify the Non-Administrative Land Modification process for a lot split on a non-SUP property to be approved by a simple majority vote instead of by unanimous vote as this is the only plat action requiring unanimous approval. There is no change with the Planning Commission review and action (appealable to the Town Council) for these lot splits or if not approved the review and approval moves onto the Town Council.
- Modify the Non-Administrative Land Modification process for any plat adjustment on an SUP property (other than preliminary plat, final plat, and replat as the process for these are described separately under Chapter 6 of the Town Code). The process will follow the modified final plat/map process from Town Council review and action at a public meeting to a staff approval process with a 7-day Town Council review. This modification to retain a level of Town Council review is because there is not always an amendment to the SUP with a Non-Administrative Land Modification that warrants Town Council review as an SUP is tailored zoning compared to the Town’s residential zoning districts (which the

process for these type of plat applications that are not a preliminary plat, final plat, or replat are deemed an Administrative Land Modification reviewed and approved by Town staff).

- No change to the process when any of the plat applications include a deviation from Chapter 6, Article 6-8, Variances and Modifications, which requires Planning Commission review and recommendation followed by Town Council review and action.
- No changes to other ancillary processes that may accompany a plat application. This includes the private road Conditional Use Permit process requiring Planning Commission review and action (appealable to the Town Council), the private gate Special Use Permit process requiring Town Council Statement of Direction, Planning Commission review and recommendation, and Town Council review and action, and the Special Use Permit amendment process which requires Planning Commission and/or Town Council review.

ATTACHMENT(S)

- A. Staff Report
- B. House Bill 2447
- C. Land Modification Process Table
- D. Ordinance 2025-05
- E. Presentation

House Engrossed

self-certification program; administrative review

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2447

AN ACT

AMENDING SECTION 9-500.49, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL ADMINISTRATIVE REVIEWS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 9-500.49, Arizona Revised Statutes, is amended
3 to read:
4 9-500.49. Administrative review and approval;
5 self-certification program; expedited approval;
6 definitions
7 A. Notwithstanding any other law, the legislative body of a city or
8 town ~~may~~ SHALL by ordinance do the following:
9 1. Authorize administrative personnel to review and approve site
10 plans, development plans, land divisions, lot line adjustments, lot ties,
11 preliminary plats, final plats and plat amendments without a public
12 hearing.
13 2. Authorize administrative personnel to review and approve design
14 review plans based on objective standards without a public hearing.
15 ~~3. Adopt a self-certification program allowing registered~~
16 ~~architects and professional engineers to certify and be responsible for~~
17 ~~compliance with all applicable ordinances and construction standards for~~
18 ~~projects that the ordinance identifies as being qualified for~~
19 ~~self-certification.~~
20 ~~4.~~ 3. Allow at-risk submittals for certain on-site preliminary
21 grading and drainage work or infrastructure.
22 ~~5.~~ 4. Allow applicants with a history of compliance with building
23 codes and regulations to be eligible for expedited permit review.
24 B. NOTWITHSTANDING ANY OTHER LAW, THE LEGISLATIVE BODY OF A CITY OR
25 TOWN MAY BY ORDINANCE ADOPT A SELF-CERTIFICATION PROGRAM ALLOWING
26 REGISTERED ARCHITECTS AND PROFESSIONAL ENGINEERS TO CERTIFY AND BE
27 RESPONSIBLE FOR COMPLIANCE WITH ALL APPLICABLE ORDINANCES AND CONSTRUCTION
28 STANDARDS FOR PROJECTS THAT THE ORDINANCE IDENTIFIES AS BEING QUALIFIED
29 FOR SELF-CERTIFICATION.
30 ~~B.~~ C. Applications for a license pursuant to this section are
31 subject to chapter 7, article 4 of this title.
32 ~~C.~~ D. For the purposes of this section: ~~—~~
33 1. "LICENSE" HAS THE SAME MEANING PRESCRIBED IN SECTION 9-831.
34 2. "Objective" means not influenced by personal interpretation,
35 taste or feelings of a municipal employee and verifiable by reference to
36 an adopted benchmark, standard or criterion available and knowable by the
37 applicant or proponent.
38 Sec. 2. Effective date
39 This act is effective from and after December 31, 2025.

LAND MODIFICATION PROCESS TABLE
AZHB 2447 Town of Paradise Valley Compliance/Amendment

<i>Case Type</i>	<i>Code Reference</i>	<i>Current Process</i>	<i>Potential Future Process</i>
<p>Preliminary Plat</p> <p>Case Type Abbreviation (PP)</p>	<p>Town Code:</p> <ul style="list-style-type: none"> • Section 2-5-2(D) • Chapter 6, Subdivisions <ul style="list-style-type: none"> ○ Article 6-1 Definitions ○ Section 6-2-1 Pre-Application ○ Section 6-2-2 Preliminary Plat/Map ○ Article 6-5 Information Required on preliminary plat ○ Article 6-7(A) Special Preliminary Plat Requirements (hillside) <p>Zoning Ordinance</p> <ul style="list-style-type: none"> ○ Section 908 Cluster Plans Commission to approve preliminary plat <p>Notes</p> <ul style="list-style-type: none"> • Design and related standards throughout Chapter 6 apply to all types of land modifications (including plats) • Typically, a private road Conditional Use Permit (CUP) approved by Commission and appealable to Council runs with the plat (The CUP is administrative via public meeting and typically occurs at the preliminary plat stage, but could occur at the final plat stage) • A private gate Special Use Permit (SUP) may accompany a plat (The SUP process is legislative via a public hearing requiring Council 	<ul style="list-style-type: none"> • Preliminary plat is administrative via public meeting, unless deviation from Chapter 6 requirement(s) is requested pursuant to Town Code, Article 6-8, Variances and Modifications (which requires Commission review/recommendation and Council review/action) • Average 1 application annually • Pre-application review up to 20 business days • Commission Work Session <ul style="list-style-type: none"> ○ Must occur at least 28 days prior to the public meeting • Commission Action <ul style="list-style-type: none"> ○ 1,500' mailing notice of action meeting by Town policy ○ Public comment taken (but not required) ○ Simple majority to approve ○ If denied, then moves forward to Council for review/approval ○ Action must be done within 40 days of a completed application <p>Applies</p> <ul style="list-style-type: none"> • All zoning districts • Hillside and non-Hillside • When property is divided into 4 or more lots 	<p>BROAD INTERPRETATION (RECOMMENDED)</p> <ul style="list-style-type: none"> • Keep the current Commission process the same (include noticing, allow for public comment, and placed as action item on the agenda) <p>Reasons</p> <ul style="list-style-type: none"> • Commission review/action process is administrative not legislative via public hearing • Current approach emphasizes plat compliance to Town subdivision regulations and other related code provisions for plat approval • Any notice/public commentary is to apprise residents of upcoming plat (not deny plat) • Greater impact on subdivisions of any size exists due to Town's small area and large-lot residential nature • Aligns with Commissions advisory role on land development • Occurrence is low since preliminary plats are uncommon • Allows for greater scrutiny with hillside and/or SUP subdivisions <p>NARROW INTERPRETATION</p> <ul style="list-style-type: none"> • Modify code for more administrative process that is Town staff review and approval only <p>Reasons</p> <ul style="list-style-type: none"> • If intent for administrative is to be more staff driven process (instead of Commission driven process) <p>EITHER INTERPRETATION</p> <ul style="list-style-type: none"> • Still require Commission and/or Council approval for code deviations • No changes to the private road CUP via Commission and private gate SUP process to Commission/Council

Date Prepared: October 16, 2025

	<p>Statement of Direction (SOD), Commission review and recommendation, and Council review and action. This could occur at the final plat stage.</p>	<ul style="list-style-type: none">• When property is divided into 2 or more lots if a new street is required (most common)	<ul style="list-style-type: none">• If preliminary plat on SUP site, the request typically has an SUP amendment to Commission or Council
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Case Type	Code Reference	Current Process	Potential Future Process
<p>Final Plat</p> <p>Case Type Abbreviation (FP)</p>	<p>Town Code:</p> <ul style="list-style-type: none"> Section 5-8-1(A) Chapter 6, Subdivisions <ul style="list-style-type: none"> Article 6-1 Definitions Section 6-2-1 Pre-Application Section 6-2-3 Final Plat/Map Article 6-4 Assurances, Warranty, Minimum Improvements Article 6-6 Information Required on Final Plat Article 6-7(B) Special Final Plat Requirements (hillside) Article 6-7(C) Special Design Standards (hillside) Article 6-7(D) Maximum Number Lots (hillside) <p>Notes</p> <ul style="list-style-type: none"> Design and related standards throughout Chapter 6 that apply to all types of land modifications (including plats) Typically, a private road Conditional Use Permit (CUP) approved by Commission and appealable to Council runs with the plat (The CUP is administrative via public meeting and typically occurs at the preliminary plat stage, but could occur at the final plat stage) A private gate Special Use Permit (SUP) may accompany a plat (The SUP process is legislative via a public hearing requiring Council Statement of Direction (SOD), Commission review and recommendation, and 	<ul style="list-style-type: none"> Final Plat starts post preliminary plat action Administrative via public meeting, unless deviation from Chapter 6 requirement(s) is requested pursuant to the Town Code, Article 6-8, Variances and Modifications or the final plat does not comply with the stipulations of the preliminary plat/map or contains substantial differences final plat requires Commission review/action Average 1 application annually Council Study Session Council Action <ul style="list-style-type: none"> 1,500' mailing notice of action meeting by Town policy Public comment taken (but not required) Simple majority to approve Action must be done within 40 days of a completed application If Commission action (as described above), Commission action required within 14 days staff deems complete, and Council action must be done within 40 days from the Commission action <p>Applies</p> <ul style="list-style-type: none"> All zoning districts Hillside and non-Hillside 	<p>BROAD INTERPRETATION</p> <ul style="list-style-type: none"> Keep the current Council review and approval process the same <p>Reasons</p> <ul style="list-style-type: none"> Council review/action process is administrative not legislative via public hearing Current approach emphasizes plat compliance to preliminary plat for approval Any notice/public commentary is to apprise residents of upcoming plat (not deny plat) Greater impact on subdivisions of any size exists due to Town's small area and large-lot residential nature Occurrence is low since final plats are uncommon Allows for greater scrutiny with hillside and/or SUP subdivisions (in particular) <p>MODIFIED BROAD INTERPRETATION (RECOMMENDED)</p> <ul style="list-style-type: none"> Modify the current Council process to allow final plat/map as a staff review and approval with a 7-day review (with ability for Council to hold meeting for action) like the SUP Managerial Amendment process. Exceptions would be if the final plat is not in substantial conformance with the preliminary plat (then a separate study session and placement on public meeting for Council discussion/action or deviation from Chapter 6 requirement(s) is requested pursuant to Town Code, Article 6-8, Variances and Modifications which requires Commission review/recommendation and Council review/action) <p>Reasons</p> <ul style="list-style-type: none"> Same as under Broad Interpretation Commission and/or Council would review the final plat/map as described under exceptions above

	<p>Council review and action. This could occur at the final plat stage.</p>	<ul style="list-style-type: none">• When property is divided into 4 or more lots• When property is divided into 2 or more lots if a new street is required (most common)	<ul style="list-style-type: none">• Final plat requires a preliminary plat (which Commission reviews/approves which allows for oversight by more than staff)• Residents would have received notice/given opportunity for public comment with the preliminary plat at Commission• Mayor will still sign the final plat• In recent years many final plats are on the consent agenda since they match the preliminary plat• If final plat on SUP site, the request will have a preliminary plat to Commission and typically has an SUP amendment to Commission and/or Council <p>NARROW INTERPRETATION</p> <ul style="list-style-type: none">• Modify code for more administrative process that is Town staff review and approval only <p>Reasons</p> <ul style="list-style-type: none">• If intent for administrative is to be more staff driven process <p>EITHER INTERPRETATION</p> <ul style="list-style-type: none">• Still require Commission and/or Council approval for code deviations• No changes to the private road CUP via Commission and private gate SUP process to Commission/Council• If final plat on SUP site, the request would have had a preliminary plat reviewed and approved by Commission and typically has an SUP amendment to Commission or Council
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Case Type	Code Reference	Current Process	Potential Future Process
<p style="text-align: center;">Replat</p> <p style="text-align: center;">Case Type Abbreviation (RP)</p>	<p>Town Code:</p> <ul style="list-style-type: none"> • Chapter 6, Subdivisions <ul style="list-style-type: none"> ○ Article 6-1 Definitions ○ Section 6-10-7(G) Procedures <p>Note</p> <ul style="list-style-type: none"> • Design and related standards throughout Chapter 6 that apply to all types of land modifications (including replats that follow the standards for a final plat) 	<ul style="list-style-type: none"> • Administrative via public meeting, unless deviation from Chapter 6 requirement(s) is requested pursuant to Town Code, Article 6-8, Variances and Modifications (which requires Commission review/recommendation and Council review/action) • Uncommon to have replat cases • Pre-application review up to 20 business days • Council Study Session • Council Action <ul style="list-style-type: none"> ○ 1,500' mailing notice of action meeting by Town policy ○ Public comment taken (but not required) ○ Simple majority to approve <p>Applies</p> <ul style="list-style-type: none"> • All zoning districts • Hillside and non-Hillside • When there is an amendment of an existing plat of record through the act of modifying or reconfiguring (but since the code has an Administrative Land Modification and Non-Administrative Land Modification process, the replat is used when the application does not fall under those categories) 	<p>BROAD INTERPRETATION (RECOMMENDED)</p> <ul style="list-style-type: none"> • Keep the current Council process the same <p>Reasons</p> <ul style="list-style-type: none"> • Council review/action process is administrative not legislative via public hearing • Current approach emphasizes plat compliance to Town subdivision regulations and other related code provisions for plat for approval • Any notice/public commentary is to apprise residents of upcoming plat (not deny plat) • Greater impact on subdivisions of any size exists due to Town's small area and large-lot residential nature • Occurrence is low since replats are uncommon • Allows for greater scrutiny with hillside and/or SUP subdivisions (in particular) • Most common with an SUP and not always an amendment to the SUP with a replat <p>NARROW INTERPRETATION</p> <p>Modify code for more administrative process that is Town staff review and approval only</p> <p>Reasons</p> <ul style="list-style-type: none"> • If intent for administrative is to be more staff driven process <p>EITHER INTERPRETATION</p> <ul style="list-style-type: none"> • Still require Commission and/or Council approval for code deviations • No changes to the private road CUP via Commission and private gate SUP process to Commission/Council

<i>Case Type</i>	<i>Code Reference</i>	<i>Current Process</i>	<i>Potential Future Process</i>
<p>Administrative Land Modification</p> <p>Case Type Abbreviation (LLA) (LS)</p>	<p>Town Code:</p> <ul style="list-style-type: none"> • Chapter 6, Subdivisions <ul style="list-style-type: none"> ○ Article 6-1 Definitions ○ Article 6-10 Administrative Land Modification (Procedures Section 6-10-7) <p>Note</p> <ul style="list-style-type: none"> • Design and related standards throughout Chapter 6 that apply to all types of land modifications (including plats) 	<ul style="list-style-type: none"> • Administrative via Town staff, unless deviation from Chapter 6 requirement(s) is requested pursuant to Town Code, Article 6-8, Variances and Modifications (which requires Commission review/recommendation and Council review/action) • Average 7 to 8 applications annually • Pre-application review up to 20 business days • No noticing • Town staff review typically 10 to 15 business days per review <p>Applies</p> <ul style="list-style-type: none"> • Any property zones except SUP • Hillside and non-Hillside • Lot Line Adjustment • Lot Split (Exempt) – are divisions on property over 2.5 acres into 2 or 3 lots (without a new road) • Easement Modifications 	<p>BROAD INTERPRETATION (RECOMMENDED)</p> <ul style="list-style-type: none"> • Keep the current Town staff process (for SUP properties see Non-Administrative Land Modification) <p>Reasons</p> <ul style="list-style-type: none"> • Town staff review/action process is administrative • Current approach emphasizes plat compliance to Town subdivision regulations and other related code provisions for plat for approval • Administrative land modification cannot create any nonconformities <p>NARROW INTERPRETATION</p> <ul style="list-style-type: none"> • Same as Broad Interpretation <p>EITHER INTERPRETATION</p> <ul style="list-style-type: none"> • Still require Commission and/or Council approval for code deviations • No changes to the private road CUP via Commission and private gate SUP process to Commission/Council

Case Type	Code Reference	Current Process	Potential Future Process
<p style="text-align: center;">Non-Administrative Land Modification</p> <p style="text-align: center;">Case Type Abbreviation (LLA) (LS)</p>	<p>Town Code:</p> <ul style="list-style-type: none"> • Chapter 6, Subdivisions <ul style="list-style-type: none"> ○ Article 6-1 Definitions ○ Article 6-9 Non-Administrative Land Modification (Procedures Section 6-9-7) <p>Note</p> <ul style="list-style-type: none"> • Design and related standards throughout Chapter 6 that apply to all types of land modifications • Any site zoned SUP follows the preliminary plat, final plat, replat, or Non-Administrative Land Modification process. 	<ul style="list-style-type: none"> • Administrative via public meeting, unless deviation from Chapter 6 requirement(s) is requested pursuant to Town Code, Article 6-8, Variances and Modifications (which requires Commission review/recommendation and Council review/action) • Average 1 to 2 applications annually • Pre-application review up to 20 business days <p>Lot Split (on Site Under 2.5 Net Acres Only Non-SUP)</p> <ul style="list-style-type: none"> • Commission Work Session • Commission Action <ul style="list-style-type: none"> ○ 500' mailing notice of action meeting by Town policy ○ Public comment taken (but not required) ○ Unanimous approval ○ If there is no unanimous approval for Lot Split under 2.5 net acres, then moves forward to Council for review/action <p>Non-Administrative Land Modification (SUP Property)</p> <ul style="list-style-type: none"> • Applies to any other plat process except for preliminary plat, final plat, or replat as described in Chapter 6, Subdivisions, of the Town Code • Council Study Session • Council Action 	<p>BROAD INTERPRETATION</p> <p>Reasons</p> <ul style="list-style-type: none"> • Keep the current Commission process the same • Commission review/action process is administrative not legislative via public hearing • Current approach emphasizes plat compliance to Town subdivision regulations and other related code provisions for plat for approval • Any notice/public commentary is to apprise residents of upcoming plat (not deny plat) • Greater impact on plats of any size exists due to Town's small area and large-lot residential nature • Occurrence is low since Non-Administrative Land Modifications are uncommon • Allows for greater scrutiny with hillside and/or SUP subdivisions (in particular) <p>MODIFIED BROAD INTERPRETATION (RECOMMENDED)</p> <ul style="list-style-type: none"> • Retaining the Commission review of Lot Splits (on Non-SUP Sites Under 2.5 Net Acres Only) since state law seems to still allow for a different procedure for splits on 2.5-acre lots or less. The change is removing the unanimous vote to simple majority vote as this process is administrative. • Modify the current Council review and approval process for Non-Administrative Land Modification (SUP property) to staff review and approval with a 7-day review (with ability for Council to hold meeting for action) like the SUP Managerial Amendment process. <p>Reasons</p> <ul style="list-style-type: none"> • Same as under Broad Interpretation • Lot Splits (on Non-SUP Sites Under 2.5 Net Acres Only) were the only plat-type action requiring unanimous approval • There is not always an amendment to the SUP with a Non-Administrative Land Modification. This is why

		<ul style="list-style-type: none"> ○ 500' mailing notice of action meeting by Town policy ○ Public comment taken (but not required) ○ Simple majority approval <p>All other Non-Administrative Land Modification</p> <ul style="list-style-type: none"> ● Applies to public easement abandonment (e.g., Public Utility Easement or Drainage Easement - any zoning district) ● Council study session ● Council action <ul style="list-style-type: none"> ○ 500' mailing notice of action meeting by Town policy ○ Public comment taken (but not required) ○ Simple majority approval <p>Applies</p> <ul style="list-style-type: none"> ● Any property zone (as noted above) ● Hillside and non-Hillside 	<p>Council review is still appropriate since a SUP is tailored zoning compared to the Town's residential zoning districts (which the process for plat-type applications that are not a preliminary plat, final plat, or replat and are deemed an Administrative Land Modification which is reviewed and approved by Town staff)</p> <p>NARROW INTERPRETATION</p> <ul style="list-style-type: none"> ● Modify code for more administrative process that is Town staff review and approval only Reasons ● If intent for administrative is to be more staff driven process <p>EITHER INTERPRETATION</p> <ul style="list-style-type: none"> ● Still require Commission and/or Council approval for code deviations ● No changes to the private road CUP via Commission and private gate SUP process to Commission/Council ● Easement abandonment and Right-of-Way abandonments (any zoning district) process remain the same (through the Engineering Division with review/approval by Council)
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Other Code Sections related to land modification requirements and process that do not require changes:

- Town Code, Section 5-10-5(C) dust control
- Town Code, Section 5-10-10 assessments for streets, sidewalks, and other public places (5-10-5, 5-10-6)
- Town Code, Section 15-3-3, 15-3-12 wastewater development fees
- Zoning Ordinance, Section 905 Cluster Plan indentures recorded with final plat and Commission to review/ act upon preliminary plat
- Zoning Ordinance, Section 2408 Location, height, setback, and design of subdivision perimeter walls or view fences shall be part of the approved final plat

ORDINANCE NO. 2025-05

AN ORDINANCE OF THE TOWN OF PARADISE VALLEY, ARIZONA, AMENDING THE TOWN CODE OF THE TOWN OF PARADISE VALLEY, CHAPTER 2, COMMITTEES AND COMMISSIONS, ARTICLE 2-5-2, PLANNING COMMISSION, AND CHAPTER 6, SUBDIVISIONS, RELATING TO FINAL PLAT AND NON-ADMINISTRATIVE LAND MODIFICATIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, in its 2025 session the Arizona Legislature adopted HB 2447, which amended A.R.S. § 9-500.49 to require the all municipalities, including the Town of Paradise Valley (the “Town”) to: (i) authorize administrative personnel to review and approve site plans, development plans, land divisions, lot line adjustments, lot ties, preliminary plats, final plats and plat amendments without a public hearing, and (ii) authorize administrative personnel to review and approve design review plans based on objective standards without a public hearing; and

WHEREAS, the Town Council of the Town (the “Town Council”) reviewed the recommendations from the Town staff to modify Article 2-5-2 and Chapter 6 of the Paradise Valley Town Code (the “Town Code”) that are included within the document entitled the “2025 Amendments to the Paradise Valley Town Code Article 2-5 and Chapter 6” (the “December 2025 Code Amendments”) to address the requirements of HB 2447; and

WHEREAS, the Town Council has determined that adopting the December 2025 Code Amendments complies with the changes in state law while maintaining the robust and transparent processes for consideration of land divisions within the corporate limits of the Town; and

WHEREAS, the Town Council desires to amend the Town Code to bring it into compliance with A.R.S. § 9-500.49.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Paradise Valley, Arizona, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. That certain document known as the “2025 Amendments to the Paradise Valley Town Code Article 2-5 and Chapter 6,” (i) of which one paper copy and one electronic copy is maintained, in compliance with A.R.S. § 44-7041, on file in the office of the Town Clerk as required by A.R.S. § 9-802, and available for public use and inspection during normal business hours, and (ii) which is attached hereto as Exhibit A, is hereby declared to be a public record, which is hereby referred to, adopted, and made a part hereof as if fully set forth herein, and said copies thereof are hereby ordered to remain on file with the Town Clerk.

Section 3. The Town Code is hereby amended as provided in the “2025 Amendments to the Paradise Valley Town Code Article 2-5 and Chapter 6.”

Section 4. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 5. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this ordinance.

PASSED AND ADOPTED by the Town Council of the Town of Paradise Valley this 11th day of December, 2025.

Mark Stanton, Mayor

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew McGuire, Town Attorney

EXHIBIT A
TO
ORDINANCE NO. 2025-05

[2025 Amendments to the Paradise Valley Town Code Article 2-5 and Chapter 6]

[Exhibits on File at Town Clerk's Office]

**2025 AMENDMENTS
TO THE PARADISE VALLEY TOWN CODE
ARTICLE 2-5 AND CHAPTER 6**

ADOPTED DECEMBER 11, 2025

The Town Code Article 2-5 (Committees and Commissions), Section 2-5-2 (Planning Commission) is hereby amended to read as follows (new text is in **double underline**; deleted text is in ~~strikethrough~~):

Section 2-5-2 Planning Commission

D. Time Limits for Commission Action.

1. All applications, cases, or other matters before the Planning Commission shall be heard and considered by the Commission in an expeditious manner and without unreasonable delay, and as provided by the following limits:
 - (a) Complete applications for preliminary ~~and final~~ subdivision approval shall be heard, approved or disapproved, and forwarded to the Town Council within ninety (90) calendar days of the filing of the application for subdivision approval.
 - (b) Applications for Special Use Permits and amendments to Special Use Permits shall be heard, approved or disapproved, and forwarded to the Town Council within the time period specified by the Town Council in its Statement of Direction for a particular Special Use Permit application; or in the absence of a specified time period, the time period shall be the lesser of ninety (90) calendar days from the approval of the Statement of Direction or one hundred fifty (150) calendar days from the filing of the application for the Special Use Permit.
 - (c) Proposed amendments, additions, and repeals of provisions of the Zoning Ordinance and amendments, supplements or changes to zoning district boundaries shall be heard, approved or disapproved, and forwarded to the Council within these time limits:
 - (1) Where the proposal is referred to the Commission by the Town Council, within forty-five (45) calendar days of such Town Council action.
 - (2) Where the proposal would amend, supplement or change zoning district boundaries pursuant to Section 306 of the Zoning Ordinance, within forty-five (45) calendar days after initiation of such action or the filing of a petition pursuant to Section 306 of the Zoning Ordinance with the Town.
 - (d) For the purpose of this Section, the term “filing” of a petition shall mean an application that is filed by the applicant with the Town and determined to be administratively complete by the Town, in accordance with Section 307 of the Zoning Ordinance and applicable Planning Commission rules and regulations.
2. Effect of Failure of Commission to Act Within Prescribed Time Limits. When the Commission fails to hear, approve or disapprove, and forward to the Town Council

any application, case, or other matter within the time limits provided by Subsection D-1 of this Section, the following shall occur:

- (a) Applications for preliminary subdivision plat approval, ~~final subdivision plat approval~~, Special Use Permits, and amendments to Special Use Permits, shall be forwarded to the Town Council for Town Council action on such application along with the minutes of all Commission meetings where such application was heard, considered, or discussed, and the Commission shall be deemed to have recommended for approval such application; however, where the Commission finds that it cannot recommend approval or disapproval of an application because the applicant has failed to appear at a Commission meeting, then such application shall be deemed to have been withdrawn and vacated by the applicant, and the application shall be moot.
 - (b) A proposed amendment, addition, or repeal of a provision of the Zoning Ordinance shall be forwarded as a recommendation for approval to the Town Council for Town Council action on such proposal.
3. For good cause shown by the applicant, the Commission, by majority vote of those Commission members present at a Commission hearing, may extend the time limits set forth hereinabove for a period not to exceed thirty (30) calendar days. Only one (1) such extension shall be granted.

The Town Code Chapter 6 (Committees and Commissions), is hereby amended to read as follows (new text is in double underline; deleted text is in ~~strikethrough~~):

CHAPTER 6 SUBDIVISIONS

Article 6-1 DEFINITIONS

Article 6-2 PROCEDURE FOR THE PREPARATION AND FILING OF PLATS

- 6-2-1 Pre-Application Conference
- 6-2-2 Preliminary Plat
- 6-2-3 Final Plat

Article 6-3 STANDARDS OF DESIGN

- 6-3-1 Relation to Adjoining Street Systems
- 6-3-2 Right-of-way, Street and Alley Width, Cul-de-Sac, Half Street, Alley
- 6-3-3 Easements
- 6-3-4 Blocks
- 6-3-5 Lots

- 6-3-6 Building Lines
- 6-3-7 Public Reservations
- 6-3-8 Easement Along Streams
- 6-3-9 Building in Designated Flood Plain Areas
- 6-3-10 Character of Development
- 6-3-11 Subdivision Identification Signs
- 6-3-12 Subdivision Walls or Fences

Article 6-4 ASSURANCES, WARRANTY, MINIMUM IMPROVEMENTS REQUIRED

- 6-4-1 Assurances
- 6-4-2 Warranty
- 6-4-3 Minimum Improvements Required

Article 6-5 INFORMATION REQUIRED ON THE PRELIMINARY PLAT

Article 6-6 INFORMATION REQUIRED ON THE FINAL PLAT

Article 6-7 HILLSIDE DEVELOPMENT REGULATIONS

Article 6-8 VARIANCES AND MODIFICATIONS

Article 6-9 ~~NON ADMINISTRATIVE~~ ENHANCED ADMINISTRATIVE LAND MODIFICATION

- 6-9-1 Fees
- 6-9-2 Final Plats
- 6-9-3 Standards of Design
- 6-9-4 Minimum Improvements Required
- 6-9-5 Information Required on Final Plats
- 6-9-6 Hillside Development Areas
- 6-9-7 Procedures

Article 6-10 ADMINISTRATIVE LAND MODIFICATION

- 6-10-1 Fees
- 6-10-2 Administrative Plat Maps Required
- 6-10-3 Standards of Design
- 6-10-4 Minimum Improvements Required
- 6-10-5 Information Required on Final Plats
- 6-10-6 Hillside Development Areas
- 6-10-7 Procedures

CHAPTER 6 SUBDIVISIONS

Article 6-1 DEFINITIONS

In this chapter unless the context requires otherwise, the following terms contained in this chapter shall mean:

Administrative Land Modification – A Lot Line Adjustment, Lot Split (Exempt), and/or Easement Modification on non-Special Use Permit zoned property made pursuant to Article 6-10 of the Town Code, without modifications pursuant to Article 6-8.

Administrative Plat Map – A document prepared in accordance with the procedures specified in Article 6-10 used to evidence the changes specified in an approved Administrative Land Modification and that contains the information required for the filing of a final plat pursuant to the requirements of Article 6-6.

Alley – A passage or way open to public travel, affording generally a secondary means of vehicular access to abutting lots or upon which service entrances of buildings abut, and not intended for general traffic circulation.

Building line – A line between which line and street line no building or structure, or portion thereof, may be erected, constructed or established.

Commission – The Planning and Zoning Commission of the Town of Paradise Valley.

Cul-de-sac (as distinguished from an unplanned dead-end street) – A short minor street having but one end open for motor traffic, the other being permanently terminated by a vehicular turn-around.

Cut – The land surface, which is shaped through the removal of soil, rock, or other materials.

Double frontage – A lot which extends from one street to another or proposed street.

Easement – A grant by a property owner of the use of a strip of land for a specific purpose or purposes, by the general public, a corporation, or a certain person or persons.

Easement Modification – The act of modifying, relocating, and/or dedicating an easement (including, but not limited to drainage easements, sewer easements, and public utility easements). An Easement Modification does not include the abandonment or release of Easement.

Enhanced Administrative Land Modification – Any Lot Line Adjustment, Lot Split, Lot Split (Exempt) and/or Easement modification that is not an Administrative Land Modification. Enhances Administrative Land Modifications shall be made and approved pursuant to Chapter 6.

Fill – The deposit of soil, rock or other materials placed by man.

Hillside Development Area – Those areas marked in **FIGURE 2** of Article XXII Hillside Development Regulations of the Town of Paradise Valley Zoning Ordinance and to all lands where the natural terrain under the building pad has a slope of ten percent (10%) or greater, whether shown in **FIGURE 2** or not. However, a ten percent (10%) or greater slope, in an area not denoted on **FIGURE 2**, created by a natural wash on land that otherwise would not be classified as hillside land shall be exempt from the hillside regulations.

Lot – A parcel of land occupied or intended for occupancy by one (1) main building, together with any accessory buildings including the open spaces required of the Hillside Regulations and having adequate frontage on a public or private street.

Lot, double frontage – A lot which extends from one street to another street, existing or proposed.

Lot Line Adjustment – A procedure that may be used as a method for making minor revisions to property lines between two (2) or more existing parcels such that the total number of lots or parcels remain the same or are less. This procedure also includes the combining of two (2) existing lots or a parcel assemblage, being a combination of land within the Town which results in the assemblage of improved or unimproved land, whether immediate or future, into a single property. A Lot Line Adjustment is not a procedure for dividing property and shall not create any additional lots, tracts, or parcels.

Lot Split – The division of improved or unimproved land whose area is two and one-half (2.5) net acres or less into two (2) or three (3) tracts or parcels of land and shall meet the minimum size, setback, and other requirements of the underlying zoning district for the property at issue as specified in the Zoning Ordinance and official zoning map for the property.

Lot Split (Exempt) – The division of improved or unimproved land whose area is greater than two and one-half (2.5) net acres into two (2) or three (3) tracts or parcels of land, provided that no new street is involved. The Lot Split (Exempt) shall meet the minimum size, setback, and other requirements of the underlying zoning district for the property at issue as specified in the Zoning Ordinance and official zoning map for the property.

Master plan – A comprehensive plan or parts thereof adopted by the Council indicating the general locations recommended for streets and highways, parks, playgrounds, schools, public building sites and other physical improvements.

~~**Non-Administrative Land Modification** – Any Lot Line Adjustment, Lot Split, Lot Split (Exempt) and/or Easement modification that is not an Administrative Land Modification. Non-Administrative Land Modifications shall be made and approved pursuant to Chapter 6 of the Town Code.~~

Plat, Final – A plat conforming to the requirements of Article 6-6 and which must be approved as set forth in this Chapter ~~by the Council~~ before it can be filed for record with the recorder of deeds.

Plat, Preliminary – The preliminary plat of the layout of the proposed subdivision.

Replat – Amendment of an existing plat of record; including the act of modifying or reconfiguring existing lots, parcels, and easements of record, or relocation of thereof.

Staff – The employees of the Town responsible for overseeing the implementation of Chapter 6.

Street – A road, highway, drive, lane, avenue, boulevard, easement for access, right-of-way, parking or any other way, whether public or private, which affords the principal means of access to abutting property.

Subdivider – The individual, firm, corporation, partnership, association, syndication, trust or other legal entity that files an application and initiates proceedings for the subdivision of land in accordance with the provisions of this chapter; and said subdivider need not be the person or persons holding title by deed to land, or holding title as vendees under land contract or holding any other title of record.

Subdivision – Improved or unimproved land or lands divided for the purpose of financing, sale or lease, whether immediate or future, into four (4) or more lots, tracts or parcels of land, or, if a new street is involved, any such property which is divided into two (2) or more lots, tracts or parcels of land, or, any such property, the boundaries of which have been fixed by a recorded plat, which is divided into more than two (2) parts; provided that the sale or exchange of parcels of land to or between adjoining property owners where such sale or exchange does not create additional lots shall not be deemed a subdivision. The partitioning of land in accordance with state statutes regulating the partitioning of land held in common ownership shall not be deemed a subdivision.

Article 6-2 **PROCEDURE FOR THE PREPARATION AND FILING OF PLATS/MAPS**

- 6-2-1 Pre-Application Conference
- 6-2-2 Preliminary Plat/Map
- 6-2-3 Final Plat/Map

Section 6-2-1 Pre-Application Conference

Prior to filing of a preliminary plat/map, the subdivider is invited to discuss with the **Staff Commission** any problem involved in the development of a particular tract of land concerned as it pertains to requirements of the Zoning Ordinance, the Master Plan and Subdivision Regulations as these apply to the area. It is further suggested that the subdivider confer with the Town Engineer, County Engineer and the County Health Department regarding matters of streets, drainage, flood control, sanitation and public health.

Section 6-2-2 Preliminary Plat/Map

- A. Following the pre-application conference, if any, the subdivider shall submit a water service impact study prepared by a registered Civil Engineer that analyzes the water flow and pressure in the immediate area of the proposed subdivision and the appropriate infrastructure or other water system improvements that are necessary to assure that the subdivision shall have adequate flow and pressure to meet Town Code standards. After completion of the water service impact study and a review of such study and other required submittals associated with the preliminary plat/map by the Town, the subdivider shall present to the Commission ~~twenty (20) copies of~~ the preliminary plat/map, together with a completed application form. The preliminary plat/map shall be presented at least twenty-eight (28) days prior to ~~a~~ **the** meeting of the Commission **to take action** in order that reasonable time is obtained for study of the plat/map by the ~~Planning and Zoning~~ Commission and other officials and agencies concerned. The Commission shall act on the preliminary plat/map within forty (40) days **after Staff deems the application complete (unless a different time period is approved by the applicant).**
- B. Subdivision application fees shall be those prescribed in the Town ~~of Paradise Valley~~ Fee Schedule.
- C. Following action of the Commission, one (1) copy of the preliminary plat/map, together with a written report, shall be returned to the subdivider or plat engineer describing any recommended changes and stating the action of the Commission. Reconsideration of a plat/map may be requested by the subdivider.
- D. If a preliminary plat/map is rejected by the Commission and the subdivider elects not to modify it to secure Commission approval, but to stand on it as submitted and rejected, the subdivider may appeal the rejection to the Council and the Council may affirm, reverse, or modify the action of the Commission, or the Council may remand the matter to the

Commission for further proceedings. If the preliminary plat/map is not rejected by the Planning Commission, no approval of the preliminary plat/map by the Council is required.

Section 6-2-3 Final Plat/Map

- A. No **Planning** Commission or Council approval is required for the final plat/map within any zoning district unless Staff determines that the final plat/map does not comply with the stipulations of the preliminary plat/map approved by the **Town's Planning** Commission (or the stipulations, if any, imposed by the **Town** Council, if any the plat/map is subject to Council approval in accordance with Article 6-8) or contains substantial differences from such preliminary plat/map. If Staff so determines, then a Planning Commission approval recommendation to the Council of the final plat/map is required. The **Planning** Commission shall act on the final plat/map no later than fourteen (14) calendar days after Staff deems the application complete. If no **Planning** Commission approval is required, then the **Town** Council shall act on the final plat/map application within forty (40) calendar days from when staff deems the application complete. If **Planning** Commission approval was required, then the **Town** Council shall act on the final plat/map application within forty (40) calendar days from the date that the **Planning** Commission has approved the final plat/map. A final plat/map application request shall be approved by the **Town** Council if it is determined to comply with the stipulations of the preliminary plat/map approved by the **Town's Planning** Commission along with all of the other requirements set forth in this Section.
- B. Subdividers or plat engineers shall obtain final plat/map review by the Town Engineer and other officials and agencies concerned prior to **presentation final action on the final plat/map**.
- C. Following the pre-application conference, if any, the subdivider shall submit to the Town (1) the formal plat/map application on a form prescribed by the Town, (2) the fee set forth in the Town Fee Schedule, as such may be amended from time to time, and (3) all documents and materials deemed necessary by the Town to be in compliance with Chapter 6.
- D. Upon receipt of a complete submittal including all of the information and fees as set forth in Chapter 6, Staff will review the submittal within a reasonable time to verify whether the final plat/map meets the Code requirements and whether any required conditions (e.g., assurances) have been completed. If the requirements and conditions are not met, the applicant will make any necessary revisions and/or submittals. If the requirements and conditions are met, Staff will transmit to the Town Manager (or designee) a copy of the final plat/map, together with a written report outlining compliance within two (2) business days of making the determination.
- E. The Town Manager (or designee) shall transmit all determinations approving the final plat/map to the Council within two (2) business days of receiving the determination of Section 6-2-3(D) above.

F. The Town Manager’s (or designee’s) decision shall be final, subject to Council review as set forth in Section 6-2-3(G).

G. If, within seven calendar days after the Town Manager’s (or designee’s) written determination, at least three members of the Council submit a written request to the Town Manager, the Council shall have the authority to review the approved final plat/map application. Such review shall be considered at a Council meeting within 14 calendar days after the Town Manager’s receipt of the third written request pursuant to this Section. The Council’s review shall be limited to a determination, by a majority vote of the members present and not otherwise disqualified, as to whether the Town Manager’s (or designee’s) decision meets the requirements outlined in Chapter 6. If the Council decides that the criteria have been met, then there shall be no further consideration, and the final plat/map approval is final. If the Council determines that the requirements have not been met, the Council may deny the final plat/map, in whole or in part. A majority vote of the members present and not otherwise disqualified shall be necessary to deny or modify the decision of the Town Manager (or designee); otherwise the Town Manager’s written determination shall be deemed affirmed.

H. If no review is requested pursuant to Section 6-2-3(G), or if after such review the Council upholds the Town Manager’s determination, the Mayor (or designee) and applicable Staff shall sign the final plat/map in preparation for recordation with the recorder of Maricopa County, Arizona.

Article 6-3 STANDARDS OF DESIGN

- 6-3-1 Relation to Adjoining Street Systems
- 6-3-2 Right-of-way, Street and Alley Width, Cul-de-Sac, Half Street, Alley
- 6-3-3 Easements
- 6-3-4 Blocks
- 6-3-5 Lots
- 6-3-6 Building Lines
- 6-3-7 Public Reservations
- 6-3-8 Easement Along Streams
- 6-3-9 Building in Designated Flood Plain Areas
- 6-3-10 Character of Development
- 6-3-11 Subdivision Identification Signs
- 6-3-12 Subdivision Walls or Fences

Section 6-3-1 Relation to Adjoining Street Systems

A. The arrangement of streets in new subdivisions shall make provision for the continuation of the principal existing streets in adjoining areas or their proper projections where adjoining land is not subdivided insofar as they may be deemed necessary for public requirements. The width of streets in new subdivisions shall be not less than the minimum width established by the Town.

- B. Wherever a subdivision adjoins a major thoroughfare, the **Town Commission** may require that access to all residential lots be provided from other than the major thoroughfare.
- C. The street and alley arrangement shall take into consideration adjoining property and seek to provide for convenient access thereto.

Section 6-3-2 Right-of-way, Street and Alley Width, Cul-de-Sac, Half Street Alley

- A. Rights-of-Way and Streets. The width of all rights-of-way and streets shall conform to the width designated in the **Town's Street Cross Sections policy General Plan**, or such other width as specified by the Town. The subdivider shall dedicate to the Town all rights-of-way within the subdivision.
- B. Cul-de-sac. A dead-end street not to exceed five hundred feet (500') in length may be established, provided that there shall be a turn-around, at the closed end, having a right-of-way radius of not less than forty-five feet (45') with an improved traffic circle having a radius of forty feet (40').
- C. Half Street. Dedication of half streets shall be discouraged. Where there exists a dedicated or platted half street or alley adjacent to the tract being subdivided, the other half shall be platted unless deemed unnecessary by the Town.
- D. Alley. Where alleys are required to serve residential lots a minimum width of twenty-four feet (24') shall be provided. All half alleys shall have a minimum width of twelve feet (12'). Alleys are required in the rear of all commercial lots if no other provisions are made for adequate service access or for parking and the rights-of-way of such alleys shall not be less than thirty-five feet (35'), and dead-end alleys shall not be permitted.

Section 6-3-3 Easements

Private easements for utilities shall be provided as follows:

- A. Where alleys are provided, four feet (4') for aerial overhang on each side of an alley may be provided by dedication but need not be delineated on the plat.
- B. Where no alley is provided and adjoining land is a part of the subdivision, eight feet (8') on each side of rear lot line.
- C. Where no alley is provided and adjoining land is unplatted, eight feet (8') adjacent to the tract boundary.
- D. Along side lot lines, six feet (6') on each side of lot lines for distribution facilities and one foot (1') on each side of lot lines for street lighting as may be designated.

- E. Guy and anchor easements, one foot (1') wide on each side of a lot line and approximately thirty-five feet (35') in length measured from rear lot line as designated.

Section 6-3-4 Blocks

- A. No block shall be longer than fifteen hundred feet (1,500'). Where a subdivision adjoins a major thoroughfare, the greater dimension of the block shall front or back on such major thoroughfare to avoid unnecessary ingress or egress.
- B. A dedicated and improved right-of-way not less than eight feet (8') wide may be required if necessary to provide proper access to schools, playgrounds and other facilities.

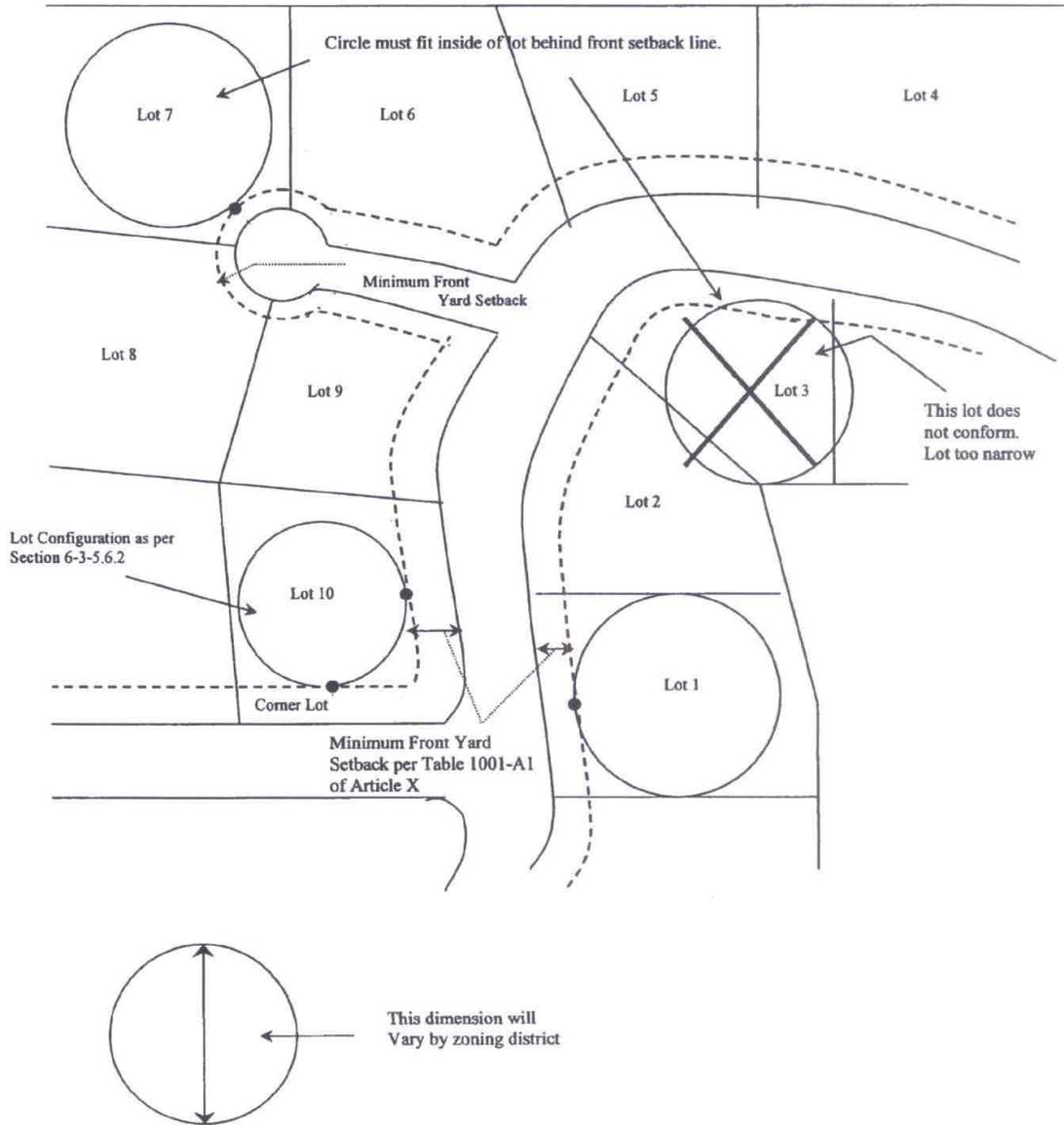
Section 6-3-5 Lots

- A. The lot arrangement and design shall be such that all lots will provide satisfactory and desirable building sites, properly related to topography and to the character of surrounding development and will preclude unorthodox or unusually shaped lots.
- B. All side lines of lots shall be at right angles to straight street lines and radial to curved street lines for a distance equal to the horizontal distance between the property line and the front setback line.
- C. No lot shall have less area, width or access than required by the zoning regulations applying to the area in which it is located nor otherwise violate the Town's Zoning Ordinance.
- D. Corner lots for residential use shall have adequate width to permit appropriate building orientation to and setbacks from both streets except as otherwise provided in Section 306 of the Paradise Valley Zoning Ordinance.
- E. Each lot shall have adequate vehicular access to a public street.
- F. Multi-frontage lots shall be avoided except where essential to provide separations of residential development from major thoroughfares or to overcome specific disadvantages of topography and lot orientation.
- G. Lot Configuration
 - 1. A lot shall be designed so that the side and rear boundary lines and the front setback line fully enclose a circle which fits within the lot area and touches the front setback line at a single point (see diagram in figure 6-3-5.G). The diameter of such circle shall be no less than the minimum lot width for the zoning district within which the lot is located (see Table 1001-A1).
 - 2. If the front of the dwelling on a corner or double frontage lot has not been established at the time the lot is created, a front setback is required for each frontage of the lot. The

circle described in Subsection 1 shall be fully enclosed within the lot area and touch each front setback line at a single point.

3. Figure 6-3-5.G attached to this article and incorporated herein by reference.

Figure 6-3-5.G, Lot Configuration



Section 6-3-6 Building Lines

Minimum building lines shall be shown on all lots intended for residential use of any character and on commercial or industrial lots immediately adjoining residential areas. Such setback lines shall not be less than required by any Zoning Ordinance or building line regulation applying to the property. Whenever minimum building lines are shown, a statement of restrictions requiring buildings to be located on or in back of such minimum building lines shall be shown on the plat.

Section 6-3-7 Public Reservations

Where the subdivision contains a park, school, or other public area which is shown upon the Master Plan of the Town or as recommended by the **Commission Town**, such area shall either be dedicated to the proper public agency, or it shall be reserved for acquisition thereby within a specified period of time. An agreement should be entered within a reasonable period of time between the subdivider and the proper public agency regarding the time and method of acquisition and the cost thereof. If the **Commission Town** determines that an agreement has not been reached within a reasonable period of time then the **Commission Town** may make a determination that the requirements of this Section have been met.

Section 6-3-8 Easement Along Watercourses, Easement Maintenance Agreements, and Required Maintenance

- A. For the purposes of this Section, “watercourse” means any creek, stream, wash, arroyo, channel or other body of water having historical banks and a bed at least two (2) feet deep and five (5) feet wide through which waters flow on a recurrent basis.
- B. Whenever any watercourse is located in the area being subdivided, provision shall be made on the plat for an adequate drainage easement along the main channel and each side of the watercourse for the purpose of widening, deepening, relocating, improving or protecting the watercourse for drainage purposes, and the plat notes shall state that the provision of the drainage easement is for the purposes stated above, but that the maintenance responsibility for the watercourse, as required by Town Code, shall be the responsibility of the homeowner’s association for the subdivision, if such is established, and each lot owner within the subdivision.
- C. In addition to the plat requirements, Drainage Easement Maintenance Agreements shall be required for any watercourse located in an area being subdivided. Said agreements shall:
 - 1. Be in a form acceptable to the Town Engineer,
 - 2. Grant easement rights and a right of entry in, over, and across the drainage easement area,
 - 3. Specify that the maintenance responsibility for the drainage easement area remains private, and
 - 4. Be recorded in the Maricopa County Recorder’s Office.

- D. The Homeowners Association for the platted area, if any, and the individual lot owners in the subdivision shall clean, repair and maintain the watercourse within the Drainage Easement area in a safe, clean, and properly operating condition and in compliance with all applicable Town Codes.

Section 6-3-9 Building in Designated Flood Plain Areas

All subdivisions built wholly or in part within designated flood plain areas shall comply with all provisions of the Flood Plain Regulations as contained in the Zoning Ordinance.

Section 6-3-10 Character of Development

The subdivider shall confer with the ~~Commission~~ Town regarding the type and character of development that will be permitted in the subdivision and the Town may require certain minimum restrictions to be placed upon the property to prevent the construction of substandard buildings, control of the type of structure or the use of the lots, which, unless so controlled, would clearly depreciate the character and value of the proposed subdivision and of adjoining property. These restrictions may include provisions for the proper protection and maintenance of the subdivision in the future.

Section 6-3-11 Signs

All signs shall comply with the terms of Article XXV of the Zoning Ordinance of the Town ~~of Paradise Valley~~.

Section 6-3-12 Subdivision Walls or Fences

- A. All subdivision perimeter walls and fences must conform to the provisions of Article XXIV of the Zoning Ordinance. Construction of perimeter walls may not begin until after the ~~Town Planning and Zoning~~ Commission has considered a plan for the wall or fence, or both, and the plan has been approved by the ~~Town~~ Council. The plan must show the location and dimensions, and must include detailed landscape plans.
- B. In any subdivision that has a perimeter wall, no landscape or accent or aesthetic lighting shall be allowed between that wall and the nearest street. All safety or security lighting for guardhouses and guard gates shall be restricted to the entrance of that guardhouse or guard gate and a lighting plan for safety/security shall be submitted with the ~~Special Use Permit~~ application as may be required under Article XI of the Zoning Ordinance of the Town.

EXCEPTION: If signage is allowed for a subdivision, any lighting of that signage shall be governed by Section 2506 of the Town Zoning Ordinance.

**Article 6-4 ASSURANCES, WARRANTY, MINIMUM IMPROVEMENTS
REQUIRED**

- 6-4-1 Assurances
- 6-4-2 Warranty
- 6-4-3 Minimum Improvements Required

Section 6-4-1 Assurances

No final plat **or lot line adjustment** of any subdivision shall be approved unless the subdivider shall have petitioned and secured the approval of the Town of a procedure which places the Town in an assured position to do or to contract to be done all or any part of the improvements listed in Section 6-4-3, the cost of which may be assessed against the owners of the property within the subdivision.

Section 6-4-2 Warranty

No final plat of any subdivision shall be approved unless the subdivider shall have provided the Town with a warranty deed or deeds certifying title to all dedicated property such as rights-of-ways and public utility and drainage easements.

Section 6-4-3 Minimum Improvements Required

- A. Street Improvements. All streets shall be paved and curbs or combined curbs and gutters shall be constructed along all streets in accordance with the standard specifications of the Town.

- B. Water System. Every subdivision shall be provided with a complete water distribution system. Both the quality and adequacy of the supply of water to be provided by the complete water distribution system shall: (1) incorporate all water system improvements recommended by the water service impact study, pursuant to Section 6-2-2 of Article 6-2 of the Subdivisions Code, and any additional system requirements identified during the review of the water service impact study, (2) be certified by the Water Corporation or public utility that shall provide water to the subdivision, and (3) be approved by the Maricopa County Department of Health Services, as conditions precedent to final subdivision plat approval.

- C. Sanitary Sewers.
1. Where public sanitary sewers are within reasonable access of the subdivision, in the opinion of the County Health Department or Town Engineer, each lot therein shall be provided with sanitary sewer line, notwithstanding the construction of such sewer line, a homeowner may choose private wastewater treatment approved by the Town.
 2. Whenever a public sanitary sewer is not accessible, in the opinion of the County Health Department or Town Engineer, proper provision shall be made for disposal of sanitary wastes in accordance with standards and requirements of such department.
- D. Fire Hydrants. Every subdivision shall be provided with fire hydrants as an integral part of the water distribution system which are considered adequate to serve the area in the opinion of the Town Engineer or such other official as may be designated by the Council by resolution. Such hydrants shall be dedicated to the Town.
- E. Drainage. All necessary facilities, as determined by the Town Engineer, including underground pipe, inlets, detention/retention basins, or open drainage ditches, shall be installed to provide for the adequate containment and disposal of surface water and to maintain any natural drainage course.
- F. Reference Monuments. Permanent reference monuments shall be installed in accordance with current Town standards at all corners, angle points and points of curvature and at all street intersections. On section corners and quarter section corners a brass monument shall be installed in the street. After all improvements have been installed, a registered surveyor or engineer shall check the location of monuments and certify their accuracy to the satisfaction of the **Town Commission**. Iron pipe shall be set at all corners, angle points, and points of curvature for each lot within the subdivision prior to the recording of the plat.
- G. Street Name Signs. Street name signs, of a type meeting the approval of and in locations designated by the Town, shall be erected at all highways, thoroughfares, and street intersections.
- H. Miscellaneous. Electrical service, gas mains, telephone service, water service and cable communications systems shall be provided within each subdivision. All such services shall be located underground. The subdivider shall notify the appropriate provider of each service. The notice shall include date of trenching and location sketches. ¹⁸⁵
- I. Plans, Specifications and Supervision. All of the improvements required in this Section shall be installed in accordance with the specifications and under the supervision of the appropriate public official.
- J. Provisions for Maintenance and Operation. Where the subdivision is to contain sewers, sewage treatment plants, park areas, street trees or other physical facilities necessary or desirable for the welfare of the area and which are of common use or benefit for example private streets, and cluster plan common area and which are of such character that the Town

does not desire to maintain them, or has no original obligation to maintain, then provision shall be made for the proper and continuous maintenance and supervision of such facilities by the lot owners in the subdivision. The provisions for maintenance and supervision shall be in the form of deed restrictions (CC&R's) and must include the right of the Town of Paradise Valley to do the maintenance after reasonable notice if the property owners fail to do the maintenance. The deed restrictions shall permit the Town of Paradise Valley, if it does maintenance, to recover costs from the property owners, and to place a lien on the individual lots of the subdivision if the property owners do not reimburse the Town.

Article 6-5 INFORMATION REQUIRED ON THE PRELIMINARY PLAT

The preliminary plat shall be drawn at a scale of not more than one hundred feet to the inch and shall show the following information:

- A. The proposed street and lot layout showing the names and location of all existing streets, roads, alleys, parks, parkways, tree masses, public spaces, easements, sewers, utilities and utility easements, buildings, streams, washes, ditches, political and zoning district boundaries and similar features in the subdivision and adjacent to the property where such features would affect the design of the subdivision.
- B. The elevation and description of the benchmark used.
- C. The name and address of the subdivider.
- D. The date, north point, scale and title under which the proposed subdivision is to be recorded.
- E. The name, address and license number of the engineer, surveyor, landscape architect or land planner who prepared the plat.
- F. The name and address of all owners and the location of the unsubdivided property adjoining the property to be subdivided.
- G. The names and adjoining boundaries of all adjoining subdivisions showing the name, book and page of recording and existing dedications adjacent to the preliminary plat.
- H. Topography by contours related to USGS survey datum, or other datum approved by the Town or County Engineer, and shown on the same map as the proposed subdivision layout. The contour interval shall be such as to reflect adequately the character and drainage of the land.
- I. Indications to show areas which are subject to frequent or periodic inundation.
- J. Indication to show the proposed use of all the land in the subdivision including reservations and exceptions.

- K. The location, height, design and setback of the subdivision perimeter wall.

Article 6-6 INFORMATION REQUIRED ON THE FINAL PLAT

The following items shall be included in the final plat:

- A. The name and address of the subdivider.
- B. The title of the subdivision, date, north point, scale and name of the registered professional Engineer or land surveyor who prepared the plat.
- C. The boundaries of the property fully balanced and closed showing all bearings, angles and dimensions, determined by an accurate survey in the field. A relative location to the nearest existing street shall also be shown on the plat.
- D. The location and description of all permanent monuments, and a reference bench mark set at such critical points and so interconnected and dimensioned that any surveyor can lay out lots or streets in the subdivision correctly by referring to the plat alone without any additional information.
- E. The names, locations and widths of all parkways or easements and any other portions intended to be dedicated to public use or provided for the installation of utilities, fully dimensioned showing the angles of intersection of streets and the radii, chords, points of tangency and central angles for all curvilinear streets and the radii of all rounded corners and with notations concerning their dedication, reservation and use.
- F. Lot and block numbers, lot lines and setback lines, fully dimensioned.
- G. The location of all immediately adjoining property lines and the location, name and width of all roads, streets, alleys, parkways and easements.
- H. All dimensions shall be expressed in feet or decimals thereof.
- I. Any private restrictions and trusteeships and their period of existence shall be shown on the plat or reference to them made thereon. If such restrictions are too long to be shown on the plat, a copy of the same shall be filed with the Town Commission together with the final plat.
- J. The final plat is to be drawn at a scale of not more than one hundred (100) feet to the inch from an accurate survey. If more than two (2) sheets are required, an index sheet of the same dimension shall be filed showing the entire subdivision on one (1) sheet together with all areas shown on other streets.
- K. The following certificates shall be placed on the plat:

1. Statement of dedication of all streets, alleys, crosswalks, and other rights-of-ways and easements for public use by the person holding title by deed to the lands, by persons holding any other title or record, by persons holding title as vendee under land contract, and by wives of said parties. If lands dedicated are mortgaged, the mortgagee shall also sign the plat. Dedication shall include a written location by section, Township, and range of the tract. If the plat contains private streets, the public shall be reserved the right to install and maintain utilities in the street rights-of-way.
 2. Certification by the registered professional Engineer or land surveyor making the plat that the plat is correct and accurate and that the monuments described in it have been located as described.
 3. Such other certificates as may be required for the enforcement of these regulations.
- L. The location, height, design and setback of the subdivision perimeter wall. ¹³⁴

Article 6-7 HILLSIDE DEVELOPMENT REGULATIONS

All subdivisions and lot splits within the Hillside Development Area, as defined in Article 6-1 of this Ordinance shall abide by the requirements and provisions contained in the following sections and the regulations for Hillside Development as outlined in Article XXII of the Town of Paradise Valley Zoning Ordinance.

A. **Special Preliminary Plat Requirements.** There shall be filed with the Town a preliminary plat which shall contain in addition to all other information and submittals required in Chapter 6 of this Ordinance the following:

1. A topographic map, certified by a registered Engineer or land surveyor, with a scale of not less than one (1) inch per one hundred (100) feet of existing terrain with contour intervals adequate to show the nature and variations in the terrain.
 - a. Two (2) foot intervals for grades less than fifteen percent (15%).
 - b. Five (5) foot intervals for grades greater than fifteen percent (15%).
 - c. Elevations of critical spots, rock outcrops, and special characteristics.
2. A proposed grading plan, certified by a registered Engineer, for each lot, in conformance with the grading and drainage regulations as adopted by the Town, showing the natural topography of the total parcel to be platted, the location and size of all structures, and grade of all improvement locations and the depth and extent of all cuts, fills, and disturbed areas.
3. A report of a soil investigation by a registered Engineer or geologist to determine any geological hazard and soil bearing quality.
4. Location of existing and proposed conservation easements, if any.

B. **Special Final Plat Requirements.** There shall be filed with the Town a final plat which shall contain in addition to the information required in Article 6-6 of this Ordinance the following:

1. A final grading plan which conforms to the requirements of the grading and drainage regulations as required by and established in the Uniform Building Code adopted and approved by the Council.
2. A detailed topographic map at larger scale and closer contour intervals than in the preliminary plat, or suitable cross sections or profiles of areas where roads, driveways, buildings, utility, or grading construction is proposed.

3. Road profiles and cross sections at all significant changes in the cross slopes; the cross section to show proposed and natural grade at the centerline of the road, the right-of-way line, and the proposed building setback lines.
4. Locations of all building sites and proposed driveways.

C. Special Design Standards.

1. A road with a grade exceeding twelve percent (12%) shall not be longer than six hundred (600) feet.
2. One-way loop roads may be constructed upon recommendation of the Commission and the Town Engineer and approved by the Council.
3. All public roads shall have a fifty (50) foot dedicated right-of-way and shall be constructed with ~~a decorative brick pavers or other~~ surface material as approved by the Town Council. To minimize cuts, the Commission may recommend and the Council may approve a road of reduced pavement width but not less than twenty (20) feet wide. The maximum grade shall not exceed fifteen percent (15%) except that under demonstrated hardship the Commission may recommend and the Council may approve a road having grade not to exceed twenty percent (20%).
4. Private roadways, where permitted, shall have a tract width of fifty (50) feet, be approved pursuant to the Zoning Ordinance of the Town of Paradise Valley, and be constructed with ~~a decorative brick pavers or other~~ surface material as approved by ~~the Town Council~~ a private road Conditional Use Permit. In addition to all other requirements, and where needed, easements for drainage shall be provided. Such private roadways in Hillside Development Area subdivisions or lot splits shall have a paved surface width of not less than twelve (12) feet if serving only one (1) lot, fifteen (15) feet if serving two (2) lots, and twenty (20) feet if serving three (3) or more lots. Each private road shall have a fifty-foot easement for utility purposes and shall conform to Town standards.
5. All private roads shall have sufficient turnarounds, and may be identified by a single road sign.
6. Subdivision identification signage shall not be permitted.
7. In any Hillside Development Area to be subdivided, the amount of land devoted to public rights-of-way or private roads approved by Conditional Special Use Permit shall not exceed ten percent (10%) of the gross parcel area.
8. The total area subject to cut and/or fill for purposes of public or private roads within a Hillside Development Area subdivision shall not exceed five percent (5%) of the gross parcel area.

9. Upon recommendation by the Commission and the approval of the Council, the following street modifications may apply:
 - a. Various designs for turning and backing such as hammerheads may be substituted for cul-de-sacs.
 - b. Required paving width of the traffic lanes may be modified when off-road parking bays are provided, developed, and paved in the public right-of-way.
 - c. Centerline of the paving may be offset from the centerline of the right-of-way to provide parking bays in the right-of-way.
10. Vertical curbs may be required on the downhill side of roads having grades of six percent (6%) or greater; concrete U or V gutter may be installed in lieu of conventional rolled or vertical curb elsewhere as determined by the Engineer's final drainage report.
11. Transverse road cross sections with gutter on the uphill side may be used where approved by the Town.
12. All cut and fill shall be within the roadway right-of-way or easement. For cul-de-sacs and turnarounds, easements for slope maintenance may be required by the Town Engineer.
13. All cut slopes and fill slopes shall be landscaped or treated in such a manner that the slopes blend into the natural appearance of the hillside. Such blending shall be accomplished within one (1) year of the start of any roadway improvements and shall be required before the release of the Assurance of Construction bond on the improvements within the subdivision.
14. All excavated material from a right-of-way shall be removed from the right-of-way or contained behind retaining walls or otherwise hidden in order that no fill material will be visible from any public or private road.
15. Roadway retaining walls shall not exceed eight (8) feet in height. Roadway retaining walls over four (4) feet in height shall not exceed one hundred (100) feet in length. Roadway retaining walls shall be veneered with natural rock compatible to the site.
16. Intersecting roads shall not be graded at their intersection so as to create an obstruction to vision which extends two (2) feet or more above the grade of either road within an area formed by the lot lines on the road sides of such lot and a line joining points on such lines located a distance of fifty (50) feet from the point of their intersection. If excessive cut and fill is required to attain the fifty (50) foot then a lesser dimension (thirty (30) feet minimum) may be permitted if approved by the ~~Town~~ Council.
17. Permanent survey markers shall be installed in accordance with current Town standards at all corner, angle points, and points of curve and at all street intersections,

and at all corners, angle points, and points of curve of all conservation easements. After all improvements have been installed, a registered land surveyor or Civil Engineer, at the expense of the developer, shall check the location of markers, correct any inaccuracies, and certify their accuracy.

18. Percolation test and test boring logs in accordance with the requirements of the County Health Department shall be taken at the proposed subdivision prior to the submittal of the preliminary plat.
19. Any proposed sewage treatment facility shall be approved by the County Health Department prior to final plat approval.

D. Maximum Number of Lots. No lot split or subdivision subject to the provisions of this Section shall be approved when such lot split or subdivision would thereby create a greater number of lots than allowed under Section 2209 of the Zoning Ordinance of the Town of Paradise Valley and by the following **TABLE 1.**

TABLE 1 – Density / Slope Category

Average Lot Slope %	Min. Lot Size Acres	Min. Lot Size -Sq. Ft.	Average Lot Slope %	Min. Lot Size Acres	Min. Lot Size – Sq. Ft.
10%	1	43,560	41%	6.8	296,208
11%	1.01	43,996	42%	7.6	331,056
12%	1.02	44,431	43%	8.4	365,904
13%	1.04	45,302	44%	9.2	400,752
14%	1.06	46,174	45%	10	435,600
15%	1.08	47,045	46%	11	479,160
16%	1.1	47,916	47%	12	522,720
17%	1.2	52,272	48%	13	566,280
18%	1.3	56,628	49%	14	609,840
19%	1.4	60,984	50%	15	653,400
20%	1.55	67,518	51%	16	696,960
21%	1.6	69,696	52%	17	740,520
22%	1.7	74,052	53%	18	784,080
23%	1.8	78,408	54%	19	827,640
24%	1.9	82,764	55%	20	871,200
25%	2	87,120	56%	21	914,760
26%	2.2	95,832	57%	22	958,320
27%	2.4	104,544	58%	23	1,001,880
28%	2.6	113,256	59%	24	1,045,440
29%	2.8	121,968	60%	25	1,089,000
30%	3	130,680	61%	26	1,132,560
31%	3.2	139,392	62%	27	1,176,120
32%	3.4	148,104	63%	28	1,219,680
33%	3.6	156,816	64%	29	1,263,240
34%	3.8	165,528	65%	30	1,306,800
35%	4	174,240	66%	32	1,393,920
36%	4.4	191,664	67%	34	1,481,040
37%	4.8	209,088	68%	36	1,568,160
38%	5.2	226,512	69%	38	1,655,280
39%	5.6	243,936	70%	40	1,742,400
40%	6	261,360			

Article 6-8 **VARIANCES AND MODIFICATIONS**

- A. Where the Commission in its recommendations and the Council find that extraordinary hardships may result from strict compliance with these regulations, the Council may vary the regulations after receipt of recommendations for the Commission so that substantial justice may be done and the public interest secured; provided, that such variation shall not have the effect of nullifying the intent and purpose of the Master Plan or these regulations.

- B. The standards and requirements of these regulations may be modified by the Council upon recommendation of the Commission in the case of a plan and program for a neighborhood unit, which in the judgment of the Commission and the Council provides for adequate public spaces and improvements for the circulation, recreation, light, air, and service needs of the tract when fully developed and populated, and which also provide such covenants or other legal provisions as will assure conformity to and achievement of the plan.

- C. In granting variances and modifications, the Commission, by recommendation, and the Council may require such conditions as will, in their judgment, secure substantially the objectives of the standards or requirements so varied and modified.

Article 6-9 **NON-ADMINISTRATIVE-ENHANCED ADMINISTRATIVE LAND MODIFICATION**

- 6-9-1 Fees
- 6-9-2 Final Plats
- 6-9-3 Standards of Design
- 6-9-4 Minimum Improvements Required
- 6-9-5 Information Required on Final Plats
- 6-9-6 Hillside Development Areas
- 6-9-7 Procedures

Section 6-9-1 Fees

Application fees shall be in accordance with the ~~Paradise Valley~~ **Town** Fee Schedule and shall be paid upon filing of the applicable application.

Section 6-9-2 Final Plats

A final plat and two (2) paper prints shall be submitted with a ~~Non-Administrative~~ **an Enhanced Administrative** Land Modification application.

Section 6-9-3 Standards of Design

The standards of design set forth in Article 6-3 shall apply to a ~~Non-Administrative~~ **an Enhanced Administrative** Land Modification, except that identification signs as provided in Section 6-3-11 shall not be allowed. ~~Section 6-3-10 shall not apply to Non-Administrative Land~~

Modifications. No ~~Non-Administrative~~ Enhanced Administrative Land Modification which creates a substandard or non-conforming lot or structure shall be approved except by Council action.

Section 6-9-4 Minimum Improvements Required

The minimum improvements and bonding procedures set forth in Article 6-4 shall apply to ~~a Non-Administrative~~ an Enhanced Administrative Land Modification, except that street improvements may be waived if the existing streets adjacent to the ~~Non-Administrative~~ Enhanced Administrative Land Modification are comparable to the streets on adjacent properties.

Section 6-9-5 Information Required on Final Plats

Where applicable, the information required on final plats as specified in Article 6-6 shall apply to ~~Non-Administrative~~ Enhanced Administrative Land Modifications.

Section 6-9-6 Hillside Development Area

The provisions of Article 6-7 shall apply to ~~a Non-Administrative~~ an Enhanced Administrative Land Modification.

Section 6-9-7 Procedures

- A. ~~A Non-Administrative~~ An Enhanced Administrative Land Modification is only allowed for an existing lot, parcel, tract of land or combination thereof identified in the official records of the Town and the Maricopa County Recorder, Arizona, at the time of the filing of the application.
- B. ~~A Non-Administrative Land Modification shall follow the final plat/map process in accordance with Section 6-2 of the Town Code. A Non-Administrative~~ An Enhanced Administrative Land Modification shall be subject to ~~Town~~ Council review and approval, with the exception of: (1) Lot Splits approved pursuant to Section 6-9-7(C), which shall be reviewed and approved by the Commission and appealable to Council; (2) certain plat/map applications on property with Special Use Permit zoning pursuant to Section 6-9-7(D) that is approved by Staff with Council review; and (3) a plat/map that includes a variance or modification request pursuant to Article 6-8 that requires Commission review and recommendation, and Council review and action.
- C. A Lot Split application on non-Special Use Permit zoned property shall be reviewed by ~~Town~~ Staff for compliance with the ~~Town~~ Code and Zoning Ordinance, and any other applicable requirements. After review by the ~~Town~~ Staff, the Lot Split application shall be submitted to the ~~Planning and Zoning~~ Commission, and if approved by a ~~unanimous simple majority~~ vote of the ~~Planning~~ Commission, then the Lot Split shall be deemed approved. If the Lot Split application is not approved by ~~a unanimous vote of the~~

Planning Commission, including a vote to deny, then the Lot Split application shall be subject to ~~Town~~ Council review and approval.

- D. ~~A Non-Administrative Lot~~ An Enhanced Administrative Land Modification application (e.g. Lot Split, Lot Split (Exempt), Lot Line Adjustment, Easement Modification) on property with Special Use Permit zoning shall follow the final plat/map process for Staff approval in accordance with Section 6-2 of the Town Code and the applicable Special Use Permit provisions, and are subject to ~~Town~~ Council review **and approval**.
- E. Applicants for ~~a Non-Administrative Lot~~ an Enhanced Administrative Land Modification application must first submit a pre-application for Staff review in accordance with Section 2-5-2(E) of the Town Code. Deficiencies in the application that are identified by the ~~Town~~ Staff during the pre-application process will be brought to the applicant's attention. Pre-application is a required and informal review where major issues will be identified.
- F. Upon the filing of ~~a Non-Administrative Lot~~ an Enhanced Administrative Land Modification application, the ~~Town~~ Staff shall review the application for completeness and compliance with applicable Town Codes, including the Zoning Ordinance and any Special Use Permit provisions.
- G. Requests for ~~Non-Administrative Lot~~ Enhanced Administrative Land Modifications shall meet the minimum size, setback, and other requirements of the underlying zoning district for the property at issue as specified in the Zoning Ordinance, official zoning map, and/or the Special Use Permit (if applicable) for the property, as well as the lot arrangement and configuration requirements specified in Section 6-3-5.
- H. After ~~a Non-Administrative Lot~~ an Enhanced Administrative Land application is approved by the **Planning** Commission and/or ~~Town~~ Council, if appropriate, it may thereafter be recorded with the Maricopa County Recorder, Arizona.

Article 6-10 ADMINISTRATIVE LAND MODIFICATION

6-10-1	Fees
6-10-2	Administrative Plat Maps Required
6-10-3	Standards of Design
6-10-4	Minimum Improvements Required
6-10-5	Information Required on Final Plats
6-10-6	Hillside Development Areas
6-10-7	Administrative Land Modification Procedures

Section 6-10-1 Fees

Application fees shall be in accordance with the ~~Paradise Valley~~ Town Master Fee Schedule and shall be paid upon filing of the applicable application.

Section 6-10-2 Administrative Plat Maps Required

An Administrative Plat Map and two (2) paper prints shall be submitted with an Administrative Land Modification application.

Section 6-10-3 Standards of Design

With the exception of Section 6-3-10 and Section 6-3-11, the standards of design set forth in Article 6-3 shall apply to Administrative Land Modifications.

Section 6-10-4 Minimum Improvements Required

The minimum improvements and bonding procedures set forth in Article 6-4 shall apply to an Administrative Land Modification, except that compliance with street or other required minimum improvements may be waived by the concurrence of the Town Engineer and Community Development Director if the existing streets or other minimum improvements servicing the property for which the Administrative Land Modification has been requested are deemed to be adequate at the time of application.

Section 6-10-5 Information Required on Administrative Plat Maps

Where applicable, the information required on Final Plats as specified in Article 6-6 shall apply to an Administrative Land Modification.

Section 6-10-6 Hillside Development Area

The provisions of Article 6-7 shall apply to an Administrative Land Modification.

Section 6-10-7 Procedures

- A. An Administrative Land Modification is only allowed for an existing lot, parcel, tract of land or combination thereof identified in the official records of the Town and the Maricopa County Recorder, Arizona, at the time of the filing of the Administrative Land Modification application.
- B. An Administrative Land Modification may be approved by ~~Town~~ Staff in accordance with this Section.
- C. Applicants for an Administrative Land Modification must first complete a pre-application review process in accordance with Section 2-5-2(E) ~~of the Town Code~~. Deficiencies in the application that are identified by the ~~Town~~ Staff during the pre-application process will be brought to the applicant's attention. The pre-application phase is a required and informal review where major issues will be identified.
- D. Upon the filing of an Administrative Land Modification application, the ~~Town~~ Staff shall review the application for completeness and compliance with applicable Town Codes, including the Zoning Ordinance.
- E. Request for an Easement Modification made in an Administrative Land Modification application shall comply with all Town Code requirements, including relevant development and design standards. Documentation such as, but not limited to, a drainage report, drainage study, drainage easement maintenance agreement, and/or written correspondence from affected utility companies may be required in conjunction with a request for an Easement Modification. Easement Modifications do not include the abandonment or release of easement.
- F. Requests for a Lot Line Adjustment and/or a Lot Split (Exempt) made in an Administrative Land Modification application must meet the minimum size, setback, and other requirements of the underlying zoning district for the property at issue as specified in the Zoning Ordinance and official zoning map for the property, as well as the lot arrangement and configuration requirements specified in Section 6-3-5.
- G. If an application for an Administrative Land Modification does not meet the standards of design per Article 6-3 and other Town Code requirements for an Administrative Land Modification, Staff shall reject the application and advise the applicant to instead submit an application for ~~a Non-Administrative~~ an Enhanced Administrative Land Modification, such as for a Lot Split, Lot Split (Exempt), Lot Line Adjustment, Subdivision Plat or Replat, which shall then be processed pursuant to Article 6-2, Article 6-8, and/or Article 6-9 of the Town Code, as applicable.
- H. If, after a final review, the Town staff determines that the application is in full compliance with this Article and all other Town Codes, the application may be approved administratively and, if appropriate, thereafter recorded with the Maricopa County Recorder, Arizona.

TOWN OF PARADISE VALLEY

Administrative Review Plat Applications Text Amendment Public Hearing



Town Council
December 11, 2025

TODAY'S GOAL & AGENDA

2

- **Discuss and possible action on administrative review of certain plat applications in accordance with current State of Arizona legislation**



12/11/2025

BACKGROUND

- Legislature of State of Arizona passed House Bill 2447 in 2025
- Requires ('shall' rather than 'may') municipalities to authorize administrative personnel to review and approve site plans, development plans, land divisions, lot line adjustments, and plat amendments, and to review and approve design review plans based on objective standards, without a public hearing
- Allows municipalities to adopt a self-certification program for registered architects and professional engineers, allowing them to be responsible for compliance with ordinances and construction standards (not pursuing)
- Becomes effective on January 1, 2026



HOUSE BILL 2447 4

1 Be it enacted by the Legislature of the State of Arizona:
 2 Section 1. Section 9-500.49, Arizona Revised Statutes, is amended
 3 to read:
 4 9-500.49. Administrative review and approval;
 5 self-certification program; expedited approval;
 6 definitions
 7 A. Notwithstanding any other law, the legislative body of a city or
 8 town ~~may~~ SHALL by ordinance do the following:
 9 1. Authorize administrative personnel to review and approve site
 10 plans, development plans, land divisions, lot line adjustments, lot ties,
 11 preliminary plats, final plats and plat amendments without a public
 12 hearing.
 13 2. Authorize administrative personnel to review and approve design
 14 review plans based on objective standards without a public hearing.
 15 ~~3. Adopt a self-certification program allowing registered~~
 16 ~~architects and professional engineers to certify and be responsible for~~
 17 ~~compliance with all applicable ordinances and construction standards for~~
 18 ~~projects that the ordinance identifies as being qualified for~~
 19 ~~self-certification.~~
 20 ~~3.~~ 3. Allow at-risk submittals for certain on-site preliminary
 21 grading and drainage work or infrastructure.
 22 ~~4.~~ 4. Allow applicants with a history of compliance with building
 23 codes and regulations to be eligible for expedited permit review.
 24 B. NOTWITHSTANDING ANY OTHER LAW, THE LEGISLATIVE BODY OF A CITY OR
 25 TOWN MAY BY ORDINANCE ADOPT A SELF-CERTIFICATION PROGRAM ALLOWING
 26 REGISTERED ARCHITECTS AND PROFESSIONAL ENGINEERS TO CERTIFY AND BE
 27 RESPONSIBLE FOR COMPLIANCE WITH ALL APPLICABLE ORDINANCES AND CONSTRUCTION
 28 STANDARDS FOR PROJECTS THAT THE ORDINANCE IDENTIFIES AS BEING QUALIFIED
 29 FOR SELF-CERTIFICATION.
 30 ~~6-~~ C. Applications for a license pursuant to this section are
 31 subject to chapter 7, article 4 of this title.
 32 ~~6-~~ D. For the purposes of this section: ~~—~~
 33 1. "LICENSE" HAS THE SAME MEANING PRESCRIBED IN SECTION 9-831.
 34 2. "Objective" means not influenced by personal interpretation,
 35 taste or feelings of a municipal employee and verifiable by reference to
 36 an adopted benchmark, standard or criterion available and knowable by the
 37 applicant or proponent.
 38 Sec. 2. Effective date
 39 This act is effective from and after December 31, 2025.

- Council updated on the legislation
- Council executive session on topic
September 11th
- Based on discussions is draft
Ordinance 2025-05



COUNCIL DISCUSSION

- Discussed draft ordinance on November 13th
- Directed not to change 90-degrees for side lot lines in Section 6-3-5(B)
 - Code retains modification process via Commission/Council by Article 6-8
 - Word “nearly” removed
- Clarified no change to the current provision when Commission denies a lot split (it moves directly to Council)
- Clarified removal of the term General Plan in Section 6-3-2(A) is because the street cross sections are no longer found in the General Plan



COMMISSION DISCUSSION

6

- Unlike text amendments to the Zoning Ordinance, a text amendment to the Town Code provisions only requires Council review and action
- Commission provided input during November 4th study session
 - Discussed lot split under 2.5-net acres be appealable to Council instead of directly moving to Council if denied
 - No change to current process directly to Council
 - Discussed allowing some latitude on side lot lines at 90 degrees
 - Quantify term “nearly” 90 degrees
 - Options to keep same or staff approval w/7-day Commission review



12/11/2025

DRAFT ORDINANCE 2025-05

- General approach is Town processes related to site plans, development plans, land divisions, lot line adjustments, and plat amendments are already administrative
- Opportunity to clarify and further define the administrative process
- Current processing remains the same for preliminary plat, replat, easement or right-of-way abandonment, and administrative land modification
- Refer to Land Modification Process Table Attachment for more information



SUMMARY OF CHANGES

- Correct Section 6-2-3 by removing the word “final plat” as Commission is not the approver of a final plat
- Modify the Chapter 6 final plat/map process from Council review/action to staff approval process with 7-day Council review
 - Mayor still sign the final plat
 - Applies to any zoning district (including Special Use Permit - SUP)
 - Council will still review/act if Commission rejects the preliminary plat or plat modifies the subdivision standards pursuant to Article 6-8
 - Commission/Council will see the final plat/map if the applicant requests a private road Conditional Use Permit (CUP) and/or the application includes a SUP for a private roadway gate (as these processes remain the same)
 - All final plats require a preliminary plat (which Commission reviews/approves)



- A. No Planning Commission or Council approval is required for the final plat/map within any zoning district unless sStaff determines that the final plat/map does not comply with the stipulations of the preliminary plat/map approved by the Town's Planning Commission (or the stipulations imposed by the Town Council should the plat/map have required Council approval in accordance with Article 6-8, Variances and Modifications, of Chapter 6 of the Town Code, if any) or contains substantial differences from such preliminary plat/map. If sStaff so determines, then Planning Commission approval recommendation to the Council of the final plat/map is required. The Planning Commission shall act on the final plat/map no later than fourteen (14) calendar days after sStaff deems the application complete. If no Planning Commission approval is required, then the Town Council shall act on the final plat/map application within forty (40) calendar days from when staff deems the application complete. If Planning Commission approval was required, then the Town Council shall act on the final plat/map application within forty (40) calendar days from the date that the Planning Commission has approved the final plat/map. A final plat/map application request shall be approved by the Town Council if it is determined to comply with the stipulations of the preliminary plat/map approved by the Town's Planning Commission along with all of the other requirements set forth in this Section.
- B. Subdividers or plat engineers shall obtain final plat/map review by the Town Engineer and other officials and agencies concerned prior to presentation final action on the final plat/map.
- C. Following the pre-application conference, if any, the subdivider shall submit to the Town (1) the formal plat/map application on a form prescribed by the Town, (2) the fee set forth in the Town of Paradise Valley Fee Schedule, as such may be amended from time to time, and (3) all documents and materials deemed necessary by the Town to be in compliance with Chapter 6, Subdivisions, of the Town Code.
- D. Upon receipt of a complete submittal including all of the information and fees as set forth in Chapter 6, Subdivisions of the Town Code, Staff will review the submittal within a reasonable time to verify the final plat/map meets requirements and completion of any required conditions (e.g., assurances). If not met, the applicant will make any necessary revisions and/or submittals. If met, Staff will transmit to the Town Manager (or designee) a copy of the final plat/map, together with a written report outlining compliance within two business days of making the determination.
- E. The Town Manager (or designee) shall transmit all determinations approving the final plat/map to the Council within two business days of receiving the met determination of Section 6-2-3(D) above.
- F. The Town Manager's (or designee's) decision shall be final, and the Mayor (or designee) and applicable Staff shall sign the final plat/map in preparation for

recordation with the recorder of Maricopa County, Arizona, subject to Council review as set forth in Section 6-2-3(G).

- G. If, within seven calendar days after the Town Manager's (or designee's) written determination, at least three members of the Council submit a written request to the Town Manager, the Council shall have the authority to review the approved final plat/map application. Such review shall be considered at a Council meeting within 14 calendar days after the Town Manager's receipt of the third written request pursuant to this Section. The Council's review shall be limited to a determination, by a majority vote of the members present and not otherwise disqualified, as to whether the Town Manager's (or designee's) decision meets the requirements outlined in Chapter 6, Subdivisions, of the Town Code. If the Council decides that the criteria have been met, then there shall be no further consideration, and the final plat/map approval is final. If the Council determines that the requirements have not been met, the Council may deny the final plat/map, in whole or in part. A majority vote of the members present and not otherwise disqualified shall be necessary to deny or modify the decision of the Town Manager (or designee); otherwise the Town Manager's written determination shall be deemed affirmed.

Article 6-3 **STANDARDS OF DESIGN** ^{170 535}

- 6-3-1 Relation to Adjoining Street Systems
- 6-3-2 Right-of-way, Street and Alley Width, Cul-de-Sac, Half Street, Alley ^{86 115}
- 6-3-3 Easements
- 6-3-4 Blocks
- 6-3-5 Lots ^{432 564}
- 6-3-6 Building Lines
- 6-3-7 Public Reservations
- 6-3-8 Easement Along Streams ^{513 601}
- 6-3-9 Building in Designated Flood Plain Areas
- 6-3-10 Character of Development
- 6-3-11 Subdivision Identification Signs ^{34 83 170}
- 6-3-12 Subdivision Walls or Fences ^{36 375}

Section 6-3-1 Relation to Adjoining Street Systems

- A. The arrangement of streets in new subdivisions shall make provision for the continuation of the principal existing streets in adjoining areas or their proper projections where adjoining land is not subdivided insofar as they may be deemed necessary for public requirements. The width of streets in new subdivisions shall be not less than the minimum width established by the Town.

SUMMARY OF CHANGES

10

- Correct General Plan reference of the width of all rights-of-way and streets to Typical Street Cross Sections to match existing process
- Correct reference regarding lighting under subdivision walls or fences from submitted with SUP application to under Article XI, Special Uses And Additional Use Regulations to match existing process
- Correct under hillside provision that private roadways are approved by CUP and not SUP to match existing process and public roads not decorative surface material



12/11/2025

SUMMARY OF CHANGES

11

- Modify lot split on a non-SUP property be approved by simple majority vote instead of unanimous vote
 - This is the only plat requiring unanimous approval
 - No change with Commission review/action (appealable to Council)
 - No change if not approved moves onto Council
- Modify Non-Administrative Land Modification process on SUP property follow final plat/map process of staff approval with 7-day Council review
 - Excludes preliminary plat, final plat, & replat (different processing)
 - Retain level of Council review as not always a SUP amendment and SUP is tailored zoning compared to the other zoning districts



12/11/2025

Section 6-3-10 shall not apply to Non-Administrative Land Modifications. No Non-Administrative Land Modification which creates a substandard or non-conforming lot or structure shall be approved except by Council action.

Section 6-9-4 Minimum Improvements Required

The minimum improvements and bonding procedures set forth in Article 6-4 shall apply to a Non-Administrative Land Modification, except that street improvements may be waived if the existing streets adjacent to the Non-Administrative Land Modification are comparable to the streets on adjacent properties.

Section 6-9-5 Information Required on Final Plats

Where applicable, the information required on final plats as specified in Article 6-6 shall apply to Non-Administrative Land Modifications.

Section 6-9-6 Hillside Development Area

The provisions of Article 6-7 shall apply to a Non-Administrative Land Modification.

Section 6-9-7 Procedures

- A. A Non-Administrative Land Modification is only allowed for an existing lot, parcel, tract of land or combination thereof identified in the official records of the Town and the Maricopa County Recorder, Arizona, at the time of the filing of the application.
- B. A Non-Administrative Land Modification shall follow the final plat/map process in accordance with Section 6-2 of the Town Code. A Non-Administrative Land Modification shall be subject to Town Council review and approval with the exception of Lot Splits approved pursuant to Section 6-9-7(C) reviewed and approved by the Commission and appealable to Council, certain plat/map applications on property with Special Use Permit zoning pursuant to Section 6-9-7(D) that is approved by Staff with Council review, and a plat/map that includes a variance or modification request pursuant to Article 6-8 of the Town Code that requires Commission review and recommendation, and Council review and action.
- C. A Lot Split application on non-Special Use Permit zoned property shall be reviewed by Town Staff for compliance with the Town Code and Zoning Ordinance, and any other applicable requirements. After review by the Town Staff, the Lot Split application shall be submitted to the Planning and Zoning Commission, and if approved by a simple majority unanimous vote of the Planning Commission, then the Lot Split shall be deemed approved. If the Lot Split application is not approved by a unanimous vote of the Planning Commission, including a vote to deny, then the Lot Split application shall be subject to Town Council review and approval.

- D. A Non-Administrative ~~Lot~~ **Land** Modification application (e.g. Lot Split, Lot Split (Exempt), Lot Line Adjustment, Easement Modification) on property with Special Use Permit zoning shall follow the final plat/map process **for Staff approval** in accordance with Section 6-2 of the Town Code, ~~and~~ the applicable Special Use Permit provisions, and are subject to ~~Town~~ Council review ~~and approval~~.
- E. Applicants for a Non-Administrative ~~Lot~~ **Land** Modification application must first submit a pre-application for ~~s~~Staff review in accordance with Section 2-5-2(E) of the Town Code. Deficiencies in the application that are identified by the ~~Town~~ ~~s~~Staff during the pre-application process will be brought to the applicant's attention. Pre-application is a required and informal review where major issues will be identified.
- F. Upon the filing of a Non-Administrative ~~Lot~~ **Land** Modification application, the ~~Town~~ ~~s~~Staff shall review the application for completeness and compliance with applicable Town Codes, including Zoning Ordinance and any Special Use Permit provisions.
- G. Requests for Non-Administrative ~~Lot~~ **Land** Modifications shall meet the minimum size, setback, and other requirements of the underlying zoning district for the property at issue as specified in the Zoning Ordinance, official zoning map, and/or the Special Use Permit (if applicable) for the property, as well as the lot arrangement and configuration requirements specified in Section 6-3-5.
- H. After a Non-Administrative ~~Lot~~ **Land** application is approved by the **Planning** Commission and/or ~~Town~~ Council, if appropriate, it may thereafter be recorded with the Maricopa County Recorder, Arizona.

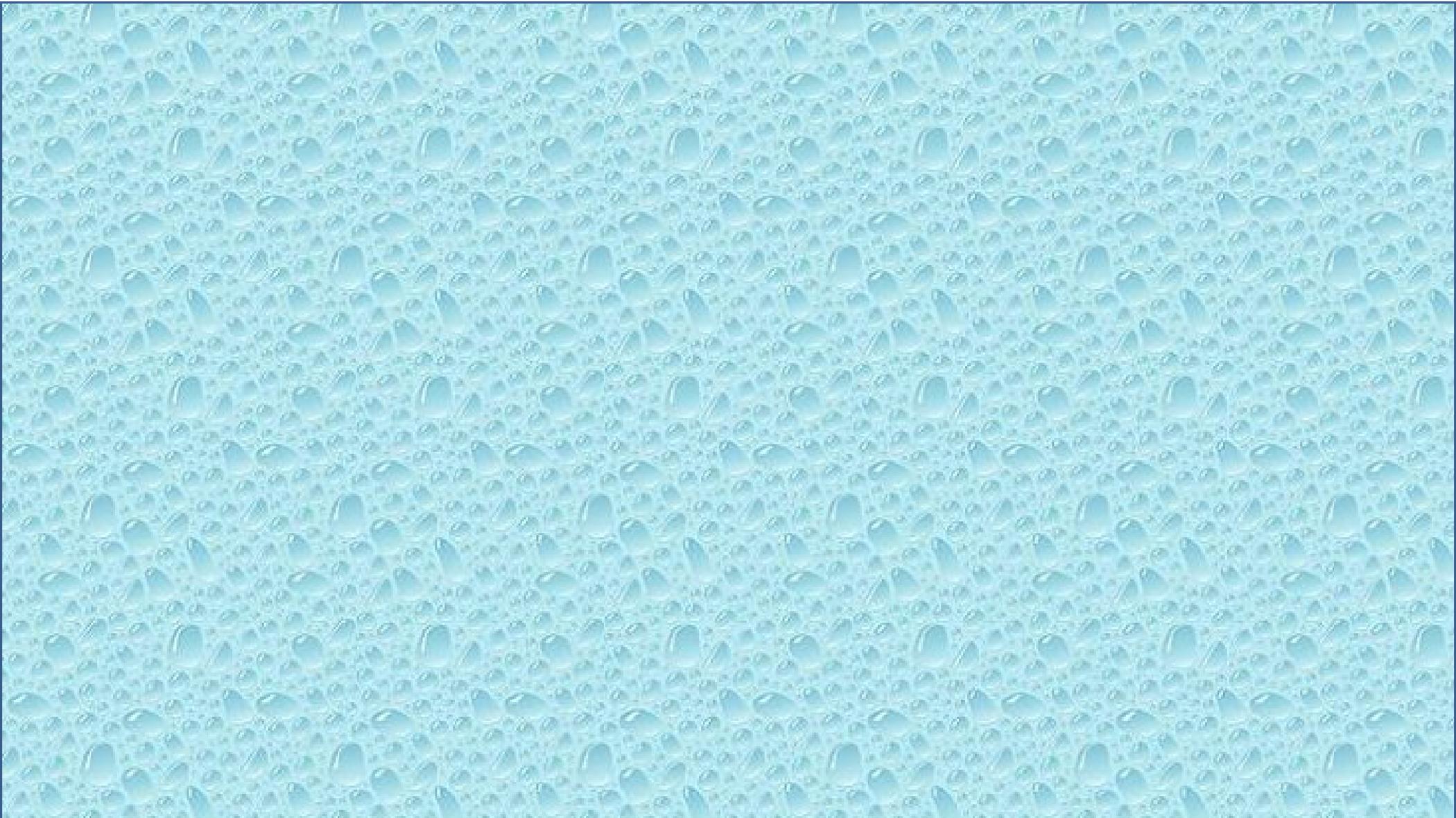
SUMMARY OF CHANGES

- No change to process when include a deviation from Chapter 6, Article 6-8, Variances and Modifications, requiring Commission review and recommendation followed by Council review and action
- No changes to other ancillary processes that may accompany a plat application
 - Private Road CUP of Commission review/action (appealable to Council)
 - Private Gate SUP of Council Statement of Direction, Commission review/recommendation, and Council review/action
 - SUP amendment process of Commission and/or Council review/action



QUESTIONS







Action Report

File #: 25-292

AGENDA TITLE:

Discussion and Possible Action to Approve the Third Amendment to the Linking Agreement with Axon Enterprises, Inc for the Purchase of Axon AI Products

RECOMMENDATION:

Approve the Third Amendment to the Linking Agreement (CON-24-016-POL-A3) with Axon Enterprises, Inc to increase the scope of work to include Axon AI products in an amount not to exceed \$953,398 spread out over the contact term ending June 30, 2033.

STAFF CONTACT:

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Freeman Carney, Chief of Police

DATE: December 11, 2025

DEPARTMENT: Police Department
Freeman Carney, 480 948-7410

AGENDA TITLE:

Discussion and Possible Action to Approve the Third Amendment to the Linking Agreement with Axon Enterprises, Inc for the Purchase of Axon AI Products

RECOMMENDATION:

Approve the Third Amendment to the Linking Agreement (CON-24-016-POL-A3) with Axon Enterprises, Inc to increase the scope of work to include Axon AI products in an amount not to exceed \$953,398 spread out over the contact term ending June 30, 2033.

SUMMARY STATEMENT:

PVPD is seeking an amendment to the current contract with AXON to add the AXON AI Era Plan, AXON Fusus, and AXON Prepared 911.

The Axon AI Era Plan - is designed to streamline the entire “call-to-case-closure” workflow. It includes advanced AI tools such as automatic audio/video transcription, AI-assisted report drafting, and enhanced evidence management. These capabilities significantly reduce the time officers spend on admin tasks, allowing them to return to patrol and community engagement more quickly. For supervisors, the platform improves oversight, documentation consistency, and audit capabilities, strengthening both accountability and operational efficiency. For Records, it provides enhanced report and body-worn camera footage redaction capabilities.

Axon Fusus – a real-time crime center (RTCC) used by agencies across the country. Fusus consolidates live camera feeds, license plate readers, drone video, officer locations, and other platforms into one secure, map-based interface. This gives officers, dispatchers, and supervisors immediate access to critical information during incidents. Real-time visibility enhances officer safety, reduces response times, and improves decision-making during emergencies and evolving calls for service. Video link - [Axon Fusus Product Video Explainer on Vimeo](#)

TOWN *Of* PARADISE VALLEY



STAFF REPORT

Prepared 911- is an AI-enabled system that enhances 911 call handling through real-time transcription, translation, caller video sharing, and structured call summaries. Prepared 911 reduces dispatchers' cognitive load and improves call accuracy, especially during high-stress or noisy situations. It also helps address call-taking challenges such as language barriers, incomplete information, and simultaneous multi-caller events. By capturing clearer, more actionable information at the very beginning of an incident, officer response becomes more informed and effective. This system also provides Communications supervisors with enhanced real-time quality assurance tools to improve service, coaching, and morale. Video link - [Prepared by Axon](#)

Combined, these systems create a seamless workflow from the moment a 911 call is received to officers' response in the field and the final investigative steps. The unified ecosystem strengthens situational awareness, reduces administrative tasks, and improves the quality and speed of investigations. This technology also enhances transparency and meets growing expectations for accountability through improved digital evidence management and audit logging.

This investment aligns with the department's strategic priorities by promoting officer safety, improving operational efficiency, and enhancing community trust. Other agencies that have adopted these systems report reductions in report-writing time, faster threat identification, earlier detection of developing incidents, and more accurate emergency call triage. These tools will help provide even greater efficiency, responsiveness, and clarity during critical events.

To assess the viability and gather employee feedback on certain AXON AI products, the department conducted a trial of AXON Draft One, Transcription, and Translation from August 2025 to the present, and has received overwhelmingly positive feedback from both sworn and professional staff on the time savings and efficiency of the products. The language translation feature on the AXON Body 4 was utilized by Patrol on several occasions during calls for service and traffic stops, increasing communication and understanding, which resulted in positive interactions with the public. During the trial, staff averaged approximately a 50% decrease in time spent on report writing. In a side-by-side comparison, one officer noted that the report generated in DRAFT ONE was more detailed than his typed report and was produced in less time. "What stood out was that the completed narrative ended up far more detailed than what I would have written without the tool."

For these reasons, staff recommends adding the Axon AI Era Plan, Axon Fusus, and AXON Prepared 911 to the current contract. This will modernize our operations, improve service to the community, and ensure that our officers and dispatchers have the tools they need to safely and effectively carry out their duties.

TOWN
Of
PARADISE VALLEY



STAFF REPORT

In discussions with Axon, staff learned that due to expected rate increases, if the Town enters into this agreement before the end of 2025, we will be eligible to save \$464,993 over the next 8 years. We will also be locked in on price for 8 years and receive all new AXON AI upgrades and products during that time at no increase in price.

BUDGETARY IMPACT:

The first remaining partial fiscal year (FY26) of this contract amendment will cost an additional \$3,745. The remaining fiscal years of the contract will cost an additional \$118,706.44 per year until June 30, 2033. If approved, the Town will increase Axon's total compensation by \$953,398, resulting in an increase of the combined not-to-exceed compensation from \$1,838,759.04 to \$2,792,156.28.

ATTACHMENT(S):

- A. Staff Report
- B. Axon AI Presentation
- C. Axon Agreement

TOWN OF PARADISE VALLEY

AXON AI
Public Safety Software
December 11, 2025



Paradise Valley – Police Department Public Safety Software Partner



AXON AI

Purpose:

Seeking approval to obtain the Axon Era Plan which will lock us in on pricing for the next 9 fiscal years and it will allow us to utilize the following:

- Axon AI
- Axon Fusus
- Prepared 911

Modernize PVPD's operational and investigative capabilities and enhance efficiency



AXON AI

AXON AI SOLUTION	DESCRIPTION
Unlimited Auto-Transcribe	Auto-Transcribe turns audio into searchable transcripts in minutes.
Auto-Translate	Included with Unlimited Auto-Transcribe, Auto-Translate provides near-instant Spanish-to-English translations right within Axon Evidence.
Draft One	Draft One generates incident report drafts from BWC audio transcripts in seconds.
Real-Time Translation	Real-Time Translation, an Axon Assistant skill, detects spoken language and supports real-time conversation in more than 50 languages.
Policy Chat	Policy Chat helps agencies get reliable guidance on department policy questions in seconds.
Unlimited Smart Detection	Unlimited Smart Detection speeds up evidence review by finding and following human forms in video.
Smart Capture	Smart Capture quickly extracts key data from an image (typical IDs and license plates), then uses that data to get insights.
Brief One	Brief One analyzes and summarizes large cases in minutes.
Form One	Form One automatically completes common forms utilizing data pulled from BWC audio transcripts.



AXON AI

- Between shorter reports and more complex reports we found PVPD to average a 50% decrease in time spent on report writing.
 - In a side-by-side comparison, one PVPD officer noted that the report generated in Draft One was more detailed than his typed one.
- A formal study out of Fort Collins PD found a 67% decrease in time spend on report writing.
- Safeguard: Narratives cannot be submitted without officer review and approval. Officers must review the draft, manually fill in missing information, remove intentional incorrect insertions, and then sign off on the narrative's accuracy before submission.
 - Supervisor then needs to check and approve the report.

[AXON DRAFT One](#)

[Axon Translation](#)



AXON AI

Benefits:

- Streamlines the entire call-to-case-closure
- Consistency and accuracy in documentation
- Reduces officers' admin workload: for more patrol time and community engagement
- Faster case preparation and evidence processing
- Faster redacting (Rowlett PD saw 75% reduction)
- Improves supervisory oversight and accountability
- Supports PVPD's culture plan and operational expectations



FUSUS

Real-Time Crime Center (RTCC)

- Unifies cameras, LPRs, drone feeds, field data, and officers locations into one secure map based interface
- Provides real-time situational awareness and information
- Real-time visibility enhances officer safety and reduces response times
- Officers can respond to each incident with the highest level of operational Intel
- Improves decision-making during critical events & evolving calls for service



Prepared 911

Overview:

- Real-time transcription and translation
- Allows callers to securely share live video and photos
- Text when caller can't speak or real time language translation
- Pinpoints the callers location
- Produces structured call summaries for dispatchers
- AI assists supervisors evaluating call taking in real time



Prepared 911

Benefits:

- Better information at the start of every incident
- Improves response quality and officer safety
- Helpful for noisy, chaotic, or multi-caller events
- Reduces cognitive load, improves call accuracy and addresses challenges with unclear information (another set of ears)
- Seamlessly integrates with existing software, cloud-based



Prepared 911

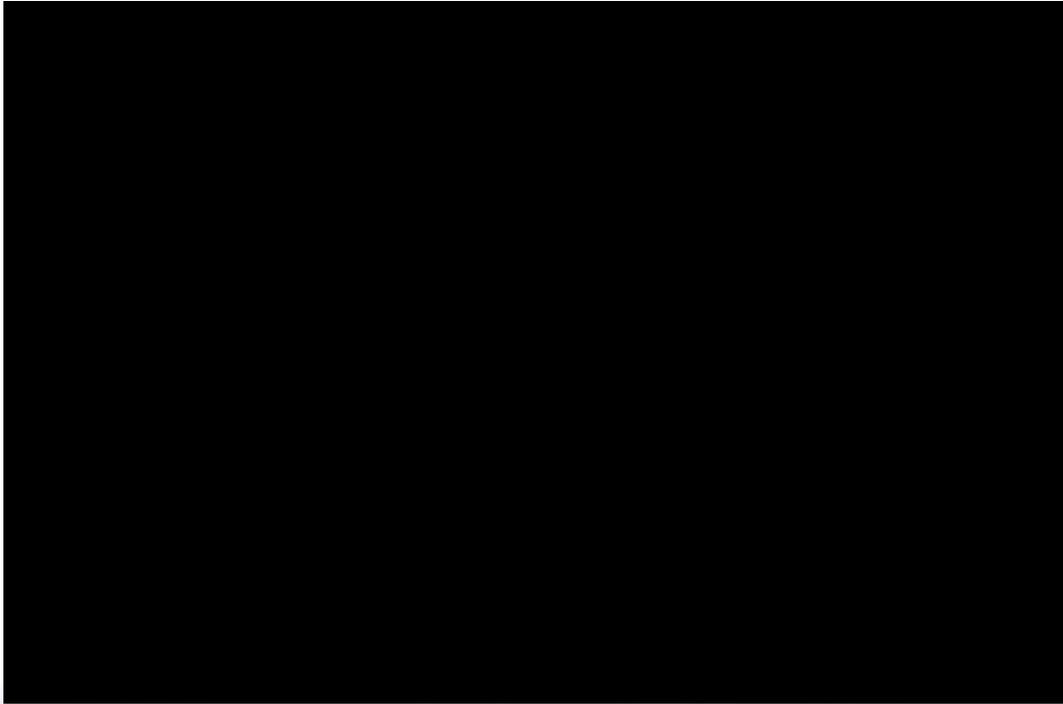
The screenshot displays a 911 dispatch software interface. At the top, there is a navigation bar with icons for Calls, Dispatch, Analytics, Training, Explore, and Admin. The main interface is divided into several sections:

- Incidents List:** A list of recent calls on the left side, including phone numbers, times, and locations. The selected incident is (903) 239-4920, an inbound call from Position #14 at 3:25 PM.
- Incident Details:** The selected incident shows a video of a large fire burning in a building. Below the video are controls for Chat, Snapshot, Flip, and Stop.
- Location and Media:** On the right, the location is identified as 121 Maple Street, New York, NY 10022, USA. It includes coordinates (40° 45' 25.33" N, 73° 58' 16.18" W), a search radius of 52 ft, and keywords: mutual.voter.movie. A map below shows the location with a red circle indicating the search radius.

At the bottom, there is an SMS message input field with a language selector set to English.



AXON Eco System Integration



- FUSUS – Real Time Crime Center
- AXON Body 4 Translator
- AI Search with ALPR
- Fleet 3
- Smart Capture



Budgetary Impact

- Early adopter savings of \$464,993
- Remainder of FY26 reduced cost of \$3,746
- FY27 through FY34 annual fixed price of \$118,706
- If approved the Town will increase Axon's total compensation by \$953,398, resulting in an increase of the combined not-to-exceed compensation from \$1,838,759.04 to \$2,792,156.28.



Summary

Axon AI Plan:

- Savings of \$464,993 over 8 years
- Over 8 years of price protection, continuous upgrades, AI professional services, and all new and upcoming AXON AI integrations and platforms
- Modernizes PVPD
- Provides long-term budgeting stability and cost predictability
- Improves PVPD's ability to process data, recognize patterns, improve productivity, officer safety and customer service



AXON AI

Questions or Comments





**THIRD AMENDMENT
TO
LINKING AGREEMENT
BETWEEN
THE TOWN OF PARADISE VALLEY
AND
AXON ENTERPRISE INC.**

THIS THIRD AMENDMENT TO THE LINKING AGREEMENT (this “Third Amendment”) is entered into as of _____, 2025 between the Town of Paradise Valley, an Arizona municipal corporation (the “Town”), and Axon Enterprise, Inc., a Delaware corporation (the “Contractor”).

RECITALS

- A. The Town and the Contractor entered into the Linking Agreement, No. CON-24-016-POL, for the Contractor to provide Public Safety Video Surveillance Solutions, dated December 15, 2023, (the “Agreement”). The original agreement was amended on June 14, 2024, Contract No. CON-24-016-POL-A1 to add additional equipment.
- B. The Town has determined that additional Evidence – ECOM License -PRO & Basic services by the Contractor are necessary (the “Additional Services”).
- C. The Town and the Contractor desire to enter into this Third Amendment to modify the scope of work to include the Additional Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. Incorporation of Defined Terms. All capitalized terms not otherwise defined in this Third Amendment have the same meanings as contained in the Agreement.
2. Term of Agreement. The term of the Agreement shall remain in full force and effect until June 30, 2033, unless terminated as otherwise provided pursuant to the terms and conditions of the Agreement.
3. Scope of Work. The Contractor shall provide the Additional Services as set forth in the Additional Scope of Work, attached hereto as Exhibit 1 and incorporated herein by reference.

4. Compensation. The Town shall increase the compensation to the Contractor by \$953,397.24 for the Additional Services at the rates set forth in the Fee Proposal attached hereto part of Exhibit 1, resulting in an increase of the combined not-to-exceed compensation from \$1,838,759.04 to \$2,792,156.28.

5. Effect of Amendment. The Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

6. Non-Default. By executing this Third Amendment, the Contractor affirmatively asserts that (i) the Town is not currently in default, nor has been in default at any time prior to this Third Amendment, under any of the terms or conditions of the Agreement, and (ii) any and all claims, known and unknown, relating to the Agreement and existing on or before the date of this Third Amendment are forever waived.

7. Conflict of Interest. This Third Amendment and the Agreement may be canceled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

8. Forced Labor of Ethnic Uyghurs. To the extent applicable under ARIZ. REV. STAT. § 35-394, the Contractor warrants and certifies that it does not currently, and agrees that it will not, for the duration of the Agreement, as amended, use the forced labor, any goods or services produced by the forced labor, or any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If the Contractor becomes aware that it is not in compliance with this paragraph, the Contractor shall notify the Town of the noncompliance within five business days of becoming aware of it. If the Contractor fails to provide a written certification that the Contractor has remedied the noncompliance within 180 days after that, the Agreement shall terminate unless the termination date of the Agreement occurs before the end of the remedy, in which case the Agreement terminates on its termination date.

9. Cancellation for Conflicting Legislation. If any legislation, rule, order, or court decision applicable to the Town prohibits the use by the Town or its police department of the services provided pursuant to this Third Amendment, the Town shall have the right to cancel this Third Amendment in its entirety, without any additional or continuing financial obligation.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

“Town”

TOWN OF PARADISE VALLEY,
an Arizona municipal corporation

Andrew Ching, Town Manager

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

“Contractor”

AXON ENTERPRISE, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

EXHIBIT 1
TO
THIRD AMENDMENT
TO
LINKING AGREEMENT
BETWEEN
THE TOWN OF PARADISE VALLEY
AND
AXON ENTERPRISE, INC.

[Amended Scope of Work and Fee Proposal]

See following page(s).



Axon Enterprise, Inc.
 17800 N 85th St
 Scottsdale, Arizona 85255
 United States
 VAT: 86-0741227
 Domestic:(800) 978-2737
 International: +1.800.978.2737

Q-741678-45995AS

Issued: 12/04/2025

Quote Expiration: 12/26/2025

Estimated Contract Start Date: 02/01/2026

Account Number: 115132

Payment Terms: N30

Mode of Delivery: UPS-GND

Credit/Debit Amount: \$0.00

SHIP TO	BILL TO
Paradise Valley Police Dept. - AZ 6433 E Lincoln Dr Paradise Valley, AZ 85253-4328 USA	Paradise Valley Police Dept. - AZ 6433 E Lincoln Dr Paradise Valley AZ 85253-4328 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Adam Smith Phone: 602-751-1798 Email: asmith@axon.com Fax: (480) 463-2201	Patrick Beumler Phone: 6022990397 Email: pbeumler@paradisevalleyaz.gov Fax: (480) 998-0877

Quote Summary

Program Length	99 Months
TOTAL COST	\$879,844.07
ESTIMATED TOTAL W/ TAX	\$953,397.24

Discount Summary

Average Savings Per Year	\$56,362.80
TOTAL SAVINGS	\$464,993.12

Payment Summary

Date	Subtotal	Tax	Total
Dec 2025	\$3,456.71	\$288.98	\$3,745.69
Jul 2026	\$109,548.42	\$9,158.02	\$118,706.44
Jul 2027	\$109,548.42	\$9,158.02	\$118,706.44
Jul 2028	\$109,548.42	\$9,158.02	\$118,706.44
Jul 2029	\$109,548.42	\$9,158.02	\$118,706.44
Jul 2030	\$109,548.42	\$9,158.02	\$118,706.44
Jul 2031	\$109,548.42	\$9,158.02	\$118,706.44
Jul 2032	\$109,548.42	\$9,158.02	\$118,706.44
Jul 2033	\$109,548.42	\$9,158.05	\$118,706.47
Total	\$879,844.07	\$73,553.17	\$953,397.24

Quote Unbundled Price:	\$1,133,819.99
Quote List Price:	\$935,899.19
Quote Subtotal:	\$879,844.07

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
S00016	AXON AI - AI ERA	35	99	\$291.12	\$234.00	\$194.22	\$672,972.30	\$59,221.57	\$732,193.87
A la Carte Hardware									
11630	Audio Collector Hardware Fee	1			\$1.00	\$0.00	\$0.00	\$0.00	\$0.00
101408	AXON FUSUS - CORE - CAD	1			\$600.00	\$498.00	\$498.00	\$39.84	\$537.84
101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2			\$2,000.00	\$1,660.00	\$3,320.00	\$265.60	\$3,585.60
101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2			\$5,000.00	\$4,150.00	\$8,300.00	\$664.00	\$8,964.00
A la Carte Software									
100941	Assistive Call-Taking	1	99		\$1.00	\$0.00	\$0.00	\$0.00	\$0.00
101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	99		\$17.47	\$14.50	\$47,371.83	\$4,168.72	\$51,540.55
101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	99		\$16.30	\$1,055.26	\$104,470.94	\$9,193.44	\$113,664.38
A la Carte Services									
100837	Audio Collector Technical Implementation Fee	1			\$1.00	\$0.00	\$0.00	\$0.00	\$0.00
101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4			\$425.00	\$352.75	\$1,411.00	\$0.00	\$1,411.00
101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1			\$50,000.00	\$41,500.00	\$41,500.00	\$0.00	\$41,500.00
A la Carte Warranties									
101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	88		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	88		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	88		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total							\$879,844.07	\$73,553.17	\$953,397.24

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
A la Carte	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	1	01/01/2026
A la Carte	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	1	01/01/2026
A la Carte	101408	AXON FUSUS - CORE - CAD	1	1	01/01/2026
A la Carte	11630	Audio Collector Hardware Fee	1	1	01/01/2026

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
AXON AI - AI ERA	101740	AXON - AI SOFTWARE LICENSE	35	02/01/2026	04/30/2034
A la Carte	100941	Assistive Call-Taking	1	02/01/2026	04/30/2034
A la Carte	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	02/01/2026	04/30/2034

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
A la Carte	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	02/01/2026	04/30/2034

Services

Bundle	Item	Description	QTY
AXON AI - AI ERA	101741	AXON - AI PROFESSIONAL SERVICES	35
A la Carte	100837	Audio Collector Technical Implementation Fee	1
A la Carte	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4
A la Carte	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
A la Carte	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	01/01/2027	04/30/2034
A la Carte	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	01/01/2027	04/30/2034
A la Carte	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	01/01/2027	04/30/2034

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	6433 E Lincoln Dr	Paradise Valley	AZ	85253-4328	USA

Payment Details

Dec 2025

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$13.04	\$1.04	\$14.08
Year 1	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$32.61	\$2.61	\$35.22
Year 1	101408	AXON FUSUS - CORE - CAD	1	\$1.96	\$0.16	\$2.12
Year 1	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$5.54	\$0.00	\$5.54
Year 1	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 1	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 1	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 1	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$410.44	\$36.12	\$446.56
Year 1	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$186.11	\$16.38	\$202.49
Year 1	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$163.04	\$0.00	\$163.04
Year 1	S00016	AXON AI - AI ERA	35	\$2,643.97	\$232.67	\$2,876.64
Total				\$3,456.71	\$288.98	\$3,745.69

Jan 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Invoice Upon Fulfillment	11630	Audio Collector Hardware Fee	1	\$0.00	\$0.00	\$0.00
Total				\$0.00	\$0.00	\$0.00

Feb 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Invoice Upon Fulfillment	100837	Audio Collector Technical Implementation Fee	1	\$0.00	\$0.00	\$0.00
Invoice Upon Fulfillment	100941	Assistive Call-Taking	1	\$0.00	\$0.00	\$0.00
Total				\$0.00	\$0.00	\$0.00

Jul 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 2	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 2	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.67	\$1,116.09
Year 2	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 2	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68
Year 2	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 2	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 2	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 2	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.67	\$14,152.23
Year 2	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.04	\$6,417.25
Year 2	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 2	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.61	\$91,164.66
Total				\$109,548.42	\$9,158.02	\$118,706.44

Jul 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 3	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 3	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.67	\$1,116.09
Year 3	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 3	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68
Year 3	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 3	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 3	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 3	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.67	\$14,152.23
Year 3	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.04	\$6,417.25
Year 3	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 3	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.61	\$91,164.66
Total				\$109,548.42	\$9,158.02	\$118,706.44

Jul 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 4	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 4	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.67	\$1,116.09
Year 4	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 4	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68
Year 4	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 4	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 4	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 4	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.67	\$14,152.23
Year 4	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.04	\$6,417.25
Year 4	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 4	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.61	\$91,164.66
Total				\$109,548.42	\$9,158.02	\$118,706.44

Jul 2029

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 5	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 5	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.67	\$1,116.09
Year 5	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 5	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68
Year 5	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 5	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 5	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 5	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.67	\$14,152.23
Year 5	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.04	\$6,417.25
Year 5	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 5	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.61	\$91,164.66
Total				\$109,548.42	\$9,158.02	\$118,706.44

Jul 2030

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 6	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 6	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.67	\$1,116.09
Year 6	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 6	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68

Jul 2030

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 6	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 6	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 6	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 6	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.67	\$14,152.23
Year 6	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.04	\$6,417.25
Year 6	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 6	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.61	\$91,164.66
Total				\$109,548.42	\$9,158.02	\$118,706.44

Jul 2031

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 7	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 7	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.67	\$1,116.09
Year 7	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 7	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68
Year 7	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 7	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 7	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 7	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.67	\$14,152.23
Year 7	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.04	\$6,417.25
Year 7	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 7	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.61	\$91,164.66
Total				\$109,548.42	\$9,158.02	\$118,706.44

Jul 2032

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 8	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 8	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.67	\$1,116.09
Year 8	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 8	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68
Year 8	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 8	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 8	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 8	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.67	\$14,152.23
Year 8	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.04	\$6,417.25
Year 8	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 8	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.61	\$91,164.66
Total				\$109,548.42	\$9,158.02	\$118,706.44

Jul 2033

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 9	101389	AXON FUSUS - CORE - PRO AI 8TB HDD	2	\$413.37	\$33.07	\$446.44
Year 9	101391	AXON FUSUS - CORE - ELITE AI 2.0 44TB HDD	2	\$1,033.42	\$82.70	\$1,116.12
Year 9	101408	AXON FUSUS - CORE - CAD	1	\$62.01	\$4.96	\$66.97
Year 9	101422	AXON FUSUS - PSO - CORE DEPLOYMENT	4	\$175.68	\$0.00	\$175.68
Year 9	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 9	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	2	\$0.00	\$0.00	\$0.00
Year 9	101424	AXON FUSUS - CORE - EXTENDED WARRANTY	1	\$0.00	\$0.00	\$0.00
Year 9	101711	AXON FUSUS - LICENSE - ADDITIONAL CCTV STREAMS	78	\$13,007.56	\$1,144.63	\$14,152.19
Year 9	101777	AXON FUSUS - LICENSE - UPGRADE FROM PLUS TO PRO	33	\$5,898.21	\$519.06	\$6,417.27

Jul 2033

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 9	101780	AXON FUSUS - PSO - SW IMPLEMENTATION - PRO	1	\$5,167.12	\$0.00	\$5,167.12
Year 9	S00016	AXON AI - AI ERA	35	\$83,791.05	\$7,373.63	\$91,164.68
Total				\$109,548.42	\$9,158.05	\$118,706.47

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Terms and Conditions

If at any time during the term of this Amendment, any applicable court rule or legislation, including any rule of the Arizona Supreme Court, any local rule of the Arizona state courts, or any local rule of the United States District Court for the District of Arizona, prohibits the use of the AI service(s) provided by Axon to Customer, Customer shall provide notice of said court rule or legislation to Axon. Upon receipt of such notice from Customer, the cost set forth in the Quote for AI services shall be reduced as appropriate by the Parties for the remainder of the Term following the adoption of such legislation or court rule, but in no event shall the reduction be less than ten percent (10%) of the cost set forth in the Quote, pro-rated for the remainder of the Term subsequent to the effective date of such legislation or court rule. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at <https://www.axon.com/sales-terms-and-conditions>), as well as the attached Exhibit A. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP: The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

Date Signed

12/4/2025

EXHIBIT A: Prepared Appendix

1. **Client Licenses.** Subject to City's compliance with the terms and conditions of the Agreement, Contractor hereby grants City a non-exclusive, nontransferable, non-sublicensable license to use the Prepared platform during the term of the Agreement. Further, subject to City's compliance with the Agreement, Contractor hereby grants City a non-exclusive, nontransferable right to use, host, store, view, perform or display (whether to the public or otherwise), copy, reproduce, modify, and create derivative works of the caller data transmitted or made available to City.
2. **Reservation of Rights.** All rights not expressly granted to City are reserved by Invictus and its licensors. Except as expressly set forth above, nothing in this Agreement grants any right, title or interest in or to any intellectual property rights in or relating to the caller platform extensions and the Prepared platform, whether expressly, by implication, estoppel or otherwise. All right, title and interest in and to the caller platform extensions and the Prepared platform and all caller data shall remain with Contractor and its licensors.
3. **Limitations and Restrictions.** City shall use and shall ensure that its authorized users use the service and the Prepared platform and any caller data only for authorized uses in compliance with federal, state, and local laws and regulations. City shall not and shall not permit any other person to, access or use or store any caller data except as authorized in this Agreement. City shall not and shall ensure that its users shall not, download, store, or transfer, any caller data from the Prepared platform or any cloud servers, except as authorized in this Agreement.
4. **Limited Client License.** City hereby grants to Contractor a royalty-free, fully-paid, non-exclusive, perpetual, irrevocable, fully sublicensable and transferable worldwide right and license to use, host, store, view, perform, copy, reproduce, modify and create derivative works of any City data submitted or otherwise made available by City solely for purposes of providing and performing services and support under this MOA.
5. **Disclaimer.** The service and the caller platform extension and the Prepared platform are provided, "as is" with all faults and, to the fullest extent permitted by law. Contractor hereby disclaims all warranties, whether express, implied, or statutory. Without limiting the foregoing, Contractor makes no warranty of any kind that the service or the caller platform extension or the Prepared platform, including without limitation any Prepared platform extensions, will meet City's requirements, operate without interruption, achieve any intended result, or be secure, error-free, accurate, current, or complete.





Action Report

File #: 25-275

AGENDA TITLE:
Consideration of Requests for Future Agenda Items

RECOMMENDATION:
Review the current list of pending agenda topics.



FUTURE AGENDA SCHEDULE 2026

MEETING DATE	1/8	1/22	2/12	2/26	3/12	3/26
Executive Session						
Study Session	Update Mockingbird Ln 56th St to Invergordon	Investment Update	Pavement Preservation Update	Committee Applicant Interviews		
	Zoning Code Text Amendment - Assisted Living Homes	Budget Process, CIP Planning and Forecasting, Bonding, Expenditure Limit Election	Healthcare RFP			
			Personnel Appeals Board Rules of Procedure Update			
Presentations	Historic Property Recognition 5404 E Palo Verde Dr	McCormick-Stillman Railroad Park Presentation				
Consent Agenda						
Public Hearings		Zoning Code Text Amendment - Assisted Living Homes				
Action Items		Construction Contract - Las Brisas and Cheney Intersection	Construction Contract Doubletree Ranch Rd Entryway	Construction Contract Mockingbird Ln 56th st to Invergordon	Contract - Sewer System and Manhole Repair	
		Construction Contract - McDonald Drive Curb Replacement: 40th St to 44th St, and 45th St, McDonald to Valley Vista Ln		Construction Contract SRP Underground Conversion - Rose Lane	Committee Appointments & Reappointments	



FUTURE AGENDA SCHEDULE 2026

MEETING DATE	4/9	4/23	5/14	5/28	6/11
Executive Session					
Study Session					
Presentations					
Consent Agenda					
Public Hearings					
Action Items					



FUTURE AGENDA SCHEDULE 2026

MEETING DATE	6/25	9/10	9/24
EXECUTIVE SESSION			
Study Session			
Presentations			
Consent Agenda			
Public Hearings			
Action Items			



FUTURE AGENDA SCHEDULE

MEETING DATE	10/8	10/22	11/12	12/10
Executive Session				
Study Session				
Presentations				
Consent Agenda				
Public Hearings				
Action Items				

This is a tentative calendar and subject to change

Items to be scheduled - Numbering does not reflect priority or order in which items will be scheduled

1 Legislative Update

2 FY 2027 Budget

3

4

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7