



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Meeting Notice and Agenda Town Council

Thursday, February 25, 2016

2:00 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 telephone conference call, pursuant to A.R.S. §38-431(4).

2. STUDY SESSION ITEMS

The Study Session is open to the public however the following items are scheduled for discussion only. 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.

- | | | |
|------------------------------|---|-------------------|
| 16-059 | Discussion of the Town's Procurement Code, Policies, and Procedures | 30 Minutes |
| <u>Staff Contact:</u> | Dawn Marie Buckland, 480.348.3555 | |
| 16-054 | Discussion of APS District 30 Underground Conversion District | 30 Minutes |
| <u>Staff Contact:</u> | James P. Shano, P.E., Public Works Director / Town Engineer
480-348-3573 | |
| 16-056 | Discussion of Scottsdale Sewer IGA | 30 Minutes |
| <u>Staff Contact:</u> | James P. Shano, P.E., Public Works Director/Town Engineer
480-348-3573 | |
| 16-055 | Discussion of 2012-2014 Tax Code Amendments | 15 Minutes |
| <u>Staff Contact:</u> | Duncan Miller, 480-348-3610 | |

3. EXECUTIVE SESSION

- | | |
|---------------|---|
| 16-060 | 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 agenda items listed on the agenda as authorized by A.R.S. §38-431.A.3. |
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4. BREAK

5. RECONVENE FOR REGULAR MEETING 4:00 PM**6. ROLL CALL****7. PLEDGE OF ALLEGIANCE*****8. PRESENTATIONS*****9. CALL TO THE PUBLIC**

Citizens may address the Council on any matter not 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.

16-062 Minutes of Town Council Meeting February 11, 2016

16-058 Receive and File Police Department Strategic Plan

Staff Contact: Peter Wingert, 480-948-7418

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.

**16-063 Approval of a Resolution 16-06 Creating a Joint Planning Team
Between the Town and the City of Scottsdale**

Recommendation: Approve the resolution authorizing the creation of a joint planning team between the Town and the City of Scottsdale.

Staff Contact: Kevin Burke, 480-348-3690

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 three 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.

16-061 Consideration of Requests for Future Agenda Items

Recommendation: Review the current list of pending agenda topics.

Staff Contact: Kevin Burke, 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.



Action Report

File #: 16-059

Memo

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Dawn Marie Buckland, Director of Administration & Gov't Affairs

DATE: February 25, 2016

DEPARTMENT: Administration and Government Affairs Department

Dawn Marie Buckland, 480.348.3555

AGENDA TITLE:

Discussion of the Town's Procurement Code, Policies, and Procedures

Council Goals

Engagement & Transparency - Prioritize public engagement and transparency

Collaboration - Strengthen internal and external collaboration

Finances - Develop a long term sustainable budget

SUMMARY STATEMENT:

The Town's Procurement Code, Council Policy, and Administrative Policy serve to ensure fair and effective purchasing of materials, services, and construction to aid in the delivery of essential public services. These documents have been updated incrementally at various times since 1999.

Staff recommends reviewing these documents in their entirety to ensure that the code and related policies remain relevant and reflect industry best practices and the best interests of the Town of Paradise Valley. The study session presentation will elicit discussion regarding these best practices, and the thresholds which would trigger various bidding requirements and Council approval.

ATTACHMENT(S):

Presentation

Current Procurement Code

Current policies

Working draft language for consideration in the development of an updated code and policy

TOWN OF PARADISE VALLEY

Procurement Code
February 25, 2016



Purpose/Direction Needed

- What requires specific Council approval?
 - Dollar threshold
 - Specific types of activities
- When is a formal bidding process required?
 - Dollar threshold
 - Specific types of activities



Why a Procurement Code

- Best possible service; lowest possible cost
- Minimize risk
- Maximize operational efficiency
- Ensure all federal, state, and local regulations met
- Logical, well-organized, consistent process



Background

- Code
- Policy
- Administrative Policy



Structure

Procurement (Purchasing) Code – WHAT authority
Council delegates for day-to-day and emergency
operations

Administrative Policy – Direction from the Manager on
HOW it is to be carried out



Decision Points

- What requires specific Council approval?
 - Dollar threshold
 - Specific types of activities
- When is a formal bidding process required?
 - Dollar threshold
 - Specific types of activities



Staff Recommendation – Town Code

- Council approval
- Informal and formal procurement
- Expectations of Town Manager



Staff Recommendation – Town Code

Council Approval

- Procurement of materials, services, or construction over \$50,000
 - \$100,000 for specific items approved in current Council adopted budget; exception: all CIP and/or studies over \$50,000
- Purchases shall not be fragmented to circumvent Council approval



Staff Recommendation – Town Code

Informal and Formal Procurement

- Procurement of materials, services, or construction under \$50,000 must follow procedures outlined in Town Manager’s administrative policy
- Procurement over \$50,000 shall be made using some form competitive selection criteria and procedures
 - Requests for Proposal/Qualifications, Invitation to Bid, Cooperative Purchasing, etc.



Staff Recommendation – Town Code

Expectations of Town Manager

- Establish procurement rules & procedures to implement Town Procurement Code
- Procure goods and services accordingly
- Establish rules & procedures for inventory & surplus
- Ensure fair and open procurement
- Oversee approvals and report to Council



Staff Recommendation – Administrative Policy

Detailed procedures for informal purchases under \$50,000

- Thresholds
 - Under \$5,000: comparative pricing
 - \$5,000 to \$25,000: three verbal quotes
 - \$25,000 to \$50,000: three written Requests for Quotations
- All quotes documented and maintained as public records
- Award
 - Responsible bidder with material conformity
 - Quote most advantageous to Town



Staff Recommendation – Administrative Policy

Detailed procedures for formal purchases over \$50,000

- Invitation for bids
- Requests for proposal (RFP)/Requests for Qualifications (RFQ)
- Bid and Contract Surety
- Cancellation of Solicitations and Rejection of Bids
- Final Contract Approval
- Protests



Any questions?



CHAPTER 3 ADMINISTRATION

Article 3-8 PROCUREMENT AND MATERIALS MANAGEMENT

Section 3-8-1 Purchases, how made. ^{465 599}

- A. All purchases of supplies, materials, equipment and contractual services for the Town shall be made by the Town Manager or his designee in accordance with purchase authorizations issued by the Town Manager.

- B. Every contract for, or purchase of, supplies, materials, equipment or contractual services for more than twenty-five thousand dollars (\$25,000.00) in a single transaction shall require the prior action of the Town Council. When the Council has previously budgeted sufficient funds therefore, the following contracts or purchases may be made without prior approval of the Town Council:
 - 1. Supplies, materials, equipment or contractual services purchased from another unit of government at a price deemed below that obtainable from private dealers, including surplus;
 - 2. Contractual services, including but not limited to gas, electricity, telephone and public utility services, purchased from a public utility at a price or rate determined by the Arizona Corporation Commission or other government authority;
 - 3. Supplies, materials, equipment or contractual services when purchased at a price not exceeding a price set therefore by the state purchasing agency or any other state or federal agency authorized to regulate prices for things purchased by the state, whether such price is determined by a contract negotiated with a vendor or otherwise;
 - 4. Supplies, materials, equipment or contractual services which can only be furnished by a single dealer or which have a uniform price wherever bought;
 - 5. Supplies, materials, equipment or contractual services procured pursuant to contract or agreement previously approved by the Town Council; and
 - 6. Emergency purchases.

PROCUREMENT POLICY

PROCUREMENT

<u>Section 1</u>	<u>Purpose.</u>
<u>Section 2.</u>	<u>Definitions.</u>
<u>Section 3.</u>	<u>Exceptions.</u>
<u>Section 4.</u>	<u>Council Approval; When Required.</u>
<u>Section 5.</u>	<u>Purchasing Authority; Duties.</u>
<u>Section 6.</u>	<u>Emergency Purchases; Procedure.</u>
<u>Section 7.</u>	<u>Informal Purchases; Procedure.</u>
<u>Section 8.</u>	<u>Formal Procurement Limits and Process.</u>
<u>Section 9.</u>	<u>Professional Services. (Request for Qualifications)</u>
<u>Section 10.</u>	<u>Bid and Contract Security.</u>
<u>Section 11.</u>	<u>Sole Source Procurement.</u>
<u>Section 12.</u>	<u>Cancellation of Solicitations and Rejection of Bids.</u>
<u>Section 13.</u>	<u>Cooperative Purchasing.</u>
<u>Section 14.</u>	<u>Final Contract Approval.</u>
<u>Section 15.</u>	<u>Ethics.</u>

Section 1 Purpose.

The purpose of this Policy is to establish procedures that will ensure that a fair and competitive process for the procurement of goods and services needed by the Town to be followed by all departments of the Town under the purview of the Town Manager. It is the Town's goal to obtain competitive bids for goods and services whenever such is possible or practicable while emphasizing practices that will permit the Town to receive the best possible value for quality goods and services.

Section 2 Definitions.

The words defined in this section shall have the meanings set forth below whenever they appear in this Policy, unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular provision.

- a. "Best interests of the Town" means advantageous to the Town.
- b. "Code" means the Paradise Valley Town Code.
- c. "Confidential Information" means that if a vendor believes that a bid, proposal, offer, specification or protest contains proprietary information that should be withheld, a statement advising the Purchasing Authority of this fact shall accompany the submission and the information identified wherever it appears. The information identified by the bidder or proposer as confidential shall not be disclosed until the Purchasing Authority makes a determination as to appropriateness of confidentiality. Such determination may be reviewed by the Town Attorney's office. If the Purchasing Authority determines to disclose the information, the vendor shall be informed in writing of such determination.

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- d. “Contract” means all types of Town agreements, regardless of what they may be called, for the procurement of materials, services, or construction or the disposal of property.
- e. “Emergency Procurement” means the procurement of goods, materials, supplies or services which are required to remedy a situation where the health, safety, welfare of the public, or public property is endangered or severely reduced if immediate corrective or preventive action is not taken.
- f. “Formal Procurement” means procurements of ten thousand dollars (\$10,000) or more made by formal procedures in accordance with the provisions of this Policy.
- g. “Gratuities” means unethical or illegally given gifts, services or money offered or given to any officer or employee of the Town with a view toward securing an unfair advantage of obtaining an order or favorable treatment with respect to an award or contract.
- h. “Informal Purchases” means the Procurement of supplies and services of less than ten thousand dollars (\$10,000) made using the Informal Purchase Procedures in this Policy.
- i. “Invitation for Bids” means all documents, whether attached or incorporated by reference, which are used for soliciting bids in accordance with the procedures prescribed in this Policy.
- j. “Multi-step Sealed Bidding” means a two phase process consisting of a technical first phase composed of one or more steps in which bidders submit technical offers to be evaluated by the Town and a second phase in which those bidders whose technical offers are determined to be acceptable during the first phase submit their price bids for consideration.
- k. “Procurement” means buying, purchasing, renting, leasing, or otherwise acquiring any materials, services, construction or property. Procurement also includes all functions that pertain to the obtaining of any material, service, construction, or property, including description of requirements, selection and solicitation of sources, preparation, and award of contract, and all phases of contract administration. Procurement shall not include any material or service secured through a gift, grant or donation to the Town.
- l. “Professional Services” means those services requiring special knowledge, education, or skill, where the qualifications of persons rendering the services are of primary importance. Professional services shall include, but not be limited to, appraisers, attorneys, architects, engineers, surveyors, accountants, psychologists, physicians, and other health professionals.
- m. “Purchasing Authority” means the Town Manager or his designee authorized to manage, supervise, and monitor execution of the terms and conditions of a contract.
- n. “Purchase Description” means the words used in a solicitation to describe the materials, services, or construction for purchase, attached to or made a part of the solicitation.

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- o. “Request for Proposals” means all documents, whether attached or incorporated by reference, which are used for soliciting proposals in accordance with procedures prescribed in this Policy.
- p. “Request for Qualifications” means a request by the Town for detailed information concerning the qualifications of firms to provide professional services.
- q. “Responsible Bidder or Offeror” means a person who has the capability to perform the contract requirements and the integrity and reliability that will assure good faith performance.
- r. “Responsive Bidder or Offeror” means a person who submits a bid, which conforms in all material respects to the Invitation for Bids or Request for Proposals.
- s. “Sole Source” means a vendor or proposer for supplies and services who, through compliance with the procedures set forth in this Policy, has been determined to be the only known source for the supply or service.
- t. “Specification” means any description, usually at a technical level, of the required physical or functional characteristics, or of the nature of a material, service, or construction item. Specification may include a description of any requirement for inspecting, testing, or preparing a material, service, or construction item for delivery.
- u. “Vendor or Proposer” means a person or firm in the business of selling or otherwise providing products, materials, or services.

Section 3 Exceptions.

The Provisions of this Policy are not applicable to contracts for:

- a. Professional Witnesses if the purpose of such contracts is to provide for professional services or testimony relating to an existing or probable judicial proceeding in which the Town is or may become a party to or to contracts for special investigative services for law enforcement purposes;
- b. Agreements negotiated by the Town Attorney in settlement of a claim or litigation or threatened litigation;
- c. Worker’s compensation payments for medical and related expenses;
- d. Intergovernmental agreements;
- e. Election services;
- f. Council initiated contracts;
- g. Investments; and

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- h. The purchase of real property.

Section 4 Council Approval; When Required.

No purchases shall be made by or on behalf of the Town without first obtaining Council approval in the following instances:

- a. Where prior approval is required by the Code or council policy;
- b. When budgeted funds are not available for the purchase;
- c. For the expenditure of funds in an amount in excess of ten thousand dollars.

Section 5 Purchasing Authority; Duties.

- a. The Town Manager shall serve as the Purchasing Authority and shall direct all purchases of goods and services made by or on behalf of the Town. The Town Manager may delegate authority for administration of this Policy to members of Town staff.
- b. The Town Manager, or his designee, shall approve or deny all purchase requests and shall report to the Council on any purchase requiring Council approval.

Section 6 Emergency Purchases; Procedure.

- a. Notwithstanding any other provisions of this Policy, upon declaration of an emergency, the Purchasing Authority may make or authorize emergency procurement based upon a threat to the public health, welfare, property, or safety, or if a situation exists which makes compliance with the provisions of this Policy impracticable, or contrary to the public interest. Emergency procurements shall be made with such competition as is practicable under the circumstances.
- b. Written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.
- c. An emergency procurement shall be limited to those materials, services, or construction necessary to satisfy the emergency need.
- d. Emergency purchases authorized by the Purchasing Authority, which exceed the Formal Procurement limit, shall be reported to the Town Council.

Section 7 Informal Purchases; Procedure.

- a. Procurement of supplies and services of less than of ten thousand dollars (\$10,000) cost shall be made using Informal Purchase Procedures.

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- b. Insofar as it is practical, Informal Purchases should be based on at least three written or verbal quotations. Quotations shall be documented and retained with documentation of the purchase.
- c. The Purchasing Authority or designee shall solicit quotations by telephone, interview, or by written request.
- d. Award shall be made to the Responsible Bidder submitting the quotation that is most advantageous to the Town and conforms in all material respects to the solicitation. The names of the businesses submitting quotations, and the date and amount of each quotation, shall be recorded and maintained as a public record.
- e. Procurements which do not exceed a single aggregate dollar amount of five thousand dollars (\$5,000) cost are exempt from the requirements of this Article, but shall be made using comparative pricing providing for adequate and reasonable competition. Vendors may be selected taking into consideration the price, purchaser's past experience, the vendor's reputation, availability of goods or services, and the service level of the vendor and compatibility of equipment. Other specific criteria may be utilized as necessary and appropriate, given the nature of the specific purchase. Award shall be made to the responsible vendor who submits the quotation that is most advantageous to the Town and conforms to the purchase requirements.

Section 8 Formal Procurement Limits and Process.

- a. Formal Procurement Limits. Except as otherwise provided in this Policy or the Town Code, (see Paradise Valley Town Code, Article 3-5 Public Bids), procurements of ten thousand dollars (\$10,000.) or more shall be made by formal procedures in accordance with the provisions of this section and applicable state laws.
- b. Invitation for Bids. An Invitation for Bids ("Invitation") shall be issued and shall include a purchase description, specifications and all contractual terms and conditions applicable to the procurement.
 - 1. Adequate notice of the Invitation shall be made in a reasonable time before the date set forth in the Invitation for the opening of bids. Notice shall identify the place, date and time of bid opening. Said notice may include publication one or more times in a newspaper of general circulation.
 - 2. Sealed bids shall be opened at the time and place designated in the Invitation. The amount of each bid, and such other relevant information as may be specified by rule, or in the Invitation itself, together with the name of each bidder shall be recorded. This record shall be open to public inspection after the bid opening in a manner prescribed by rule. The bids shall not be open for public inspection until after a contract is awarded. Except to the extent the bidder designates, and the Purchasing Authority concurs, trade secrets or other proprietary data contained in the bid documents shall remain confidential. If the bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential

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portions in accordance with this chapter. Bids shall be unconditionally accepted without alteration or correction, except as authorized in item b.4 of this section. Bids shall be evaluated based on the requirements set forth in the Invitation. Correction or withdrawal of erroneous bids before bid opening, based on bid mistakes, may be permitted in accordance with established rules. After bid opening, no corrections in bid prices or other provisions of bids prejudicial to the best interest of the Town or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids, or to cancel awards of contracts based on bid mistakes, shall be supported by a written determination by the Purchasing Authority.

3. The contract shall be awarded to the lowest responsible and Responsive Bidder whose bid conforms in all material respects to the requirements and criteria set forth in the Invitation.
 4. Multi-step Sealed Bidding may be used if the Purchasing Authority determines in writing that it is not practicable to initially prepare a definitive purchase description that is suitable to permit an award based on competitive sealed bidding. An Invitation for Bids may be issued requesting the submission of technical offers to be followed by an Invitation for Bids soliciting priced offers limited to those bidders whose offers are determined to be technically acceptable under the criteria set forth in the first solicitation.
- c. Request for Proposals. If, under established rules, the Purchasing Authority determines that the use of competitive bidding is neither practicable nor advantageous to the Town, he may request that prospective bidders submit competitive proposals, and establish rules and or criteria for evaluation of proposals, and to provide the basis for a contract that may be entered into as a result of the proposal evaluation process.
1. Notice of the Request for Proposals shall be given in the same manner as provided in subsection b.1 above.
 2. Proposals shall be opened at the time and place designated in the Request for Proposals. The name of each offeror shall be read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing offerors during the process of evaluation. The proposals shall be open for public inspection after contract award. To the extent the offeror designates and the Purchasing Authority concurs, trade secrets or other proprietary data contained in the proposal documents shall remain confidential in accordance with this Policy.
 3. As provided in the Request for Proposals, and under established rules, discussions may be conducted with Responsible Offerors who submit proposals determined to be reasonably acceptable for contract award, for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Revisions may be permitted after submissions and before award for the purpose of

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clarification. In conducting discussions, there shall be no disclosure of any information from proposals submitted by competing offerors.

4. The award shall be made to the Responsible Offeror whose proposal is determined in writing to be the most advantageous to the Town taking into consideration any appropriate evaluation factors which may be determined by the Purchasing Authority.

Section 9 Professional Services. (Request for Qualifications)

- a. The Purchasing Authority or designee may procure professional services. Such services shall include, but not be limited to, the following: physicians, attorneys, engineers, architects, appraisers, accountants, and similar professions.
- b. Contracts for professional services which qualify for the Informal Purchase procedure specified in Section 8.c shall be made in conformance with said section.
- c. Contracts for professional services which qualify for the Formal Procurement process shall be made in conformance with Section 8.c (Request for Proposals), except if the Purchasing Authority determines that the use of the Formal Procurement process is not advantageous to the Town; then the following Request for Qualifications procedure shall apply:
 1. The Purchasing Authority shall solicit statements of qualification from persons or firms interested in rendering the needed professional services to the Town. Statements of qualification may be solicited by mailing notices to interested persons as is deemed appropriate under the circumstances. The notice shall contain a description of the professional services required and such other information, as deemed appropriate.
 2. The designated Town staff person seeking professional services, subject to approval by the Purchasing Authority, shall appoint a committee consisting of two or more persons to evaluate proposals.
 3. The committee shall use procedures and standards prescribed by the Purchasing Authority to screen and assess the qualification of interested persons or firms. The committee may, at any time, request such additional information from any interested person or firm as is deemed necessary and may require interested persons to participate in interviews.
 4. The committee shall recommend one or more persons or firms deemed qualified to render the services. The committee may rank the qualified persons.
 5. A contract for the required professional services, at a fair and reasonable compensation, shall be negotiated by the Purchasing Authority with one of the persons or firms deemed qualified by the committee.

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6. All contracts made pursuant to this section shall be in writing. Contracts for professional services shall not become binding upon the Town until signed by the Town Manager.

Section 10 Bid and Contract Surety.

The submission of Surety to guarantee faithful bid and contract performance may be required. In determining the amount and type of surety required for each contract, the Purchasing Authority shall consider the nature of the performance and the need for future protection for the Town. The requirement for surety must be included in the solicitation documents.

Section 11 Sole Source Procurement.

- a. The Purchasing Authority or designee may procure and contract for supplies and services without compliance with the procedures set forth in this Policy when there has been a written determination that competition is not available and there is only one known source for the supply or service.
- b. The department requesting Sole Source Procurement shall provide a written determination justifying the basis for the Sole Source Procurement, which is subject to approval by the Purchasing Authority.
- c. A Sole Source Procurement request that exceeds ten thousand dollars (\$10,000) shall be submitted in writing for approval by the Town Council. All Sole Source Procurements less than ten thousand dollars (\$10,000) but in excess of five thousand dollars (\$5,000) that are approved by the Purchasing Authority shall be reported to the Town Council within 30 days after such approval.

Section 12 Cancellation of Solicitations and Rejection of Bids.

An Invitation for Bids, a Request for Proposals or other formal solicitation may be cancelled or all bids or proposals may be rejected by the Purchasing Authority if it is in the best interest of the Town. The reasons for the cancellation or rejection shall be made part of the contract file. Reasons for rejection shall be provided upon request by unsuccessful bidders or offerors.

Section 13 Cooperative Purchasing.

PURSUANT TO A.R.S. § 41-2632 the Purchasing Authority or designee shall have the authority to participate with other political subdivisions of this state, the State, and the Federal Government for the procurement of supplies or services in cooperative purchasing agreements without a formal bidding process whenever other governmental units have already done so for the same item or service.


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Section 14 Final Contract Approval.

No Contract shall be final until (1) Approved by Council, for contracts requiring Council approval, and (2) signed by appropriate parties. The recommendation by the Purchasing Authority for award of a contract to a prospective vendor does not, in itself, create a contract with the prospective vendor and no rights or remedies are created by virtue of the Purchasing Authority's recommendation.

Section 15 Ethics.

- a. Town employees must discharge their duties impartially so as to assure fair competitive access to Town procurement by responsible contractors and vendors.
- b. Contractors and vendors doing business with the Town are expected to observe these same ethical standards.
- c. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or for any employee to solicit, demand, accept, or agree to accept from another person, a gratuity or offer of employment in connection with any decision, approval, disapproval, or recommendation in connection with the selection process of contract awards.
- d. It shall be a breach of ethical standards for any employee or former employee of the Town to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

 Administrative Policy	AP 14
	Responsible Department: Management Services
Subject: Purchasing	Effective Date: 02/26/2001
Approvals:	
_____	_____
Thomas M. Martinsen, Town Manager	Date Approved

Purpose

The purpose of this policy is to establish internal procedures and guidelines for purchasing pursuant to the Procurement Policy adopted by the Town Council.

I. Definitions

- A. "Accounting Division" means that function within the Management Services Department responsible for processing and maintaining the financial records of the Town.
- B. "Blanket Purchase Order" means a document provided to a vendor authorizing a series of purchases of specified items or type of items the aggregate of which does not exceed the amount on the Purchase Order.
- C. "Department Director" means the individual responsible for the operation and management of one of the Town's departments.
- D. "Designated Purchasing Authority (DPA)" means the designee of the Town Manager authorized to procure materials or services.
- E. "Invoice" means the request for payment sent by a vendor from whom goods and/or services have been purchased.
- F. "Procurement" means buying, purchasing, renting, leasing, or otherwise acquiring any materials, services, construction or property. Procurement also includes all functions that pertain to the obtaining of any material, service, construction, or property, including description of requirements, selection and solicitation of sources, preparation, and award of contract, and all phases of contract administration. Procurement shall not include any material, property or service secured through a gift, grant or donation to the Town.
- G. "Purchase Order" means a document provided a vendor authorizing the purchase of specified items at a specified price.
- H. "Sole Source" means a vendor or proposer for supplies and services who, through compliance with the procedures set forth in this Policy, has been determined to be the only known source for the supply or service.

II. Policy

A. Delegation of Authority

- 1) The Town Manager delegates to Department Directors purchasing authority not to exceed \$5,000.
- 2) Department Directors may delegate purchasing authority up to \$3,000 to directly reporting staff classified in Decision Band C or higher.
- 3) Department Directors may further delegate purchasing authority up to \$1,000 to other appropriate staff on an as needed basis.
- 4) A Designated Purchasing Authority form shall be completed, approved by the Town Manager, and filed in the Management Services Department.

B. Approval Procedures

- 1) Where approval of a Department Director, the Town Manager, or the Council is required, a Purchase Order shall be prepared and signed by the appropriate DPA prior to the purchase being made. All Purchase Orders shall include an estimate of freight and sales tax.
- 2) For purchasing of supplies and services greater than \$5,000 and less than or equal to \$10,000, a Purchase Documentation Form (Attachment B) shall be prepared and submitted to the Town Manager along with the Purchase Order. Where there is Sole Source Purchase, a written determination justifying the basis for the Sole Source Purchase shall be prepared and submitted to the Town Manager along with the Purchase Order. The Town Manager shall report all Sole Source Purchases in excess of \$5,000 to the Town Council.
- 3) For purchases requiring Council approval, a Purchase Order shall be prepared by the Management Services Department and signed by the Management Services Director indicating Council approval and the date of such approval.
- 4) The Purchase Order shall be forwarded to the Accounting Division upon approval.
- 5) No Purchase Order or Purchasing Documentation Form is required for purchases \$3,000 or less. The Invoice shall be approved by the appropriate DPA as indicated on the Designated Purchasing Authority form and submitted to the Accounting Division for payment.

C. Lease Purchases

- 1) All purchases that are less than \$10,000 and that are to be financed through a capital lease require a Purchase Order approved by the Management Services Director and the Town Manager.

D. Contracts

- 1) Contracts are required for purchases lasting at least one year in duration. Examples of contracts lasting more than one year include contracts for broadband Internet services, banking services, audit services, telephone services, etc.

- 2) All contracts must be approved as to form by the Town Attorney prior to execution or shall be created using an approved contract form.
- 3) All contracts should have a specific end date.
- 4) Contracts will be registered and assigned a contract number by the Town Attorney's office. The contract number shall be indicated on all Invoices and/or Purchase Orders.
- 5) Department Directors have authority to sign contracts not to exceed \$5,000. The Town Manager shall sign all contracts in excess of \$5,000.
- 6) Contracts shall be filed in the department originating the contract.

E. Blanket Purchase Orders

- 1) Blanket Purchase Orders may be used for routine purchases.
- 2) The Blanket Purchase Order shall be for a specified dollar amount approved by the DPA and shall indicate the names of individuals authorized to receive the purchase.
- 3) The aggregate amount of the Blanket Purchase Order shall comply with the Procurement Policy for Informal Purchases and Formal Purchases.
- 4) A copy of the Blanket Purchase Order shall be submitted to the Management Services Department.
- 5) All blanket purchase orders shall expire at the fiscal year end.

F. Credit Applications

- 1) Credit applications received from vendors will be completed by the Management Services Department. The credit application shall indicate the DPA requesting the credit application as well as any dollar limits and names of authorized purchasers.

G. Signature

- 1) A Signature File shall be maintained by Management Services Department in order to readily identify the DPA. Signatures and initials on Purchase Orders and Invoices must be original and not stamps, computerized signatures or other facsimile.

H. Record Retention

- 1) The department authorizing the purchase is responsible for retaining the Purchase Documentation Form, requests for proposal, request for bid, request for qualifications and the responding bids, proposals, qualifications in accordance with the Town's Record Retention Policy.
- 2) All documents are subject to audit.
- 3) All grant-funded purchases will have the documentation forwarded to the Management Services Department to be retained in the Town's official records.

I. Payment

- 1) When a Purchase Order is not required, the appropriate DPA shall indicate on the Invoice the appropriate general ledger account number and initial approval of the Invoice based on the valid receipt of materials and services and approved price. The Invoice shall be forwarded to the Accounting Division for payment.
- 2) When a purchase order is required, and where a separate receiving document is received, the person receiving the merchandise shall verify the quantity and quality of the merchandise received to the receiving document, sign the receiving document, and forward it to The Accounting Division.
- 3) The Accounting Division shall match the Invoice to the signed receiving document and Purchase Order and verify that the Purchase Order was approved by the appropriate DPA. The Accounting Division will match the purchase price on the Invoice to the Purchase Order, and the quantity on the Invoice to the receiving document. The Invoice amount is deemed to be in agreement with the Purchase Order if the purchase price matches the purchase order, and if the sales tax and/or freight are within a 10% tolerance of the amount indicated on the Purchase Order. Invoices exceeding this tolerance must be approved by the originating DPA.
- 4) When a Purchase Order is required and there is no separate receiving document, the individual receiving the merchandise shall verify quantity and quality of merchandise received to the Invoice, sign the Invoice, and forward the Invoice to the Accounting Division for payment.
- 5) The Accounting Division will match the Invoice to the Purchase Order. The Invoice amount is deemed to be in agreement with the Purchase Order if the purchase price matches the purchase order, and if the sales tax and/or freight are within a 10% tolerance of the amount indicated on the Purchase Order. Invoices exceeding this tolerance must be approved by the originating DPA.

J. Refunds of Deposits, Trusts, and Agency Money

- 1) The Town may hold deposits, trust and agency money. These include such funds as demolition deposits, developer bonds, fines and fees collected for the State Treasurer, foreign court bonds, payroll withholdings, etc.
- 2) Department Directors have the authority to approve refunds and may delegate that authority to other appropriate staff as specified on the Designated Purchasing Authority form.
- 3) Refunds are not bound by the dollar limits established for purchasing.

PROCUREMENT CODE

<u>Section 1.</u>	<u>Purpose</u>
<u>Section 2.</u>	<u>Applicability</u>
<u>Section 3.</u>	<u>Town Manager Authority and Duties</u>
<u>Section 4.</u>	<u>Council Approval; When Required</u>
<u>Section 5.</u>	<u>Informal and Formal Procurement Limits and Requirements</u>
<u>Section 6.</u>	<u>Cooperative Purchasing</u>
<u>Section 7.</u>	<u>Sole Source and Single Source Procurement; Excluding Technical Registrants</u>
<u>Section 8.</u>	<u>Competition Impracticable Procurement</u>
<u>Section 9.</u>	<u>Emergency Purchases; Procedure</u>

Section 1. Purpose

The purpose of this Code is to provide for oversight, accountability and good stewardship in the use of city resources. This Code shall govern the purchase of goods, services and construction for or on behalf of the Town, including, but not limited to, the purchase of equipment, material, supplies, services and public improvements.

Section 2. Applicability

1. The provisions of this Code apply only to procurements initiated after its effective date.
2. The provisions of this Code are applicable to every purchase of materials, services and construction with public monies from any source, including grants, and federal assistance monies except as otherwise provided in this section.
3. Contracts for construction and contracts for the services of architects or engineers or other technical registrants to be used in connection with construction contracts shall be governed by the provisions of A.R.S. Title 34, Public Buildings and Improvements. Procedures and other provisions of this Code and rules established pursuant thereto, shall apply to such contracts only to the extent that they are not inconsistent with A.R.S. Title 34, Public Buildings and Improvements.
4. The following contracts are not subject to the provisions of this Code:
 - a. Professional Witnesses if the purpose of such contracts is to provide for professional services or testimony relating to an existing or probable judicial proceeding in which the Town is or may become a party to or to contracts for special investigative services for law enforcement purposes;
 - b. Agreements negotiated by the Town in settlement of a claim or litigation or threatened litigation;
 - c. Worker's compensation payments for medical and related expenses;
 - d. Intergovernmental agreements;
 - e. Election services;
 - f. Employment contracts;
 - g. Investments; and
 - h. The acquisition of an interest in real property.

PROCUREMENT CODE

Section 3. Town Manager Authority and Duties

1. The Town Manager shall serve as Procurement Officer and shall direct all purchases of goods, services, and construction made by or on behalf of the Town. The Town Manager may delegate authority for administration of this Code to members of Town staff.
2. The Procurement Officer shall:
 - a. Establish rules governing the procurement of materials, services and construction to be procured by the Town. Rules and procedures for the procurement of construction and professional design services shall be consistent with this Code and Arizona Revised Statutes, (A.R.S.) Title 34, Public Buildings and Improvements.
 - b. Procure all materials, services and construction required by the Town in accordance with the provisions of this Code and such procurement rules as are established.
 - c. Establish rules and procedures for the management of inventories of material and surplus personal property belonging to the Town.
 - d. Assure that Town procurements are conducted in fair and open manner and avoid collusive and restrictive bidding
3. The Town Manager, or his designee, shall approve or deny all purchase requests and shall report to the Council on administrative purchases.

Section 4. Council Approval; When Required

1. All non-budgeted expenditures of fifty thousand dollars (\$50,000) or more for procurement of materials, services and construction governed by this Code must be approved by Council.
2. Expenditures of one hundred thousand dollars (\$100,000) for the purchase of specific items approved in the current budget adopted by Council do not require further Council approval.
3. Notwithstanding any other provision of this Section, a CIP or study expenditure of \$50,000 or more requires prior Council approval.
4. Purchases shall not be artificially divided or fragmented to circumvent the Council approval requirements or source selection procedures required by this Section.

Section 5. Informal and Formal Procurement Limits and Requirements

1. Informal Procurement. Procurement of materials, services and construction when the cost will not exceed fifty thousand dollars (\$50,000) shall be made using Informal Purchase Procedures as established by the rules and procedures adopted by the Procurement Authority. Informal Purchases should be based on reasonable and adequate competition under the circumstances.

PROCUREMENT CODE

2. Formal Procurement. Procurement of materials, services and construction when the cost is fifty thousand dollars (\$50,000) or greater shall be made using formal competitive selection criteria and procedures, including but not limited to Request for Proposal, Request for Qualification, Invitation to Bid, and as directed by sections 6 through 8 below as established by the rules and procedures adopted by the Procurement Authority.

Section 6. Cooperative Purchasing

Pursuant to A.R.S. § 41-2632 the Procurement Officer or designee shall have the authority to participate with other Procurement Units, including political subdivisions of this state, the State, and the Federal Government, for the procurement of supplies or services in cooperative purchasing agreements without a formal bidding process whenever other governmental units have already done so for the same item or service.

Section 7. Sole Source and Single Source Procurement; Excluding Technical Registrants

Notwithstanding any other provision of this Code, a contract may be awarded for a material, service or construction item without competition if the Procurement Officer determines in writing that there is a sole or single source for the required material, service or construction item. The Procurement Officer may require the submission of cost or pricing data in connection with a purchase under this section. Sole or single source procurement shall be avoided, except when no reasonable alternative sources exist. A written determination of the basis for the sole or single source procurement, approved by the Procurement Officer, shall be included in the procurement file.

Section 8. Competition Impracticable Procurement

Notwithstanding any other provision of this Code, the Procurement Officer may make, or authorize others to make, procurements that do not comply with the competitive selection requirements in Section 5 if the Procurement Officer deems compliance with those provisions impracticable or disadvantageous to the Town's interest. Such procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the procurement and for the selection of the particular contractor, approved by the Procurement Office, shall be included in the procurement file.

Section 9. Emergency Purchases; Procedure

Notwithstanding any other provisions of this Code, the Procurement Officer may make or authorize others to make emergency procurements if there exists a threat to public health, welfare, or safety which makes compliance with competitive selection impractical or contrary to the public interest. Emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor, approved by the

PROCUREMENT CODE

Procurement Officer, shall be included in the procurement file. Emergency purchases, which exceed the Formal Procurement limit, shall be reported to the Town Council.

ADMINISTRATIVE POLICY – PROCUREMENT

Section 1. Definitions

The words defined in this section shall have the meanings set forth below whenever they appear in this Policy, unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular provision.

Addendum means any formal notification of any revision to pertinent information contained in either an informal or formal solicitation.

Advantageous means in the best interest of the Town.

Affiliate means any person whose governing instruments require it to be bound by the decision of another person or whose governing board includes enough voting representatives of the other person to cause or prevent action, whether or not the power is exercised. It may also include persons doing business under a variety of names, or where there is a parent-subsidary relationship between persons.

Alternative Project Delivery Methods means construction related projects that utilize Construction-Manager-At-Risk, Design-Build or Job-Order-Contracting, instead of the traditional Design-Bid-Build method of construction project delivery.

Best and Final Offer means a formal process, conducted by the Purchasing Agent as the last phase of a Request for Proposals process after formal discussions and/or Proposer presentations are conducted.

Best Interests of the Town means advantageous to the Town.

Brand Name or Approved Alternate Specification means a specification that uses one (1) or more manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet Town requirements, and that provides for the submission of equivalent products.

Brand Name Specification means a specification limited to one (1) or more items by manufacturers' name or catalogue numbers.

Business means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Capital Improvements means construction related projects involving the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property.

Change Order means a written order, approved and signed by an authorized agent of the Town, which directs the contractor or the Town, to make changes that are authorized by the change order clause of the original contract.

Construction means the process of building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. Construction does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings or real property.

Construction Manager means a person who provides management and/or technical services required to implement a capital project pursuant to the project guidelines.

Construction-Manager-At-Risk (CMAR) means a project delivery method in which:

- (A) There is a separate contract for design services and a separate contract for construction services.
- (B) The contract for construction services may be entered into at the same time as the contract for design or at a later time.
- (C) Design and construction of the project may be in sequential phases or concurrent phases.
- (D) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Contract means all types of Town agreements, regardless of what they may be called, for the procurement of materials, services, or construction or the **disposition of personal property**.

Contract Modification means any written alteration in the terms and conditions of any contract accomplished by mutual action of the parties to the contract.

Contractor means any person who has a contract with the Town.

Cost Data means information concerning the actual or estimated cost of labor, material, overhead, and other cost elements that have been actually incurred or that are expected to be incurred by the contractor in performing the contract.

Data means documented information, regardless of form or characteristic.

Days mean calendar days unless otherwise specified.

Debarment means an action taken by the **Procurement Officer**, under the provisions of this Procurement Policy, to prohibit a person from participating in Town procurements for three (3) years.

Department/Division means an organizational work unit as defined by the Town of Paradise Valley Organization Chart.

Designee means a duly authorized representative of a person holding a superior position.

Design-Build (DB) means a project delivery method in which:

- (A) There is a single contract for design services and construction services.
- (B) Design and construction of the project may be in sequential phases or concurrent phases.
- (C) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Design-Bid-Build (DBB) means a project delivery method in

which: (A) There is a sequential award of two separate contracts.

(B) The first contract is for design services. (C) The second contract is for construction.

(D) Design and construction of the project are in sequential phases.

(E) Finance services, maintenance services and operations services are not included.

Director means the Director of Administration and Intergovernmental Affairs.

Employee means an individual drawing a salary through the payroll process of the Town.

End User means any Town employee who will actually be using the material or service being requested.

Interested Party means an actual or prospective Bidder or Proposer whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract or by the failure to award a contract. Whether an actual or prospective Bidder or Proposer has an economic interest will depend upon the circumstances of each case.

Invitation for Bids (IFB) means all documents, whether attached or incorporated by reference, which are used for soliciting formal bids in accordance with the procedures prescribed in this Procurement Policy.

Invitation to Submit Technical Offers means all documents, whether attached or incorporated by reference, which are used for soliciting unpriced technical offers to assist in the evaluation of market place technology to determine what specific technology would be

considered to be the most advantageous to the Town to be specified in a subsequent competitive solicitation.

Job-Order-Contracting (JOC) means a project delivery method in which:

- (A) The contract is a requirements contract for indefinite quantities of construction.
- (B) The construction to be performed is specified in job orders issued during the contract.
- (C) Finance services, maintenance services, operations services, preconstruction services, design services related services may be included.

Life Cycle Cost Assessment (LCCA) means the comprehensive accounting of the total cost of ownership, including initial costs, energy, and operational costs, longevity and efficacy of service and disposal costs.

Local Vendor means any individual or company, with business location within the Town limits of Paradise Valley, for a period of six months.

Materials means all personal property, including equipment, supplies, printing and insurance.

May shall be construed as being permissive.

Multi-Step Sealed Bidding means a two-phase process consisting of a technical first phase composed of one (1) or more steps in which Bidders submit un-priced technical offers to be evaluated by the Town and a second phase in which those Bidders whose technical offers are determined to be acceptable during the first phase have their priced bid considered.

Notice of Award means

Person shall include the state, the county, a political subdivision of the state, other governmental entity, a corporation, firm, partnership, limited liability company, association, organization, and any other group acting as a unit, as well as an individual. It includes a trustee, receiver or similar representative.

Price Data means information concerning prices, including profit, for materials, services or construction items substantially similar to those being procured under a contract or subcontract. In this definition, "prices" refers to offered or proposed selling prices, historical selling prices, or current selling prices of the items being purchased.

Private Development means commercial or residential development by the private sector.

Procurement means buying, purchasing, renting, leasing or otherwise acquiring any materials, services and construction. Procurement also includes all functions that pertain to

the acquisition of any materials, services or construction including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Policy means this Procurement Policy outlining various procurement functions.

Professional Services means those services requiring special knowledge, education or skill and where the qualifications of persons rendering the services are of primary importance. Professional Services shall include, but not be limited to, appraisers, attorneys, architects, engineers, surveyors, accountants, psychologists, physicians, and other health professionals.

Project Manager means a person who provides management and/or technical services required to implement a capital project pursuant to the project guidelines.

Proprietary Specification means a specification that describes a material made and marketed by a person having the exclusive right to manufacture and sell such material and excludes other material with similar quality, performance or functional characteristics from being responsive to the solicitation.

Purchasing Agent means the _____ authorized by the Director to commit the Town to a purchase and manage, supervise, and monitor the execution of the terms and conditions of a contract.

Purchase Description means the words used in a solicitation to describe the materials, services or construction for purchase and includes specifications attached to, or made a part of, the solicitation.

Qualified Products List means an approved list of materials, services or construction items described by model or catalogue numbers, that, prior to competitive solicitation, the Town has determined will meet the applicable specification requirements.

Recycled Content Product means a product containing a minimum of thirty-five percent (35%) recycled materials except in those cases where the US EPA has adopted procurement guidelines under the Resource Conservation Recovery Act of 1976.

Recyclable Product means a product or package made from a material for which curbside or drop-off collection systems are in place for a majority of Town residents or businesses; to divert from Town solid waste for use as a raw material in the manufacture of another product or the reuse of the same product.

Registered Vendor(s) means

Request for Information means all documents, whether attached or incorporated by reference, which are used for soliciting unpriced information regarding a specific product or service for evaluation to determine what specifications or scope of work would be considered to be the most advantageous to the Town to be specified in a subsequent competitive solicitation.

Request for Proposals (RFP) means all documents, whether attached or incorporated by reference, which are used for soliciting formal proposals in accordance with procedures prescribed in this Procurement Policy.

Request for Statements of Qualifications (RSOQ) means all documents, whether attached or incorporated by reference, which are used for soliciting formal statements of qualifications in accordance with procedures prescribed in this Procurement Policy.

Responsible Bidder or Proposer means a person who has the capability, skills and experience to perform the contract requirements and the integrity and reliability which will assure good faith performance.

Responsive Bidder or Proposer means a person who submits a bid which conforms in all material respects to the invitation for bids or request for proposals.

Reusable Product A product that can be used several times for an intended end use before being discarded.

Services means the furnishing of labor, time or effort by an independent contractor which does not involve the delivery of a specific end product other than required reports and performance.

Shall The word "shall" shall be construed as being mandatory.

Solicitation means an invitation for bids, a request for technical offers, a request for proposals, a request for quotations, or any other invitation or request by which the Town invites a person to participate in a procurement.

Specification means any description of the physical or functional characteristics, or of the nature of a material, service or construction item. Specification may include a description of any requirement for inspecting, testing, or preparing a material, service or construction item for delivery.

Surplus Property means any supplies, materials and equipment owned by the Town that no longer has any use to the Town. This includes obsolete materials, scrap materials, and supplies, materials and equipment that have completed their useful life cycle.

Suspension means an action taken by the Director temporarily disqualifying a person from participating in Town procurements for six (6) months.

Sustainably Preferable Product means a product that has a reduced negative effect or increased positive effect on human health and the environment when compared with competing products that serve the same purpose. This term includes, but is not limited to, recyclable products, recycled products and reusable products.

Sustainable Product means a product that achieves performance objectives while respecting the Town's values and balancing environmental stewardship, fiscal responsibility, social equity, and community enhancement.

Sustainable Purchasing means purchasing materials, products, and labor in a manner that reflects fiscal responsibility, social equity, environmental stewardship and community enhancement.

Task Order means a written form used in a process associated with On-Call contracts in which a task order form is submitted to initiate professional Architectural, Engineering, Surveying, Landscape Architecture and Geotechnical services from those firms who have been awarded an On-Call contract.

Technical Offer means unpriced written information from a prospective contractor stating the manner in which the prospective contractor intends to perform certain work, its qualifications, and its terms and conditions.

Technical Registrant means

Quotation means a verbal or written commitment to supply materials, services or construction at a stated price and terms.

Request for Quotation (RFQ) means all documents, whether attached or incorporated by reference, which are used for soliciting quotations in accordance with procedures prescribed in the informal procurement process.

Section 2. Informal Purchases; Procedure

- A. Procurement of supplies and services of less than of fifty thousand dollars (\$50,000) shall be made using Informal Purchase Procedures as set forth in this section.
- B. Procurements which do not exceed a single aggregate dollar amount of five thousand dollars (\$5,000) shall be made using comparative pricing providing for adequate and reasonable competition.
- C. Procurements of five thousand dollars (\$5,000) but less than twenty-five thousand dollars (\$25,000) require three verbal quotations. Quotations shall be documented and retained with documentation of the purchase.
- D. Procurements of twenty-five thousand dollars but less than fifty thousand dollars (\$50,000) require three written Requests for Quotations. Quotations shall be documented and retained with documentation of the purchase.
- E. Award shall be made to the Responsible Bidder submitting the quotation that is most advantageous to the Town and conforms in all material respects to the solicitation. The names of the businesses submitting quotations, and the date and amount of each quotation, shall be recorded and maintained as a public record.
- F. Vendors may be selected taking into consideration the price, past experience with the vendor, the vendor's ability to perform, and availability of goods or services. Other specific criteria may be utilized as necessary and appropriate, given the nature of the specific purchase.

Section 3. Formal Procurement Limits and Process

- A. Formal Procurement Limits. Except as otherwise provided in this Policy or the Town Code, procurements of fifty thousand dollars (\$50,000.) or more shall be made by formal procedures in accordance with the provisions of this section and applicable state laws.
- B. Invitation for Bids.
1. An Invitation for Bids shall be issued when the evaluation and selection of a vendor for award is based on the lowest, responsive and responsible Bidder. The bid document shall include a purchase description and all contractual terms and conditions applicable to the procurement.
 - a. Adequate public notice of the invitation for bids shall be given a reasonable time before the date set forth in the invitation for the opening of bids, but not less than two weeks before bid opening. The notice should include publication one or more times in a newspaper of general circulation, including circulation within the Town of Paradise Valley. The notice shall also be posted on the Town's website and sent by electronic notification to registered vendors.
 2. Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid together with the name of each bidder shall be read, recorded and published. The bid documents shall not be open for public inspection until after a contract is awarded. To the extent the bidder designates and the Town concurs, trade secrets or other proprietary data contained in the bid documents shall remain confidential in accordance with rules adopted by the Procurement Officer.
 3. Bids shall be received without alteration or correction, except as authorized in this Article. Bids shall be evaluated based on the requirements set forth in the invitation for bids, including criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose, as may be prescribed in rules adopted by the Procurement Officer. The invitation for bids shall set forth the evaluation criteria to be used, including the weighting of identified criteria. Evaluation criteria shall not be used for construction and no criteria may be used in bid evaluation that is not set forth in the invitation for bids.
 4. The correction or withdrawal of erroneous bids before or after bid opening, based on bid mistakes, may be permitted in accordance with rules adopted by the Procurement Officer. After bid opening, no corrections in bid prices or other provisions of bids prejudicial to the interest of the Town or fair competition shall be permitted. Except as otherwise provided by rule, all decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Procurement Officer.
 5. The contract shall be awarded to the lowest responsive and responsible bidder whose bid conforms in all material respects to the requirements and criteria set forth in the invitation for bids. If all bids for a construction project exceed available monies as certified by the appropriate fiscal officer, and the low responsive and responsible bid does not exceed such monies by more than five per cent, the Procurement Officer may in situations in which time or economic considerations preclude re-

solicitation of work of a reduced scope negotiate an adjustment of the bid price, including changes in the bid requirements, with the low responsive and responsible bidder, to bring the bid within the amount of available monies.

6. The multi-step sealed bidding method may be used if the Procurement Officer determines in writing that it is not practical to initially prepare a definitive purchase description which is suitable to permit an award based on competitive sealed bidding. An invitation for bids may be issued requesting the submission of technical offers to be followed by an invitation for bids limited to those bidders whose offers are determined to be technically acceptable under the criteria set forth in the first solicitation, except that the multi-step sealed bidding method may not be used for construction contracts.
7. If the Procurement Officer determines that no submitted bids are advantageous to the Town, he or she may reject all submitted bids.

C. Request for Proposals.

1. If the use of competitive sealed bidding is either not practicable or not advantageous to the Town, a contract may be entered into by competitive sealed proposals. A Request for Proposals shall be issued when the evaluation and selection of a vendor for award includes other established evaluation criteria in addition to price and/or the scope of work/specifications are not definitively defined. The Request for Proposal document shall include a scope of work, and all contractual terms and conditions applicable to the procurement.
 - a. The Purchasing Agent shall determine if the Request for Proposals process is applicable for the selection of the material or service. Request for Proposals shall not be used for design-bid-build construction projects. However, a Request for Proposals may be used for any of the Alternative Project Delivery Methods (e.g., JOC, CMAR or Design-Build) as phase 2 of a Request for Statements of Qualifications process.
 - b. Request for Proposals may be considered to be more practicable or advantageous if it is necessary to:
 1. Use a contract other than a fixed-price type;
 2. Conduct oral or written discussions with Proposers concerning technical and price aspects of their proposals;
 3. Afford Proposers an opportunity to revise their proposals;
 4. Compare the different price, quality, and contractual factors of the proposals submitted;
 5. Award a contract in which price is not the determining factor; and/or specifications and/or scope of work are not clear or well-defined.
 - c. Proposals shall be opened publicly at the time and place designated in the Request for Proposals. Only the name of each Proposer shall be publicly read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing Proposers during the process of evaluation. The proposals shall be open for public inspection after execution of the contract. Except to the extent the Proposer designates and the Director concurs, trade secrets or other proprietary data contained in the proposal documents shall remain confidential in accordance with established rules.

- d. Specific numerical weighting is not required. However, the Request for Proposal document shall state the relative importance of price and other evaluation factors.
 - e. As provided in the Request for Proposals, discussions may be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible to being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and before award for the purpose of clarification. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Proposers.
 - f. The award shall be made to the **responsive and responsible** Proposer whose proposal is determined in writing to be the most advantageous to the Town taking into consideration the evaluation factors set forth in the Request for Proposals. No other factors or criteria may be used in the evaluation. The contract file shall contain the basis on which the award is made.
2. Request for Proposals shall **set forth**

[ID factors]

- a. The type of materials or services required and a description of the work involved;
 - b. The type of contract to be used;
 - c. An estimated duration that the service will be required;
 - d. That cost or pricing data is required;
 - e. That discussions may be conducted with Proposers who submit proposals determined to be reasonably susceptible of being selected for award;
 - f. The minimum information that the proposal shall contain;
 - g. The closing date and time for receipt of proposals; and
 - h. The evaluation criteria that will be used to evaluate proposal responses. Numerical weighting is not required. However, the Request for Proposal document shall reference each evaluation criterion's relative importance.
3. A Request for Proposals shall be issued at least **twenty one (21) days** before the closing date and time for receipt of proposals, unless a shorter time is determined necessary in writing by _____. **Public notice of the Request for Proposals shall be published** at least once in the official newspaper, not less than five (5) days prior to the opening of the proposals. Requests for Proposals shall be posted and available to download on the Town's website.
4. Pre-Proposal Conferences. Pre-proposal conferences may be convened in accordance with the same procedures outlined in Section _____, "Pre-Bid Conferences".
5. Late Proposals, Modifications or Withdrawals.
- A. A proposal received after the closing date and time for receipt of proposals is late and shall not be considered. **[want any exceptions or discretion? Some allow if before award]** A best and final offer received after the closing date and time for receipt of best and final offers is late and shall not be considered. **[exceptions?]**
 - B. A modification of a proposal received after the closing date and time for receipt of proposals is late and shall not be considered.
 - C. A proposal may be withdrawn at any time before the closing date and time for receipt of best and final offers. Withdrawal of a proposal after submission of best and final offers is not permissible.
6. Receipt of Proposals

- A. Each proposal received shall be date and time-stamped and retained in a secure place until the closing date and time for receipt of proposals. A record of proposals shall be prepared and shall contain the name of each Proposer, the subject of the Request for Proposals and the assigned Request For Proposals number for which the proposal was submitted.
- B. Proposals shall be opened in the presence of one (1) or more witnesses. During the evaluation process, proposals and modifications shall be shown only to those individuals involved in the evaluation and scoring process.
- C. If only one proposal is received in response to a Request for Proposals, the Purchasing Agent may either make an award or re-solicit.
7. Evaluation of Proposals.
- A. Evaluation of proposals shall be based on the evaluation criteria set forth in the Request for Proposals.
8. Discussions with Responsible Proposers and Revisions to Proposal
- A. After an evaluation committee has reviewed all of the initial proposals, discussions may be held with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for award; for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussions and revision of proposals, and such revisions may be permitted after submissions and prior to award, for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Proposers.
- B. Following the initial proposal review and discussions phase, the evaluation committee may either recommend an award to a specific firm or firms, if their proposal is clearly the best offer, or further define the RFP's needs within the scope of the original RFP and call for best and final offers.
- D. Proposal information may not be disclosed to any other Proposer. Each Proposer's information and pricing shall be kept under strict security until after a contract is executed.
- E. Best and final offers shall be requested in formal writing by the _____ and a reasonable time period given to Proposers for making a response. Any Requested best and final offer shall be within the scope of the original RFP and used to further identify and clarify specific service/product needs and appropriate pricing requirements based on those further clarified needs.
9. Best and Final Offers; Tie.
- A. If Best and Final Offers are sought, the _____ shall issue a formal written request for best and final offers. The request shall set forth the date, time and place for the submission of best and final offers. Best and final offers shall be requested only once, unless the _____ makes a written determination that it is advantageous to the Town to conduct further discussions or change the Town's requirements. The request for best and final offers shall inform Proposers that, if they do not submit a best and final offer, their immediate previous offer will be construed as their best and final offer.
- B. In the event of tied proposals, the tie shall be broken according to the following determined by the Purchasing Officer:
1. Best and final offer when determined by the Director to be applicable; or
 2. Draw lots.
10. Mistakes in Proposal Response.

- A. Prior to the time and date set for receipt of best and final offers, if any, or award of contract, any Proposer may withdraw their best and final offer or correct any mistake by modifying their best and final or proposal, as applicable.
- 11. Contract Award for Request for Proposals.
 - A. The contract shall be awarded to the Proposer whose proposal is responsive and responsible and determined in writing to be the most advantageous to the Town based on the factors set forth in the Request for Proposals.
 - B. A Notice of Intent to Award the Contract shall be posted on the Town's website [some notify unsuccessful proposers over formal limit
 - C. After a contract is executed the proposals shall be open for public inspection, except to the extent that the withholding of information is permitted or required by law. If the Proposer designates a portion of the proposal as confidential, disclosure of such portion shall be made in accordance with the following:
 - 1. If a Proposer believes that a proposal contains information that should be withheld, a statement advising the _____ of this fact shall accompany the submission and the information shall be so identified wherever it appears. The information identified by the Proposer as confidential shall not be disclosed until the _____ makes a written determination;
 - 2. The _____ shall review the statement and information and shall determine in writing whether the information shall be withheld; and
 - 3. If the _____ makes the determination to disclose the information, the _____ shall inform the Proposer in writing of such determination prior to disclosure of the information.

Section 4. Procurement of Construction and Specified Professional Services

Professional services contracts with Technical Registrants, as defined in A.R.S., Title 32, and construction services contracts will be governed by the provisions of A.R.S., Title 34.

OR MORE DETAILED PROVISIONS

Section 4. Professional Services. (Request for Statement of Qualifications); Employment of Technical Registrants for Work on Public Facilities and Projects

A. Professional Services

- 1. The Purchasing Officer or designee may procure Professional Services.
- 2. Professional Services contracts that qualify for the Informal Purchase procedure specified in Section ___ shall be made in conformance with said section.
- 3. Professional Services contracts that qualify for the Formal Procurement process shall be made in conformance with Section___ (Request for Proposals), except if the Purchasing Officer determines that the use of the Formal Procurement process is not advantageous to the Town; then the following Request for Qualifications procedure shall apply:

- a. The Purchasing Officer shall solicit Requests for Statements of Qualifications (RSOQ) from persons or firms interested in rendering the needed Professional Services to the Town. RSPQ's may be solicited by mailing notices to interested persons as is deemed appropriate under the circumstances. The notice shall contain a description of the professional services required and such other information, as deemed appropriate.
- b. The designated Town staff person seeking professional services, subject to approval by the Purchasing Officer, shall appoint an Evaluation Committee committee consisting of **two three** or more persons to evaluate proposals.
- c. The Evaluation Committee shall use procedures and standards prescribed by this Procurement Policy to screen and assess the qualification of interested persons or firms. The Evaluation Committee may, at any time, request such additional information from any interested person or firm as is deemed necessary and may require interested persons to participate in interviews.
- d. The Evaluation Committee shall recommend one or more persons or firms deemed qualified to render the services. The Evaluation Committee may rank the qualified persons.
- e. A contract for the required Professional Services, at a fair and reasonable compensation, shall be negotiated by the Purchasing Officer with one of the persons or firms deemed qualified by the committee.
- f. All contracts made pursuant to this section shall be in writing. Contracts for Professional Services shall not become binding upon the Town until signed by the Town Manager.
- g. If it is determined that no submitted proposals are in the best interest of the Town, the Procurement Officer may reject all submitted.

B. Employment of Technical Registrants for Work on Public Facilities and Projects

1. The Purchasing Officer may procure services from a Technical Registrant in the manner prescribed in this section when the contract is for architectural services in the amount of \$250,000 or less or is a contract for other Technical Registrant services for \$500,000 or less.
 - a. Direct Selection may be employed when there is a sole source or a compelling reason to use a specific Technical Registrant. A compelling reason may include, but is not limited to:
 - i. the use of a Technical Registrant who has recently provided similar services to the Town
 - ii. the services to be provided may be considered an extension of an existing contract or project
 - iii. the Technical Registrant has specific knowledge of the work in the Town of Paradise Valley.

- iv. when the Purchasing Officer is unable to successfully negotiate a contract with individuals or firms on a final list pursuant to this Section as determined by the selection committee.
- 2. A request for annual statement of qualifications and experience may be employed when numerous projects have been identified that would make an annual request for qualifications an efficient selection method. The process shall be as follows:
 - i. Initiate an appropriately qualified selection committee for each procurement with rules adopted by the Procurement Officer. The selection committee shall:
 - ii. Evaluate statements of qualifications and experience on file together with those submitted by other persons or firms regarding the procurement.
 - iii. If practicable, conduct interviews with at least three persons/firms regarding the procurement and their proposed methods of furnishing the required services.
 - iv. Select, in order of preference and based on criteria established and promulgated by selection committee, a ranked listing of no less than three firms or individuals, based on demonstrated competence and qualifications only.
 - v. Not request or consider fees, price, man-hours, or any other cost information at any point in the selection process, including the selection of persons or firms to be interviewed, the selection of persons or firms to be on a final list or in determining the order of preference of persons and firms on a final list.
- 3. After a ranked listing has been determined the Purchasing Officer may enter into separate negotiations for a contract with highest ranked person/firm on list. Negotiations may include:
 - i. Consideration of compensation and estimated cost of the project,
 - ii. other contact terms determined to be fair and reasonable,
 - iii. The estimated value, scope, complexity and the nature of the professional services to be rendered, including, the manner in which the registrant intends to accomplish the project, and individual/company References.
 - d. If the Procurement Officer is unable to negotiate a satisfactory contract with the highest qualified person/firm, negotiations may be terminated with that person/firm and negotiations with next most qualified person/firm on the list may commence until an agreement is reached or a determination is made to reject all persons or firms on the final list for the contract.
 - e. If a determination is made by the Procurement Officer to reject all persons or firms on the final list, the Direct Selection method as described in Section 9(B)(1)(a) may be utilized.
- 4. The Procurement Officer shall procure services from a Technical Registrant in the manner prescribed in this section when the contract is for architectural services and is greater than \$250,000 or for other Technical Registrant services in an amount greater than \$500,000.
 - a. The Procurement Officer shall issue a request for qualifications for each contract and publish notice of the RFQ as follows:
 - i. Two consecutive publications in a weekly newspaper, or

- ii. two publications that are at least six but no more than ten days apart if it is a daily newspaper.
 - b. The RFQ shall state: The number of persons/firms to be included on final list.
 - i. If horizontal construction project, at least three but not more than five persons/firms.
 - ii. All other RFQs, three persons/firms shall be on the final list.
5. The criteria to be used by the selection committee to select persons/firms to perform the professional services. The RFQ shall also state, in a manner determined by the Town, the relative weight of the selection criteria.
6. If interviews are to be held as part of the selection process, state that interviews shall be held with at least three and no more than five persons/firms and require a project specific proposal be submitted by each interviewee.
7. The Procurement Officer shall appoint a Selection Committee to review and evaluate submitted Statements of Qualifications. The Selection Committee:
 - i. Shall, if required under the project RFQ, conduct interviews regarding the professional services to be provided, the qualifications of the Technical Registrant, and the expected method of delivery for providing the proposed project's specifications.
 - ii. Shall not request or consider fees, price, man-hours, or any other cost information at any point in the selection process.
 - iii. Select a final list for each contract based on demonstrated competence and qualifications of persons or firms deemed most qualified and rank the persons/firms on the final list in order of preference-based on the criteria and the weighting of criteria included in the RFQ. The number of persons/firms on final list shall be the number specified in the RFQ, except:
 - (1) If the number of submittals received is smaller than the number proposed in the RFQ, the Town may re-advertise the RFQ or elect to have the Selection Committee proceed with remaining persons or firms, Provided that at least two persons or firms remain on the final list.
 - (2) If only one responsive and responsible person/firm responds, the Town may proceed with only one person/firm in the selection process and may award the contract if the Town determines in writing that the fee negotiated is fair and reasonable and that either: other prospective persons or firms had reasonable opportunity to respond, or there is not adequate time for a re-solicitation.
8. If a person/firm on the final list withdraws or is removed from the selection process and the selection committee determines that it is in the best interest of the Town, the selection committee may replace that person/firm with the next ranked person/firm that submitted qualifications.
9. The Town shall enter into negotiations for the contract with the highest qualified person/firm on the final list. The negotiations shall include consideration of compensation and other contract terms that the Town determines to be fair and reasonable to the Town. In making this decision, consideration shall be given to the estimated value, scope, complexity and the nature of the professional services to be rendered. If the Town is not able to negotiate a

satisfactory contract with the highest qualified person/firm on the final list, the Town shall formally terminate negotiations with that person or firm. The Town may undertake negotiations with the next most qualified person or firm on the final list until an agreement is reached or a determination is made to reject all persons or firms on the final list.

10. If such a determination is made the Procurement Officer may terminate all negotiations and re-advertise the Request for Proposals. The Procurement Officer may make modifications to the request for proposals as deemed appropriate.
11. Until an award and execution of a contract by the Town, only the name of each person/firm on the final list developed may be made available to the public. All other information received by the Town in response to the RFQ or contained in the proposals shall be confidential in order to avoid disclosure of the contents that may be prejudicial to competing offerors during the selection process. The proposals shall be open to public inspection after the contract is awarded and the Town has executed the contract. To the extent that the offeror designates and the Town concurs, trade secrets and other proprietary data contained in a proposal remain confidential.
12. If Town wishes to solicit competitive designs, construction –manager-at risk, design-build, job-order-contracting, or multiple contracts, the Town shall follow the procedures required in ARS 34-102, 34-103, 34-601 through 34-609.

[Or More Detailed]

Formal Procurement Process- Professional Design Services, Capital Improvements/Construction and Construction Services

A. The formal procurement process for professional design services and capital improvements/construction projects utilizes different solicitation documents than the Request for Proposals. If the procurement is for professional design services, a Request for Statements of Qualifications solicitation. If the procurement is for capital improvements/construction, an the Invitation for Bids (IFB) or one of the Alternative Project Delivery Methods, such as Construction Manager At Risk (CMAR), Design Build (DB) or Job Order Contracting (JOC), as deemed appropriate, maybe used. If any of the Alternative Project Delivery Methods are utilized, the solicitation and contract award shall be based on qualifications utilizing the Request for Statements of Qualifications (RSOQ). In the event a decision is made to have a phase 2 of the solicitation process, a Request for Proposals may be used to include pricing information. Both the Request for Statements of Qualifications and the Request for proposals documents shall include specifications and/or scope of work, and all contractual terms and conditions applicable to the procurement.

B. Professional Design Services. Professional Design Services are those services that are legally required to be accomplished, reviewed and approved by professionals registered to practice in the State of Arizona and pertain to the following professional services:

1. Architect services
2. Engineering services
3. Assayer services
4. Geologist services

5. Landscape Architect services
6. Land Surveying services

Contracts for these professional design services shall be solicited through a Request for Statements of Qualifications, except as otherwise provided for Sole or Single Source, Emergency Purchase, or Cooperative Purchases. [add impractical?] All contracts for professional services referenced above, shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and this Procurement Policy.

The Request for Statements of Qualifications shall be issued at least **twenty one (21) days before the closing date and time for receipt of statements** of qualifications, unless a shorter time is determined necessary in writing by the Director. Notice of the Request for Statements of Qualifications shall be published [_____].

C. Capital Improvements/Construction

- a. Capital Improvements is the construction related projects involving the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property, which extends the life or increases the productivity of the real property. Construction is the process of building, altering, repairing, improving or demolishing any public infrastructure facility, including public structure, public building, or other public improvements of any kind to any real property. Construction does not include the routine operation, routine repair, or routine maintenance of existing public infrastructures or facilities, including structures, buildings or real property.
- b. Contracts for capital improvements/construction shall be solicited utilizing an Invitation for Bids process or one of the Alternative Project Delivery Methods, except as otherwise provided for as a "Sole Source" or "Emergency Purchase". [Use of Coop?
- c. All contracts for Capital Improvements/construction shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and this Procurement Policy.
- d. Bidders shall submit subcontractor lists for all subcontracts that are above \$5,000. Bids not in compliance with this requirement shall be deemed non-responsive. Submission of the subcontractor list shall act as Bidder certification that the work shall be performed by either the Bidder or the listed subcontractors. Substitutions may be allowed for reasons including, but not limited to, subcontractor non-responsiveness, insolvency, or any other reason deemed by the Director to be in the best interest of the Town.

D. Construction Services

Construction Services is a combination of construction and one or more related services, such as finance services, maintenance services, operations services, design services and pre- construction services, as these services are authorized in the definitions of Construction Manager at Risk, Design Build or Job Order Contracting as follows:

- A. Construction-Manager-At-Risk is a project delivery method in which:

1. There is a separate contract for design services and a separate contract for construction services;
2. The contract for construction services may be entered into at the same time as the contract for design services or at a later time;
3. Design and construction of the project may be in sequential phases or concurrent phases; and
4. Finance services, maintenance services, operations services, preconstruction services, and other related services may be included.

B. Design-Build is a project delivery method in which:

1. There is a single contract for design services and construction services;
2. Design and construction of the project may be in sequential phases or concurrent phases; and
3. Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included.

C. Job-Order-Contracting is a project delivery method in which:

1. The contract is a requirements contract for indefinite quantities of construction;
2. The construction to be performed is specified in job orders issued during the contract;
3. Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included; and
4. The project limit shall be set by the Procurement Officer in accordance with A.R.S. Title 34, Public Buildings and Improvements.

D. Design-Bid-Build is the traditional project delivery method, other than the three (3) alternative project delivery methods, referenced above, in which:

1. There is a sequential award of two (2) separate contracts;
2. The first contract is for design services;
3. The second contract is for the actual construction;
4. Design and construction of the project are in sequential phases; and

5. Finance services, maintenance services and operations services are not included.

Contracts for construction services shall be solicited through a construction-manager-at-risk, design-build or job-order-contracting selection process utilizing a Request for Statement of Qualifications, except as otherwise provided for in "Sole or Single Source" or "Emergency Purchase" procurements. All contracts for professional services referenced above, shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and this Procurement Policy.

The Request for Statements of Qualifications shall be issued at least **twenty one (21) days** before the closing date and time for receipt of statements of qualifications, unless a shorter time is determined necessary in writing by the Director. Public notice of the Request for Statements of Qualifications shall be published

Section 5. Evaluation/Selection Committee

All vendor responses to formal solicitations that contain evaluation criteria, in addition to price, shall be evaluated and scored by an evaluation/selection committee according to the following:

- A. The committee shall review and evaluate vendor responses according to the evaluation criteria referenced in the solicitation document. **All committee members shall score each vendor according to the scoring matrix.**
- B. The selection of Evaluation Committee members shall be determined, collectively, by the Procurement Officer and the user department. **The Evaluation Committee shall consist of at least three (3) people, but preferably five (5) people.** For any evaluation committee comprised of more than three (3) members, the committee shall consist of an odd number of members.
- C. Evaluation Committee membership is not restricted to Town employees. However, committee members may not receive compensation, present a proposal, nor be affiliated with a person presenting a proposal.
- C. Evaluation Committee members may be required to attend a training session on the elements of evaluating proposal responses from Proposers and the various elements to be scored, given the evaluation criteria outlined in the solicitation document.

Section 6. Bid and Contract Surety

The submission of Surety to guarantee faithful bid and contract performance may be required. In determining the amount and type of surety required for each contract, the Procurement Officer shall consider the nature of the performance and the need for future protection for the Town. The requirement for surety must be included in the solicitation documents.

Section 7. Cancellation of Solicitations and Rejection of Bids

An Invitation for Bids, a Request for Proposals or other formal solicitation may be cancelled or all bids or proposals may be rejected by the Procurement Officer if it is in the best interest of the Town. The reasons for the cancellation or rejection shall be made part of the contract file. Reasons for rejection shall be provided upon request by unsuccessful bidders or offerors.

Section 8. Final Contract Approval

No Contract shall be final until (1) Approved by Council, for contracts requiring Council approval, and (2) signed by appropriate parties. The recommendation by the Procurement Officer for award of a contract to a prospective vendor does not, in itself, create a contract with the prospective vendor and no rights or remedies are created by virtue of the Procurement Officer's recommendation.

Section 9. Protests

An actual or prospective Bidder or Proposer, who is aggrieved in connection with the solicitation or award of a contract, may protest any aspect of a solicitation prior to award of a contract.

A. Time for Filing Protests.

1. Protests based upon alleged improprieties in a solicitation that are apparent before the solicitation due date shall be filed not less than five (5) working days before the solicitation due date. Contracts shall be final and no protest pursuant to this section may be filed after award.

2. In cases other than alleged improprieties in a solicitation, protests shall be filed within five (5) days after the aggrieved person knows or should have known the facts and circumstances upon which the protest is based. However, in no event, shall the protest be filed later than seven (7) days after issuance of notice of award.

B. Filing a Protest

1. A protest shall be submitted, in writing, to the Procurement Officer and shall include the following information:
 - a. The name, address, telephone number and e-mail address of the Protestant;
 - b. The signature of the Protestant or its representative;
 - c. Identification of the solicitation and contract number;
 - d. A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and
 - e. The form of relief requested.
2. The Procurement Officer, without waiving the Town's right to dismiss the protest for lack of timeliness, may consider any protest that is not filed timely.
3. The Procurement Officer shall give notice of the protest to the successful vendor if award has been made, or if no award has been made, to all actual or prospective Bidders or Proposers.
4. The Procurement Officer shall review the formal protest and issue a written

determination within fourteen (14) days of receiving the formal protest in. The Procurement Officer may also give notice of the ruling to any other persons involved in the solicitation whose interests may be affected by the ruling.

C. Stay of Procurements During the Protest

In the event of a timely protest the Town may proceed further with the solicitation or with the award of the contract unless the Procurement Officer makes a written determination that there is a reasonable probability that the protest will be sustained or that the stay of procurement is not contrary to the substantial interests of the Town.

D. Confidential Information.

Material submitted by a Protester shall not be withheld from an interested party except to the extent that the withholding of information is permitted or required by law or as determined pursuant to Procurement Policy provisions for confidential material.

E. Remedies.

A. If the Procurement Officer sustains the protest in whole or part and determines that a solicitation or proposed contract award does not comply with the procurement Code, Procurement Policy, or applicable statutes, the Procurement Officer shall implement an appropriate remedy.

B. In determining an appropriate remedy, the Procurement Officer shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to, the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement process, the good faith of the parties, costs to the Town, the urgency of the procurement and the effect of the relief.

C. An appropriate remedy may include one or more of the following:

1. Reissue the solicitation; or
2. Issue a new solicitation; or
3. Award a contract consistent with the Town Procurement Code and Procurement Policy and other applicable laws and regulations; or
4. Such other relief as is determined necessary to ensure compliance with the Town Procurement Code and Procurement Policy and other applicable laws and regulations.

F. Dismissal of Protest

The Procurement Officer may dismiss a protest, upon a written determination, if

1. The protest does not state a valid basis for protest; or
2. The protest is untimely.

G. Request for Hearing

1. If a formal protest is not resolved by the Protester and the Procurement Officer, the Protester may request a hearing ("Hearing Request"). The Hearing Request

shall be in writing and filed with the Procurement Officer no later than seven (7) days after the written determination by the Procurement Officer pursuant to Section _____.

2. Hearing Requests must be in the possession of the Procurement Officer no later than 5:00 p.m. on the due date. The Procurement Officer is located at:

Town of Paradise Valley
Town Hall
6401 East Lincoln Drive
Paradise Valley, AZ 85253

3. The hearing will be conducted by the **Town Manager or designee ("Hearing Officer") and shall be held within sixty (60) days** after the Hearing Request is received by the Procurement officer, unless the Town and Protestant agree otherwise.



Action Report

File #: 16-054

Memo

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
James P. Shano, P.E., Public Works Director / Town Engineer
Jeremy Knapp, Engineering Services Analyst

DATE: February 25th, 2016

DEPARTMENT: Public Works and Engineering Department

James P. Shano, P.E., Public Works Director / Town Engineer
480-348-3573

AGENDA TITLE:
APS District 30 Underground Conversion District Discussion

Council Goals
(CIP) Maintain, repair, and add critical infrastructure in the Town
(CIP) Include visual improvements as components of capital projects
(Collaboration) Cultivate strong relationships with interested stakeholders

SUMMARY STATEMENT:
Since 1988 the Town of Paradise Valley and APS have cooperated on undergrounding overhead power lines throughout the town through 35 of 36 identified conversion districts. To date, over 1,958 poles and 74 miles of overhead line have been removed. Last year, the Town and APS approved an extension of the undergrounding agreement to January of 2018 to attempt the final conversion district, APS District 30.

This district, located east of Scottsdale Road and south of Jackrabbit is uniquely challenging in its border with Scottsdale on three of its four sides. As such, it has been attempted previously, in 2009, and failed to receive adequate resident participation due to overhead lines in Scottsdale remaining along the town's boundary. Town staff has worked with APS to extend our agreement to these lines, and will present several options/scenarios on how we attempt to complete this final district. Staff will be looking for direction on which approach to take moving forward.

ATTACHMENT(S):
APS District 30 PowerPoint Presentation

File #: 16-054



TOWN OF PARADISE VALLEY

APS DISTRICT 30



February 25th, 2016

TODAY'S FOCUS

Direction on approach to APS District 30, a multi-jurisdictional Overhead Conversion District



February 25th, 2016

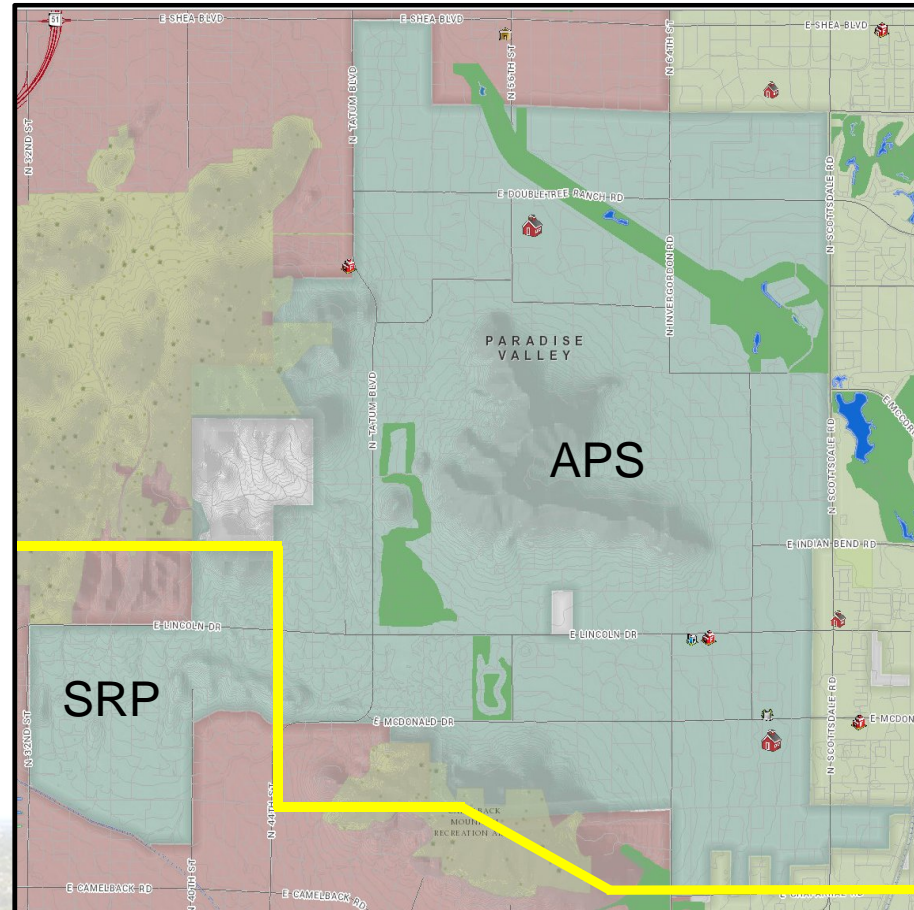
AGENDA

- APS Undergrounding Agreement
- District 30 History
- Project Approach with Costs
- Direction on Approach



February 25th, 2016

APS UNDERGROUNDING AGREEMENT



February 25th, 2016

WHAT HAVE WE ACCOMPLISHED?

- Removal of 1,958 poles in 36 Districts
- Removal of over 74 miles of overhead lines
- Installation of over 112 miles of new underground infrastructure
- Significant financial investment of \$42 Million
 - Town \$26.1 Million
 - Town Residents \$500k +
 - APS \$15.4 Million



February 25th, 2016

APS UNDERGROUNDING AGREEMENT

- Originally executed in 1988 with four extensions, expires in 2018
- Intent to underground all APS overhead lines within the town, Resolution 577 and 813
- Town pays 100% of telco undergrounding (Cox, CenturyLink, etc.)
- Undergrounding of power lines cost breakdown:

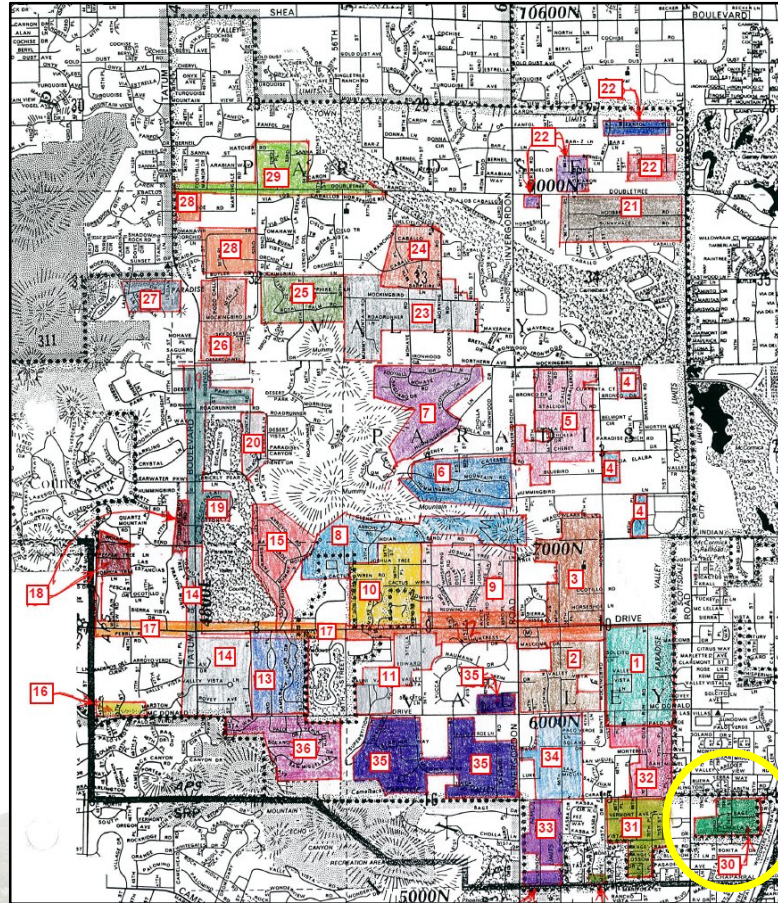
SRP		APS
66%	Town	55%
33%	Town Residents	\$1,500 Per Lot*
Aesthetic Funds (\$100,000 annually)	Service Provider	45%

* \$4,500 for hillside lots



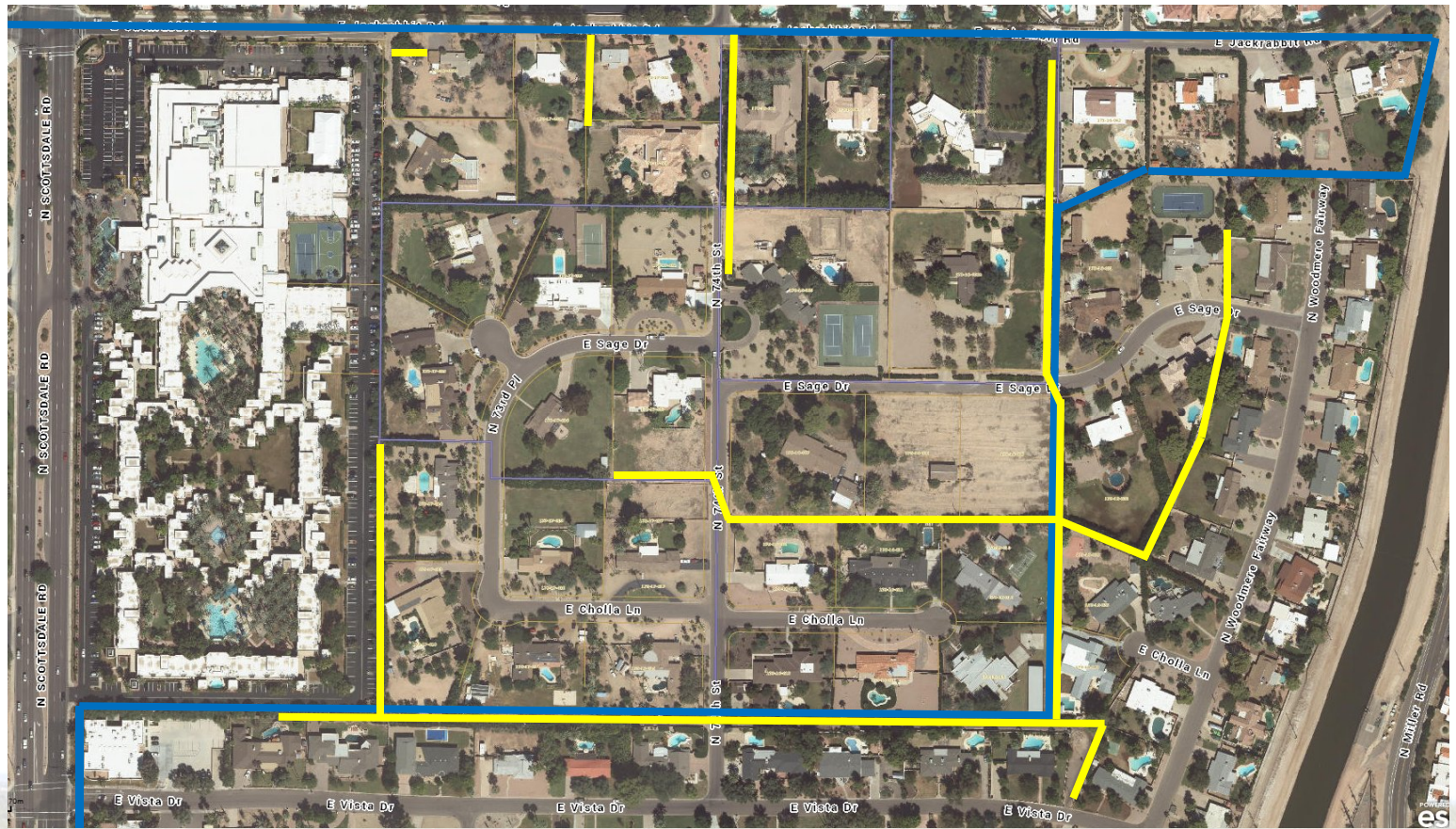
WHAT IS LEFT TO ACCOMPLISH?

- District 30
- 5,131 Linear Feet
- Approximately \$1 Million



February 25th, 2016

DISTRICT 30 HISTORY



February 25th, 2016

DISTRICT 30 HISTORY

- 30 lots within the district
- First attempted in 2009, only 2 contributions
 - Main issue, backbone line outside of the Town
- Town Staff reached out to the City of Scottsdale
 - Unwilling to participate financially
- APS agreed to extend cost sharing for backbone line



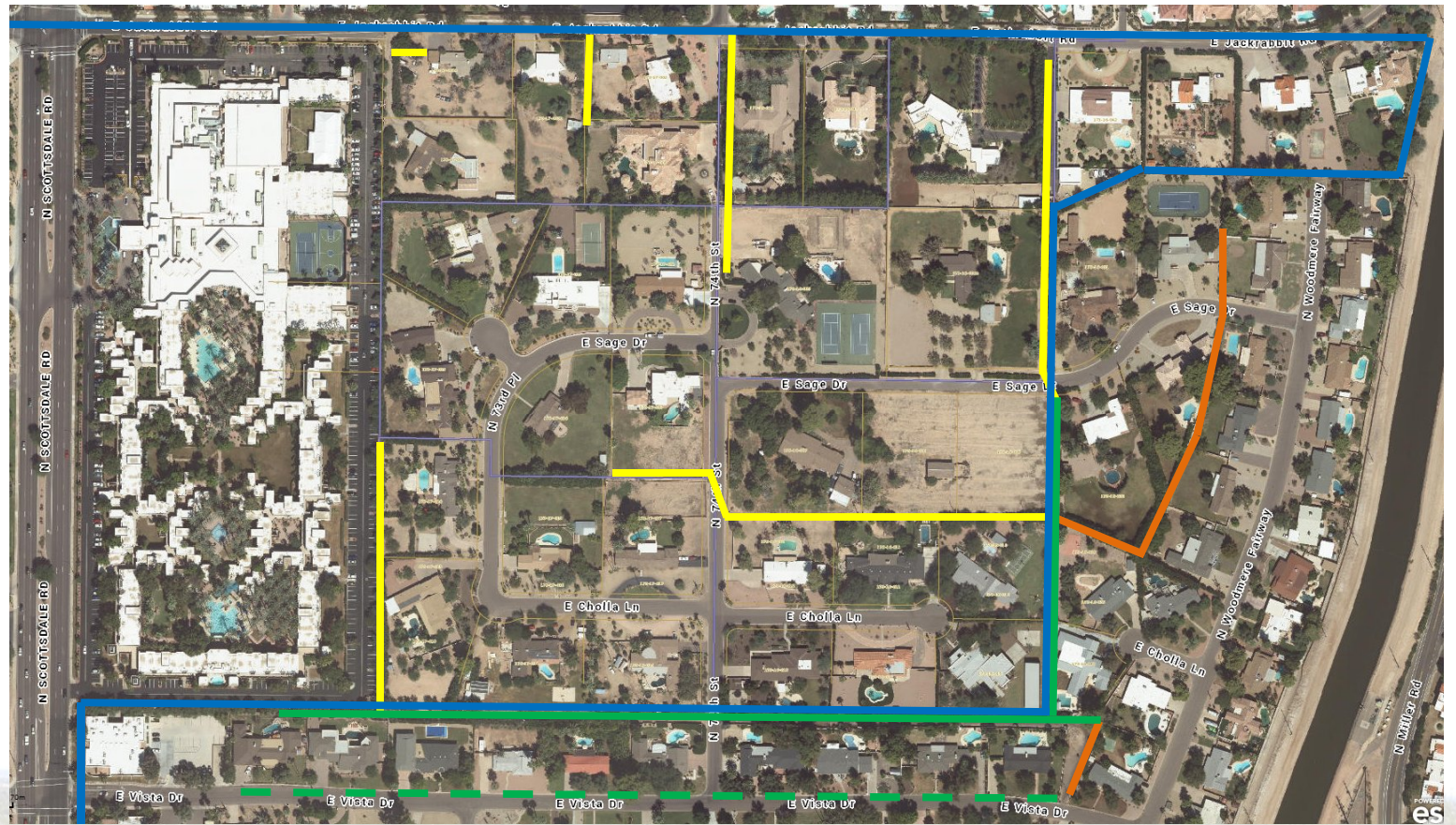
February 25th, 2016

DISTRICT 30 COSTS

Option 1:
\$ 494,128

Option 2:
\$ 710,917

Option 3:
\$ 927,706



February 25th, 2016

DISTRICT 30 APPROACHES

Option 1 – Underground lines within the Town only

- + Fully Funded
- Unlikely to meet 50% resident contribution due to backbone
- This was the approach utilized in 2009



\$ 494,128

February 25th, 2016

DISTRICT 30 APPROACHES

Option 2 – Underground lines in town and backbone in Scottsdale

- Need more town funding
- + More likely to meet 50% resident contribution due to backbone

What to do with Scottsdale houses on backbone?

Scenario A – Treat them like town residents, request \$1,500 per lot

Scenario B – Scottsdale residents pay 50% of backbone cost (\$150,000)

Scenario C – Town pays Scottsdale residents share



\$ 710,917

February 25th, 2016

DISTRICT 30 APPROACHES

Option 3 – Underground lines in town and backbone/lines in Scottsdale

- Need more town funding
- APS Agreement has not been extended to these additional lines
- Not likely to receive more town resident contributions than Option 2

What to do with Scottsdale houses on backbone and Scottsdale lines?

Scenario A – Treat them like town residents, request \$1,500 per lot

Scenario B – Split Scottsdale backbone and lines 50/50

Scenario C – Town pays 100% of backbone cost, Scottsdale pays for lines

Scenario D – Town pays Scottsdale residents share



\$ 927,706

February 25th, 2016

DISTRICT 30 COSTS

	Town	Town Residents	APS	Total
FY15-16 CIP Budget	\$ 479,366	\$ 24,000	\$ 346,391	\$ 849,757
Option 1	\$ 265,770	\$ 24,000	\$ 204,358	\$ 494,128
Option 2	\$ 394,004	\$ 24,000	\$ 292,913	\$ 710,917
Option 3	\$ 610,793	\$ 24,000	\$ 292,913	\$ 927,706

Direction on approach to APS District 30, a multi-jurisdictional Overhead Conversion District



February 25th, 2016

THANK YOU!

Questions?





Action Report

File #: 16-056

Memo

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
James P. Shano, P.E. Public Works Director/Town Engineer

DATE: February 25th, 2016

DEPARTMENT: Public Works and Engineering Department

James P. Shano, P.E., Public Works Director/Town Engineer
480-348-3573

AGENDA TITLE:
Scottsdale Sewer IGA

Council Goals
(Collaboration) Cultivate strong relationships with interested stakeholders
(CIP) Maintain, repair, and add critical infrastructure in the Town

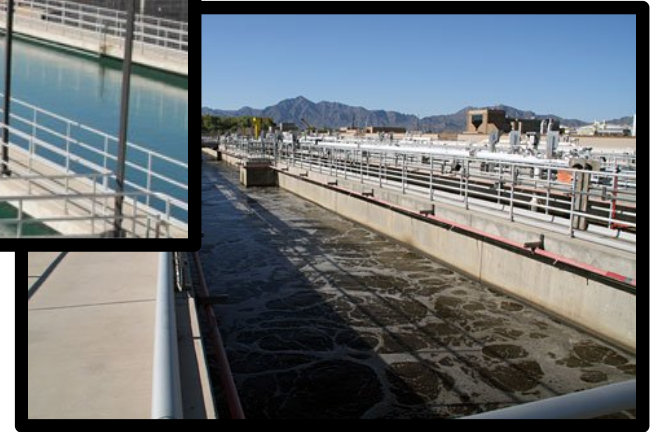
SUMMARY STATEMENT:

The Town of Paradise Valley (Town) has two wastewater service providers. Portions of the southwest and northwest are served by the City of Phoenix which owns, operates and maintains the wastewater facilities in these areas. The remaining areas are served by the Town which owns, operates and maintains the collection system within these areas.

The Town's wastewater service area is provided wastewater treatment and disposal services through an Intergovernmental Agreement (IGA) entered into in 1998 with the City of Scottsdale (Scottsdale). The Town's wastewater is either pumped to Scottsdale's Water Campus or flows by gravity through Scottsdale's system to the Sub-Regional Operating Group (SROG) interceptor system, which conveys flows to the 91st Avenue Wastewater Treatment Plant (WWTP). Scottsdale is a member of the SROG. The Town's capacity ownership in the Scottsdale wastewater system is currently monitored by flow metering at 13 locations in the Town's service area for 13 wastewater drainage basins. Flows from 6 drainage basins are not metered; these flows are estimated using information from the metered areas. Town staff has worked with the City of Scottsdale to update the current IGA as a result of a proposed rate increase of over 50% by Scottsdale several years ago. Town staff will present the highlights of that draft IGA.

File #: 16-056

ATTACHMENT(S):
Scottsdale Sewer IGA PowerPoint Presentation



TOWN OF PARADISE VALLEY

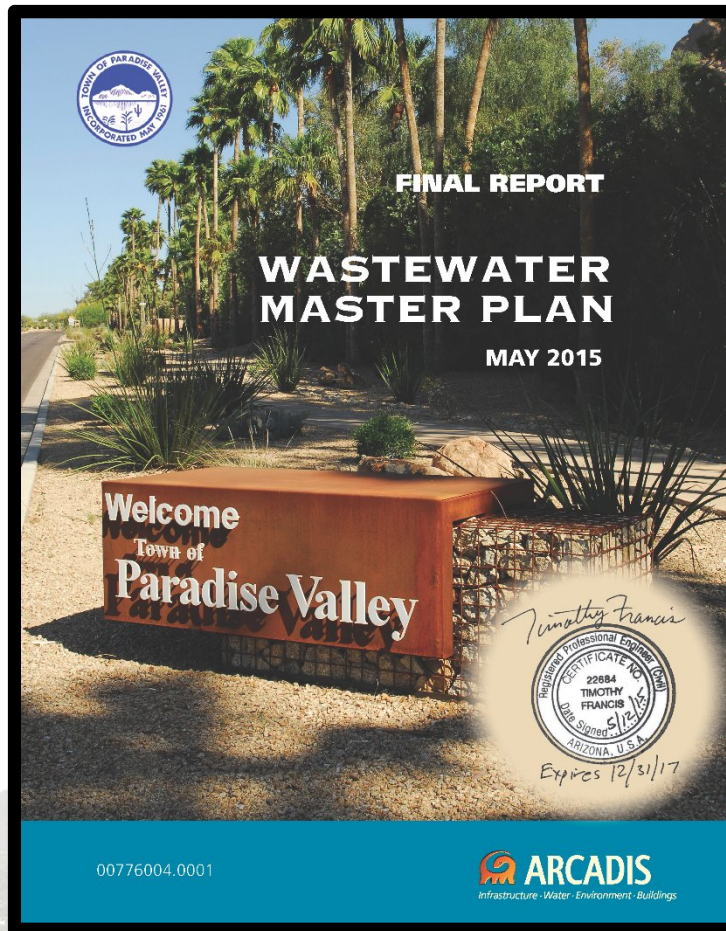
CITY OF SCOTTSDALE

SEWER IGA

February 25th, 2016

PURPOSE

- Sewer 101
- Master Planning
- Current Sewer IGA
- Proposed Sewer IGA
- Financing
- Questions

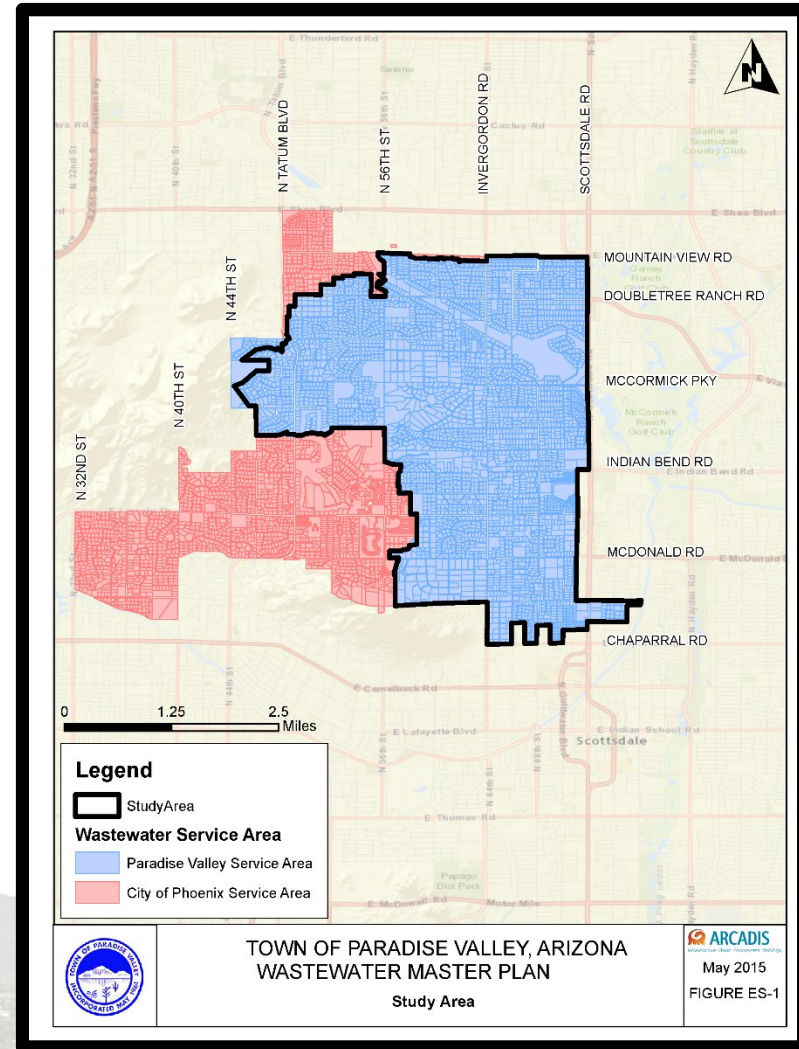


SEWER 101

- Blue = Paradise Valley Service Area
- Red = City of Phoenix Service Area



February 25th, 2016

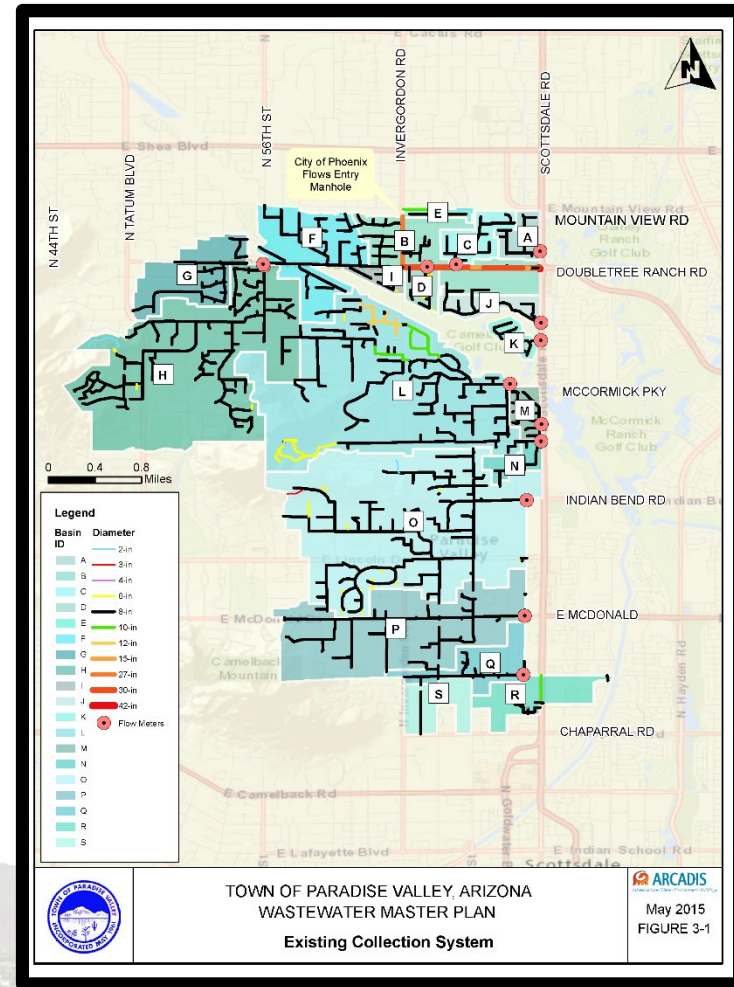


SEWER 101

- Skeletonized Model of the Town's Collection System
- 19 Basins labeled A thru S
- Color coded pipeline sizes
- 13 Metering Locations

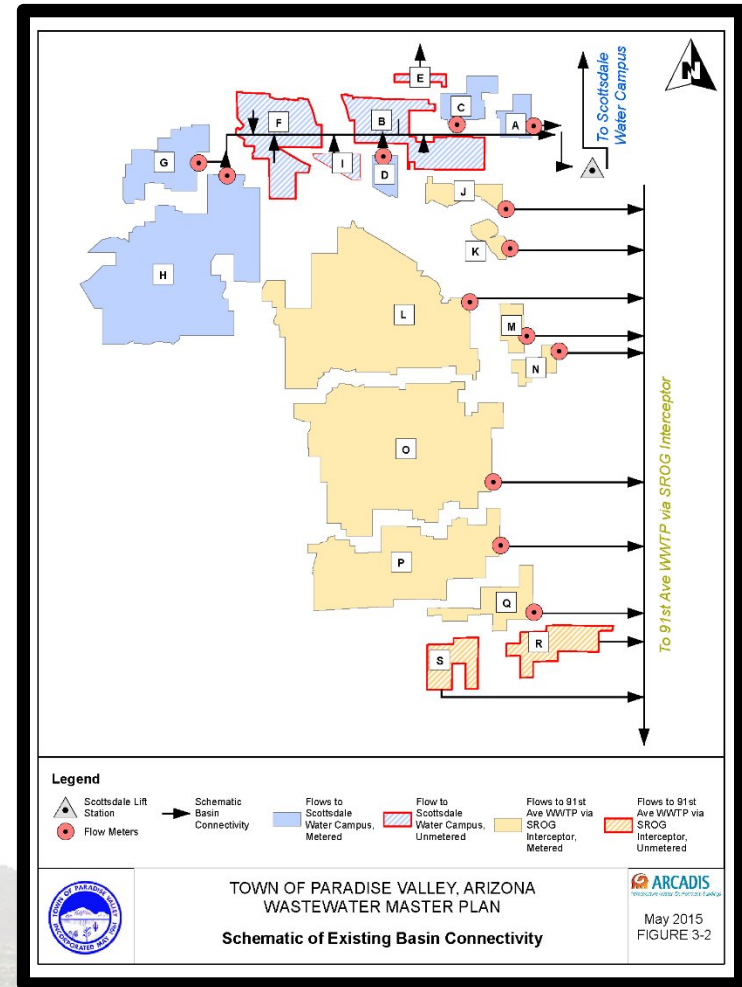


February 25th, 2016



SEWER 101

- Town of Paradise Valley System
 - Scottsdale Water Campus
 - 91st Avenue WWTP and SROG Interceptor
- Identifies which basins flow to the Water Campus and which flow to 91st Avenue
- Identifies the metered and unmetered basins



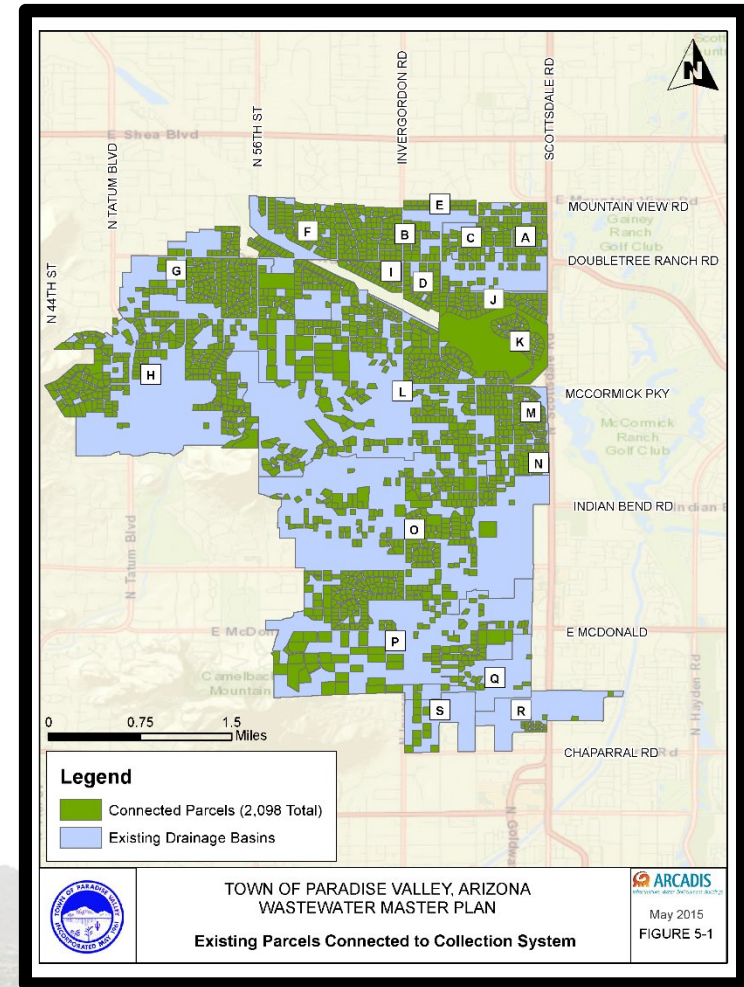
February 25th, 2016

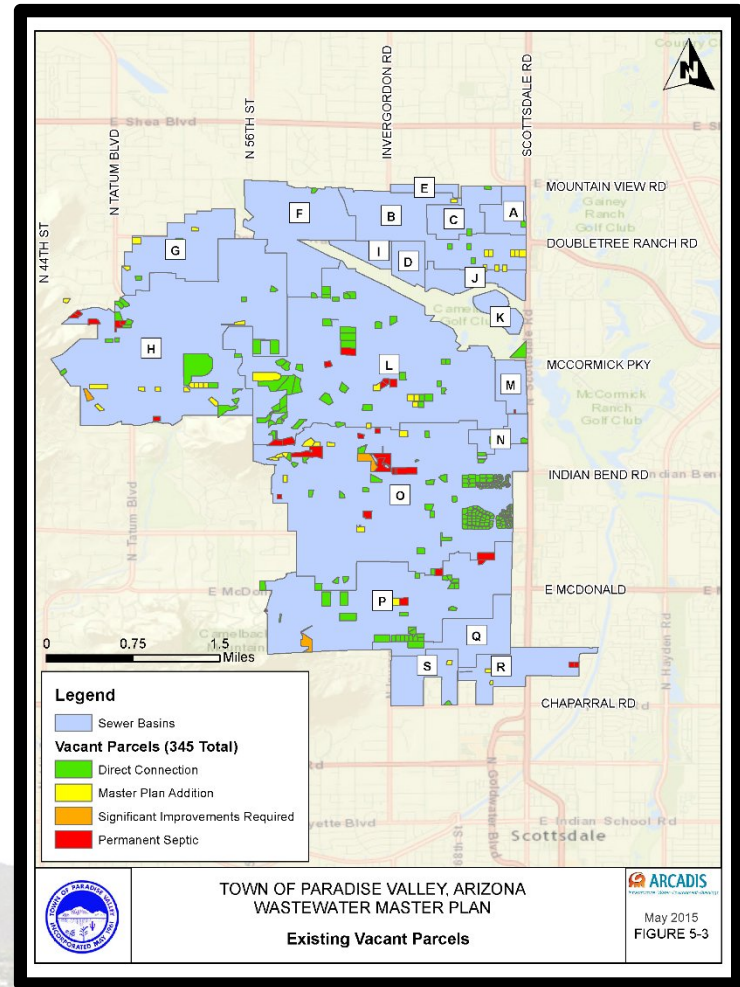
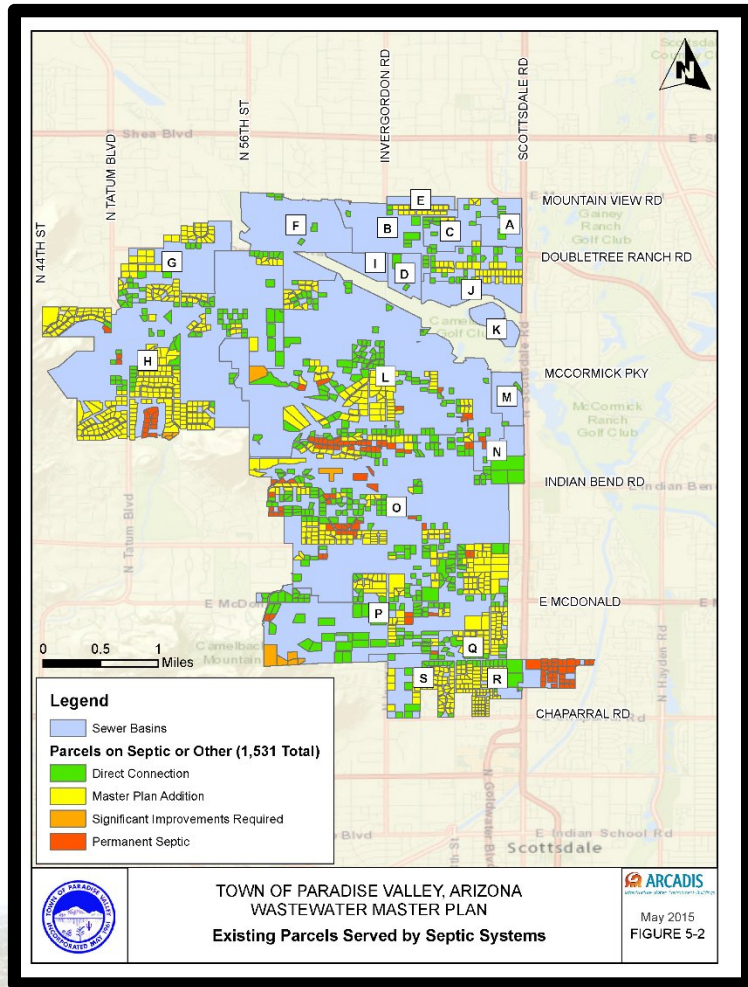
SEWER 101

- Parcels Connected to Sewer System
- Parcels Connected to Septic
- Vacant Parcels



February 25th, 2016

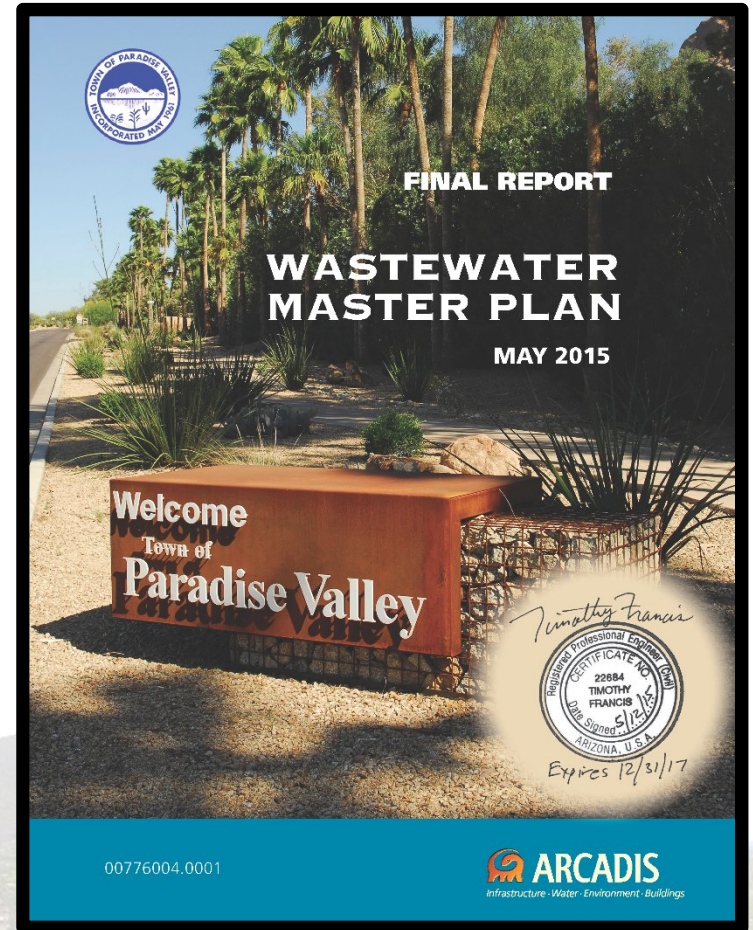




February 25th, 2016

MASTER PLANNING

- City of Scottsdale – Team Member
- Completed in May 2015 by ARCADIS
- Existing Wastewater System
- Existing Wastewater Flows
- Future Wastewater Flow Projections



February 25th, 2016

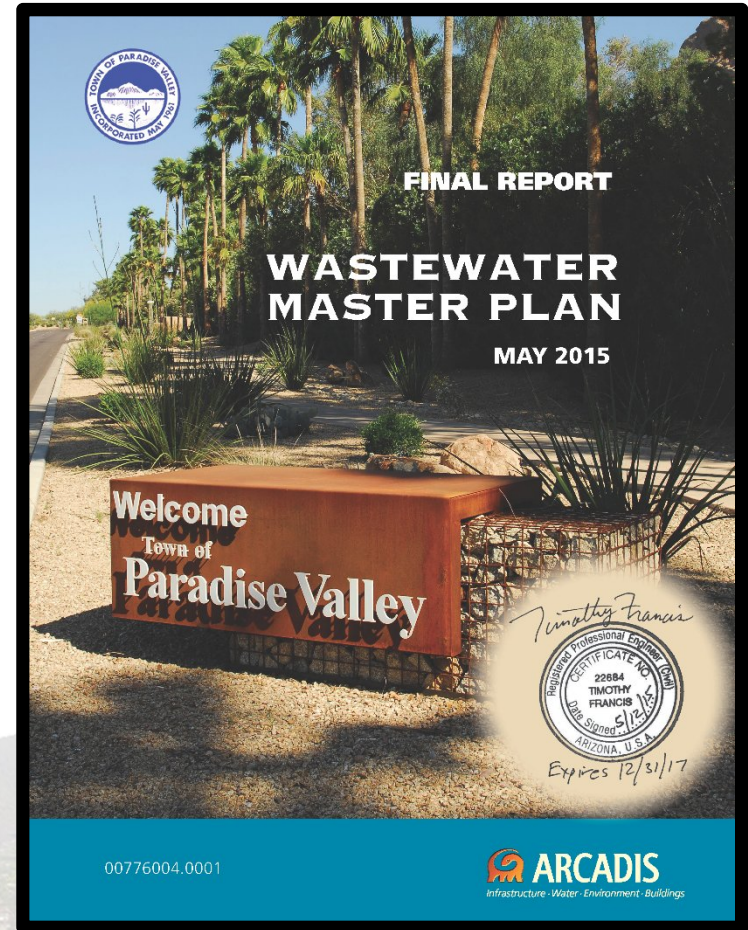


MASTER PLANNING

- Wastewater System Modeling
- Collection System Analysis
- Assessment of Potential for Water Reuse
- Recommended Improvements
 - Complete System Assessment
 - Rehabilitation and Replacement Program



February 25th, 2016



CURRENT - SCOTTSDALE SEWER IGA

- Original IGA – November 30th, 1998
 - 880K Gallons Per Day (gpd) Capacity – \$823K on-going in 2000
 - 2006-Purchased an additional 146,479 gpd - \$4 million one-time
 - Total Capacity = 1,026,479 gpd
 - Required installation of 13 metering stations
 - 6 additional drainage basins that would not be metered
 - Required the Town to videotape all existing and new sewer lines
 - All Wastewater accepted by the City becomes the property of the City



PROPOSED - SCOTTSDALE SEWER IGA

- \$3.0M CIP – No Close the System
 - Remove existing meters
 - 5-year flow monitoring
- System Assessment
 - 5-years to complete
 - Done every other 5-years
- Maintenance of Town's Collection System
- Purchase of Future Capacity
 - Cost = Scottsdale Cost + 10% (No less then \$10 Gallon)



February 25th, 2016

PROPOSED - SCOTTSDALE SEWER IGA

- Rate change eligible once a year
 - Scottsdale Rate plus 10%
- No new infrastructure required
- Pretreatment Program
 - Fats, Oils and Grease (FOG) Inspections
- Review Town's Capacity at 90%



February 25th, 2016



FINANCE

- Current IGA: approx. \$1.7 million/year for wastewater service
- Proposed IGA:
 - Approx. \$1.7 million/year for wastewater service & maintenance
 - \$234K/year for five years for full sewer system assessment



FINANCE – PROPOSED IGA

- Total Residential: \$1,644,000
 - Total Commercial: \$ 38,400
 - Sewer Assessment: \$ 234,200
 - Total Cost: \$1,914,600
-
- Future rate increases consistent with those for all Scottsdale customers



NEXT STEPS

- The Draft IGA is Complete
- Legal Review in Process
- Council Adoption – April / May 2016
 - Paradise Valley
 - City of Scottsdale



February 25th, 2016

THANK YOU!

Questions?





Action Report

File #: 16-055

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Duncan Miller, Town Clerk

DATE: February 25, 2016

DEPARTMENT: Town Manager

Duncan Miller, 480-348-3610

AGENDA TITLE:

Discussion of 2012-2014 Tax Code Amendments

Council Goals

- Preserve Financial Stability

SUMMARY STATEMENT:

The Town of Paradise Valley formally adopted the Model City Tax Code (MCTC) in 1987. The MCTC's goal is to provide a greater degree of uniformity among cities and towns while at the same time preserving local options for determining exemptions and setting tax rates. Periodically, the Model City Tax Code Commission comprised of local officials appointed by the Legislature, and the Unified Audit Committee meet to review changes in state law as well as recommendations submitted by the business community and municipalities. The results of those meetings are the MCTC amendments which all cities and towns must adopt pursuant to A.R.S § 42-6053(B) so that all a uniform municipal tax code can be maintained state-wide.

The 2012-2014 amendments reflect recent changes in state law and simplify licensing and reporting for businesses. There are 18 amendments that can be consolidated into 3 categories: incorporation of statutory language for multiple definitions and exemptions, repeal and replacement of MCTC Article III - Licensing and Recordkeeping, and uniformity of taxable categories. Attached is a complete summary of the amendments as well as the complete text amendments.

In summary, the Town Council has no discretion over adopting the text amendments. The one policy consideration for the Council relates to imposing a tax on a new MCTC category for sewer utility service, however, staff's recommendation is to maintain the rate at 0%. All other amendments and exemptions will have a de minimis impact on the Town.

ATTACHMENT(S):

File #: 16-055

Summary of Changes
Ordinance 16-01
Resolution 16-03 - Text Amendments

SUMMARY OF CHANGES TO MODEL CITY TAX CODE

The attached Ordinance and Resolution incorporate into the local tax code all of the Model City Tax Code changes approved by the Municipal Tax Code Commission from 2012 through 2014, as described below by Resolution Section number.

Section 1

Section 100 adds language to the existing definitions of "Business" and "Prosthetic". This change excludes the sale of electricity generated by consumer equipment from the definition of "Business". Adding this exclusion means persons that make such sales (e.g. residential solar energy sales) are not deemed to be in the business of providing Utilities, and thus are not required to have a Privilege Tax License to make such sales. The additional language that adds Orthodontics to the definition of "Prosthetic" is a change intended to conform the Code to State statute. These changes are effective retroactively from and after January 1, 2007 for "Business," and October 1, 2007 for "Prosthetic."

Section 2

Section 120 is repealed, eliminating the definition of "Food for Home Consumption." The elements of this definition are incorporated in new Section 462, creating a separate "Food for Home Consumption" tax classification apart from the Retail classification. This section is effective from and after July 1, 2013.

Section 3

Section 200 is amended to add conforming language under the determination of gross income that is related to nuclear fuel sales as found in State statute. This section is effective from and after July 1, 2013.

Section 4

This section repeals and replaces all of Article III – Licensing and Recordkeeping. This is a critical step in TPT Simplification that has the effect of making licensing as uniform as possible across all cities and towns. Note that this section completely replaces the entirety of Article III in every city and town's tax code. This change also eliminates all Regulations numbered in the 300's, as well as eliminating all Green Sheet items related to tax licensing. This section also eliminates the use of the tax license as a means to regulate business for any purpose other than tax collection. From now on, all licensing and enforcement of a regulatory nature such as zoning, use permits, special events, inspections, etc., must be accomplished by a separate business license. This section is effective from and after January 1, 2015.

Section 5

Section 422 is amended to remove an obsolete code reference related to Jet Fuel Sales. This section is effective retroactively from and after September 21, 2006.

Section 6

Section 425 is amended to add an exemption from tax on Job Printing for sales of postage and freight in conformity with State statute. This element is effective retroactively from and after September 21, 2006. Also, Local Option #MM is eliminated effective July 1, 2012, also in conformity with State statute.

Section 7

Section 445 is amended to adopt the final version of a new exemption for Real Property Leases between Affiliated Entities. This section is effective retroactively from and after July 1, 2013.

Section 8

Section 450 is amended to conform to the new State exemption and city preemption that makes the leasing of certified ignition interlock devices required under DUI laws exempt from tax under Tangible Personal Property Rental. This section is effective retroactively from and after September 1, 2004.

SUMMARY OF CHANGES TO MODEL CITY TAX CODE

Section 9

Section 460 is amended in conformity with a new clarifying State exemption and matching city preemption that makes the retail sale of gift cards and other cash equivalents exempt from the tax under the Retail classification. This section is effective retroactively from and after October 1, 2007.

Section 10

Section 462, Retail Sales: Food for Home Consumption is added to the standard Model Code language. This section incorporates all of the definitions and Regulations related to grocery sales that were previously included only in those communities that selected Model Option #2. With this change and standardization, Model Option #2 is eliminated from the Code. Cities and towns are now free to set a distinct tax rate for grocery sales, which can be higher, lower, or zero, as the community sees fit. This section is effective from and after July 1, 2013.

Section 11

Section 465, Retail Sales: Exemptions has undergone significant changes, largely in name of conformity with State statute. A major goal of TPT Simplification was making conforming changes to the Retail classification of the MCTC that aligned with State statute wherever possible, with the intention of preparing for passage of the Marketplace Fairness Act. On the State tax side, the only change enacted was elimination of an exemption for in-store sales to non-residents that are shipped out of State (excluding vehicles). On the Town side, this movement resulted in the elimination of Model Option #2, related to food for home consumption creating a separate classification; and adding charter schools to the list that qualify for a food sale exemption. Also, wholly new conforming exemptions were adopted, including one for the sale of “renewable energy credits”; sale of periodicals to encourage tourism; sale of paper machine clothing to a paper manufacturer; sales of overhead materials used in performing government contracts; and the sale of fuels and sale of equipment to qualified environmental technology manufacturers. All of these changes are effective July 1, 2013, with the exception of the sale of “renewable energy credits” which is effective retroactively from and after January 1, 2007.

Section 12

Changes to this section include adding in a specific exemption from the Utilities classification for sales of excess energy produced by a consumer’s photovoltaic system to a utility distributor, along with language that removes the sale of RECs from the Utilities classification. This provides the exemption under the Utilities classification to clarify that when the meter spins backward, the taxable measure is the net charge to the consumer, and that REC sales are not part of the gross receipts under Utilities. This section shall be effective from and after January 1, 2007.

Section 13

Section 485 is added to the standard code language, creating a new classification that imposes tax on wastewater removal services. This section was formerly a Green Page in several cities. This conversion to standard code language is part of the ongoing effort to eliminate the Green Pages by either eliminating or adopting exception items. This section shall be effective from and after July 1, 2013. It is recommended that this rate remain at 0%.

Section 14

Section 570 is amended to grant the Tax Collector greater latitude in allowing extensions to taxpayers that are making a good faith effort to produce additional information during the audit protest process. Previously the code technically allowed only one 45-day extension to taxpayers protesting audit results, so actual practice resulted in many “unofficial” extensions. This change allows the Tax Collector to grant additional extension at their discretion. This section is deemed effective from and after July 1, 2008.

Section 15

SUMMARY OF CHANGES TO MODEL CITY TAX CODE

Section 660, Use Tax: Exemptions has undergone significant changes which mirror the changes to the Retail Exemptions noted above in Code Section 465. Again, these are being done in the name of conformity with State statute. This movement resulted in the elimination of the food for home consumption exemption; adding an exemption for employee drinks and meals; and adding charter schools to the list that qualify for a food exemption. Also, wholly new conforming exemptions were adopted, including one for the purchase of “Renewable Energy Credits” or RECs; periodicals to encourage tourism; paper machine clothing to a paper manufacturer; overhead materials used in performing government contracts; and the purchase of fuels and sale of equipment to qualified environmental technology manufacturers. All of these changes are effective July 1, 2013, with the exception of “Renewable Energy Credits” which is effective retroactively from and after January 1, 2007.

Section 16

This section repeals Regulation 120.1 related to the definition of Food for Home Consumption, which has been incorporated in the text of new Section 462 noted above. This section shall be effective from and after July 1, 2013.

Section 17

This section amends Regulation 270.1, adding the provision of wastewater removal services to the list of activities that are considered proprietary and therefore taxable when engaged in by a city or town. This section shall be effective from and after July 1, 2013.

Section 18

This section amends Regulation 460.1, adding the distinction from Retail for activities that fall under the two new classifications: Food for Home Consumption in Section 462, and Wastewater Removal Services in Section 485. This means that an exchange of tangible personal property that occurs under the activity described in Sections 462 or 485, is specifically NOT considered a Retail transaction. This section shall be effective from and after July 1, 2013.

ORDINANCE NUMBER 16-01

AN ORDINANCE OF THE TOWN OF PARADISE VALLEY, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE TAX; ADOPTING "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF PARADISE VALLEY" BY REFERENCE; ESTABLISHING EFFECTIVE DATES; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN PARADISE VALLEY, ARIZONA THAT:

Section 1: That certain document known as "The 2012-2014 Amendments to the Tax Code of the Town of Paradise Valley", three copies of which are on file in the office of the town clerk of the Town of Paradise Valley, Arizona, which document was made a public record by Resolution Number 16-03 of the Town of Paradise Valley, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Section 2: Any person found guilty of violating any provision of these amendments to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

Section 3: If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the tax code adopted herein by reference 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 4: The provisions of this ordinance conforms this local code to the Model City Tax Code, which is controlling. The provisions of each section are effective as stated in each section and are as provided by the Municipal Tax Code Commission upon approval of the stated change to the Model City Tax Code. Provisions subject to a retroactive effective date at the time of approval by the Municipal Tax Code Commission favor taxpayers by reducing an imposition of the tax or increasing an allowable deduction, exemption, or exclusion. Provisions that increase the imposition of the tax or decrease the application of a deduction, exemption, or exclusion had a prospective effective date at the time of approval by the Municipal Tax Code Commission. Provisions creating a new option state the first effective date the new option is available for selection. Provisions eliminating an existing option state the last effective date of the eliminated option.

PASSED AND ADOPTED by the Mayor and Council of the Town of Paradise Valley, Arizona, this ____ day of _____, 2016.

Michael Collins, Mayor

SIGNED AND ATTESTED THIS ____ DAY OF _____ 2016.

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew M. Miller, Town Attorney

RESOLUTION NUMBER 16-03

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF PARADISE VALLEY".

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA:

THAT certain document entitled "THE 2012-2014 AMENDMENTS TO THE TAX CODE OF THE TOWN OF PARADISE VALLEY", three copies of which are on file in the office of the Town Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the Town Clerk.

PASSED AND ADOPTED BY THE Mayor and Council of the Town of Paradise Valley, Arizona, this ____ day of _____, 2016.

Michael Collins, Mayor

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew M. Miller, Town Attorney

**2012-2014 AMENDMENTS TO THE
TAX CODE OF THE TOWN OF PARADISE VALLEY**

Section I. Model City Tax Code Section 4A-100 is amended as follows, "Business" with an effective date of January 1, 2007 and "Prosthetic with an effective date of October 1, 2007.

Sec. 4A-100. General definitions.

For the purposes of this Chapter, the following definitions apply:

"Assembler" means a person who unites or combines products, wares, or articles of manufacture so as to produce a change in form or substance of such items without changing or altering component parts.

"Broker" means any person engaged or continuing in business who acts for another for a consideration in the conduct of a business activity taxable under this Chapter, and who receives for his principal all or part of the gross income from the taxable activity.

"Business" INCLUDES all activities or acts, personal or corporate, engaged in OR caused to be engaged in with the object of gain, benefit, or advantage, either directLY or indirectLY, but DOES not INCLUDE EITHER: casual activities or sales; OR THE TRANSFER OF ELECTRICITY FROM A SOLAR PHOTOVOLTAIC GENERATION SYSTEM TO AN ELECTRIC UTILITY DISTRIBUTION SYSTEM.

"Business Day" means any day of the week when the Tax Collector's office is open for the public to conduct the Tax Collector's business.

"Casual Activity or Sale" means a transaction of an isolated nature made by a person who neither represents himself to be nor is engaged in a business subject to a tax imposed by this Chapter. However, no sale, rental, license for use, or lease transaction concerning real property nor any activity entered into by a business taxable by this Chapter shall be treated, or be exempt, as casual. This definition shall include sales of used capital assets, provided that the volume and frequency of such sales do not indicate that the seller regularly engages in selling such property.

"Combined Taxes" means the sum of all applicable Arizona Transaction Privilege and Use Taxes; all applicable transportation taxes imposed upon gross income by this County as authorized by Article III, Chapter 6, Title 42, Arizona Revised Statutes; and all applicable taxes imposed by this Chapter.

"Commercial Property" is any real property, or portion of such property, used for any purpose other than lodging or lodging space, including structures built for lodging but used otherwise, such as model homes, apartments used as offices, etc.

"Communications Channel" means any line, wire, cable, microwave, radio signal, light beam, telephone, telegraph, or any other electromagnetic means of moving a message.

"Construction Contracting" refers to the activity of a construction contractor.

"Construction Contractor" means a person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement to real property, or to do any part thereof. "Construction contractor" includes subcontractors, specialty contractors, prime contractors, and any person receiving consideration for the general supervision and/or coordination of such a construction project except for remediation contracting. This definition shall govern without regard to whether or not the construction contractor is acting in fulfillment of a contract.

**2012-2014 AMENDMENTS TO THE
TAX CODE OF THE TOWN OF PARADISE VALLEY**

"Delivery (of Notice) by the Tax Collector" means "receipt (of notice) by the taxpayer".

"Delivery, Installation, or Other Direct Customer Services" means services or labor, excluding repair labor, provided by a taxpayer to or for his customer at the time of transfer of tangible personal property; provided further that the charge for such labor or service is separately billed to the customer and maintained separately in the taxpayer's books and records.

"Engaging", when used with reference to engaging or continuing in business, includes the exercise of corporate or franchise powers.

"Equivalent Excise Tax" means either:

- (1) a Privilege or Use Tax levied by another Arizona municipality upon the transaction in question, and paid either to such Arizona municipality directly or to the vendor; or
- (2) an excise tax levied by a political subdivision of a state other than Arizona upon the transaction in question, and paid either to such jurisdiction directly or to the vendor; or
- (3) an excise tax levied by a Native American Government organized under the laws of the federal government upon the transaction in question, and paid either to such jurisdiction directly or to the vendor.

"Federal Government" means the United States Government, its departments and agencies; but not including national banks or federally chartered or insured banks, savings and loan institutions, or credit unions.

"Food" means any items intended for human consumption as defined by rules and regulations adopted by the Department of Revenue, State of Arizona, pursuant to A.R.S. Section 42-5106. Under no circumstances shall "food" include alcoholic beverages or tobacco, or food items purchased for use in conversion to any form of alcohol by distillation, fermentation, brewing, or other process. Under no circumstances shall "food" include an edible product, beverage, or ingredient infused, mixed, or in any way combined with medical marijuana or an active ingredient of medical marijuana.

"Hotel" means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the Town offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

"Jet Fuel" means jet fuel as defined in A.R.S. Section 42-5351.

"Job Printing" means the activity of copying or reproducing an article by any means, process, or method. "Job printing" includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

"Lessee" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Lessor" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Licensing (for Use)" means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

**2012-2014 AMENDMENTS TO THE
TAX CODE OF THE TOWN OF PARADISE VALLEY**

"Lodging (Lodging Space)" means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

"Manufactured Buildings" means a manufactured home, mobile home or factory built building, as defined in A.R.S. Section 41-2142.

"Manufacturer" means a person engaged or continuing in the business of fabricating, producing, or manufacturing products, wares, or articles for use from other forms of tangible personal property, imparting to such new forms, qualities, properties, and combinations.

"Medical marijuana" means "marijuana" used for a "medical use" as those terms are defined in A.R.S. Section 36-2801.

"Mining and Metallurgical Supplies" means all tangible personal property acquired by persons engaged in activities defined in Section 4A-432 for such use. This definition shall not include:

- (1) janitorial equipment and supplies.
- (2) office equipment, office furniture, and office supplies.
- (3) motor vehicles licensed for use upon the highways of the State.

"Modifier" means a person who reworks, changes, or adds to products, wares, or articles of manufacture.

"Nonprofit Entity" means any entity organized and operated exclusively for charitable purposes, or operated by the Federal Government, the State, or any political subdivision of the State.

"Occupancy (of Real Property)" means any occupancy or use, or any right to occupy or use, real property including any improvements, rights, or interests in such property.

"Out-of-City Sale" means the sale of tangible personal property and job printing if all of the following occur:

- (1) transference of title and possession occur without the Town; and
- (2) the stock from which such personal property was taken was not within the corporate limits of the Town; and
- (3) the order is received at a permanent business location of the seller located outside the Town; which location is used for the substantial and regular conduct of such business sales activity. In no event shall the place of business of the buyer be determinative of the situs of the receipt of the order.

For the purpose of this definition it does not matter that all other indicia of business occur within the Town, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-City storehouses and out-of-City retail branch outlets from a primary storehouse within the Town.

**2012-2014 AMENDMENTS TO THE
TAX CODE OF THE TOWN OF PARADISE VALLEY**

"Out-of-State Sale" means the sale of tangible personal property and job printing if all of the following occur:

- (1) the order is placed from without the State of Arizona; and
- (2) the property is delivered to the buyer at a location outside the State; and
- (3) the property is purchased for use outside the State.

"Owner-Builder" means an owner or lessor of real property who, by himself or by or through others, constructs or has constructed or reconstructs or has reconstructed any improvement to real property.

"Person" means an individual, firm, partnership, joint venture, association, corporation, estate, trust, receiver, syndicate, broker, the Federal Government, this State, or any political subdivision or agency of this State. For the purposes of this Chapter, a person shall be considered a distinct and separate person from any general or limited partnership or joint venture or other association with which such person is affiliated. A subsidiary corporation shall be considered a separate person from its parent corporation for purposes of taxation of transactions with its parent corporation.

"Prosthetic" means any of the following tangible personal property if such items are prescribed or recommended by a licensed podiatrist, chiropractor, dentist, physician or surgeon, naturopath, optometrist, osteopathic physician or surgeon, psychologist, hearing aid dispenser, physician assistant, nurse practitioner or veterinarian:

- (1) any man-made device for support or replacement of a part of the body, or to increase acuity of one of the senses. Such items include: prescription eyeglasses; contact lenses; hearing aids; artificial limbs or teeth; neck, back, arm, leg, or similar braces.
- (2) insulin, insulin syringes, and glucose test strips sold with or without a prescription.
- (3) hospital beds, crutches, wheelchairs, similar home health aids, or corrective shoes.
- (4) drugs or medicine, including oxygen.
- (5) equipment used to generate, monitor, or provide health support systems, such as respiratory equipment, oxygen concentrator, dialysis machine.
- (6) durable medical equipment which has a federal health care financing administration common procedure code, is designated reimbursable by Medicare, can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of illness or injury and is appropriate for use in the home.
- (7) ORTHODONTIC DEVICES DISPENSED BY A DENTAL PROFESSIONAL WHO IS LICENSED UNDER TITLE 32, CHAPTER 11 TO A PATIENT AS PART OF THE PRACTICE OF DENTISTRY.
- (8) Under no circumstances shall "prosthetic" include medical marijuana regardless of whether it is sold or dispensed pursuant to a prescription, recommendation, or written certification by any authorized person.

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"Qualifying Community Health Center"

- (1) means an entity that is recognized as nonprofit under 501(c)(3) of the United States Internal Revenue Code, that is a community-based, primary care clinic that has a community-based board of directors and that is either:
 - (A) the sole provider of primary care in the community.
 - (B) a nonhospital affiliated clinic that is located in a federally designated medically underserved area in this State.
- (2) includes clinics that are being constructed as qualifying community health centers.

"Qualifying Health Care Organization" means an entity that is recognized as nonprofit under Section 501(c) of the United States Internal Revenue Code and that uses, saves or invests at least eighty percent (80%) of all monies that it receives from all sources each year only for health and medical related educational and charitable services, as documented by annual financial audits prepared by an independent certified public accountant, performed according to generally accepted accounting standards and filed annually with the Arizona Department of Revenue. Monies that are used, saved or invested to lease, purchase or construct a facility for health and medical related education and charitable services are included in the eighty percent (80%) requirement.

"Qualifying Hospital" means any of the following:

- (1) a licensed hospital which is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
- (2) a licensed nursing care institution or a licensed residential care institution or a residential care facility operated in conjunction with a licensed nursing care institution or a licensed kidney dialysis center, which provides medical services, nursing services or health related services and is not used or held for profit.
- (3) a hospital, nursing care institution or residential care institution which is operated by the federal government, this State or a political subdivision of this State.
- (4) a facility that is under construction and that on completion will be a facility under subdivision (1), (2) or (3) of this paragraph.

"Receipt (of Notice) by the Taxpayer" means the earlier of actual receipt or the first attempted delivery by certified United States mail to the taxpayer's address of record with the Tax Collector.

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"Remediation" means those actions that are reasonable, necessary, cost-effective and technically feasible in the event of the release or threat of release of hazardous substances into the environment such that the waters of the State are or may be affected, such actions as may be necessary to monitor, assess and evaluate such release or threat of release, actions of remediation, removal or disposal of hazardous substances or taking such other actions as may be necessary to prevent, minimize or mitigate damage to the public health or welfare or to the waters of the State which may otherwise result from a release or threat of release of a hazardous substance that will or may affect the waters of the State. Remediation activities include the use of biostimulation with indigenous microbes and bioaugmentation using microbes that are nonpathogenic, nonopportunistic and that are naturally occurring. Remediation activities may include community information and participation costs and providing an alternative drinking water supply.

"Rental Equipment" means tangible personal property sold, rented, leased, or licensed to customers to the extent that the item is actually used by the customer for rental, lease, or license to others; provided that:

- (1) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
- (2) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Rental Supply" means an expendable or nonexpendable repair or replacement part sold to become part of "rental equipment", provided that:

- (1) the documentation relating to each purchased item so claimed specifically itemizes to the vendor the actual item of "rental equipment" to which the purchased item is intended to be attached as a repair or replacement part; and
- (2) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
- (3) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Repairer" means a person who restores or renews products, wares, or articles of manufacture.

"Resides within the Town" means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the Town.

"Restaurant" means any business activity where articles of food, drink, or condiment are customarily prepared or served to patrons for consumption on or off the premises, also including bars, cocktail lounges, the dining rooms of hotels, and all caterers. For the purposes of this Chapter, a "fast food" business, which includes street vendors and mobile vendors selling in public areas or at entertainment or sports or similar events, who prepares or sells food or drink for consumption on or off the premises is considered a "restaurant", and not a "retailer".

"Retail Sale (Sale at Retail)" means the sale of tangible personal property, except the sale of tangible personal property to a person regularly engaged in the business of selling such property.

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"Retailer" means any person engaged or continuing in the business of sales of tangible personal property at retail.

"Sale" means any transfer of title or possession, or both, exchange, barter, conditional or otherwise, in any manner or by any means whatsoever, including consignment transactions and auctions, of property for a consideration. "Sale" includes any transaction whereby the possession of such property is transferred but the seller retains the title as security for the payment of the price. "Sale" also includes the fabrication of tangible personal property for consumers who, in whole or in part, furnish either directly or indirectly the materials used in such fabrication work.

"Solar Daylighting" means a device that is specifically designed to capture and redirect the visible portion of the solar beam, while controlling the infrared portion, for use in illuminating interior building spaces in lieu of artificial lighting.

"Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination of the foregoing by means of collecting and transferring solar generated energy into such uses either by active or passive means, including wind generator systems that produce electricity. Solar energy systems may also have the capability of storing solar energy for future use. Passive systems shall clearly be designed as a solar energy device, such as a trombe wall, and not merely as a part of a normal structure, such as a window.

"Speculative Builder" means either:

- (1) an owner-builder who sells or contracts to sell, at any time, improved real property (as provided in Section 4A-416) consisting of:
 - (A) custom, model, or inventory homes, regardless of the stage of completion of such homes; or
 - (B) improved residential or commercial lots without a structure; or
- (2) an owner-builder who sells or contracts to sell improved real property, other than improved real property specified in subsection (1) above:
 - (A) prior to completion; or
 - (B) before the expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

"Substantially Complete" means the construction contracting or reconstruction contracting:

- (1) has passed final inspection or its equivalent; or
- (2) certificate of occupancy or its equivalent has been issued; or
- (3) is ready for immediate occupancy or use.

"Supplier" means any person who rents, leases, licenses, or makes sales of tangible personal property within the Town, either directly to the consumer or customer or to wholesalers, jobbers, fabricators, manufacturers, modifiers, assemblers, repairers, or those engaged in the business of providing services which involve the use, sale, rental, lease, or license of tangible personal property.

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"Tax Collector" means the Paradise Valley Town Council or its designee or agent for all purposes under this Chapter.

"Taxpayer" means any person liable for any tax under this Chapter.

"Taxpayer Problem Resolution Officer" means the individual designated by the Town to perform the duties identified in Sections 4A-515 and 4A-516. In cities with a population of 50,000 or more, the Taxpayer Problem Resolution Officer shall be an employee of the Town. In cities with a population of less than 50,000, the Taxpayer Problem Resolution Officer need not be an employee of the Town. Regardless of whether the Taxpayer Problem Resolution Officer is or is not an employee of the Town, the Taxpayer Problem Resolution Officer shall have substantive knowledge of taxation. The identity of and telephone number for the Taxpayer Problem Resolution Officer can be obtained from the Tax Collector.

"Telecommunication Service" means any service or activity connected with the transmission or relay of sound, visual image, data, information, images, or material over a communications channel or any combination of communications channels.

"Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

"Utility Service" means the producing, providing, or furnishing of electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

Section II. Model City Tax Code Section 4A-120 is repealed, with an effective date of July 1, 2013.

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Section III. Model City Tax Code Section 4A-200 is amended as follows, with an effective date of July 1, 2013.

Sec. 4A-200. Determination of gross income: in general.

- (a) Gross income includes:
- (1) the value proceeding or accruing from the sale of property, the providing of service, or both.
 - (2) the total amount of the sale, lease, license for use, or rental price at the time of such sale, rental, lease, or license.
 - (3) all receipts, cash, credits, barter, exchange, reduction of or forgiveness of indebtedness, and property of every kind or nature derived from a sale, lease, license for use, rental, or other taxable activity.
 - (4) all other receipts whether payment is advanced prior to, contemporaneous with, or deferred in whole or in part subsequent to the activity or transaction.

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- (b) Barter, exchange, trade-outs, or similar transactions are includable in gross income at the fair market value of the service rendered or property transferred, whichever is higher, as they represent consideration given for consideration received.
- (c) No deduction or exclusion is allowed from gross income on account of the cost of the property sold, the time value of money, expense of any kind or nature, losses, materials used, labor or service performed, interest paid, or credits granted.
- (d) FOR THE PURPOSES OF THIS CHAPTER THE TOTAL AMOUNT OF GROSS INCOME, GROSS RECEIPTS OR GROSS PROCEEDS OF SALES FOR NUCLEAR FUEL SHALL BE DEEMED TO BE THE VALUE OF THE PURCHASE PRICE OF URANIUM OXIDE USED IN PRODUCING THE FUEL. THE TAX IMPOSED BY THIS CHAPTER MAY BE IMPOSED ONLY ONCE FOR ANY ONE QUANTITY OR BATCH OF NUCLEAR FUEL REGARDLESS OF THE NUMBER OF TRANSACTIONS OR FINANCING ARRANGEMENTS WHICH MAY OCCUR WITH RESPECT TO THAT NUCLEAR FUEL.

Section IV. Model City Tax Code Article III is REPEALED AND REPLACED IN ITS ENTIRETY with the following sections 4A-300 through 4A-380, effective January 1, 2015.

Article III - Licensing and Recordkeeping

Sec. 4A-300. Licensing requirements.

- (a) The following persons shall make application to the Tax Collector for a Transaction Privilege and Use Tax License and no person shall engage or continue in business or engage in such activities until he shall have such a license:
 - (1) Every person engaging or continuing in business activities within the town upon which a Transaction Privilege Tax is imposed by this Chapter.
 - (2) Every person engaging or continuing in business within the town and storing or using tangible personal property in this municipality upon which a Use Tax is imposed by this Chapter.
 - (3) (Reserved)
- (b) For the purpose of determining whether a Transaction Privilege and Use Tax License is required, a person shall be deemed to be "engaging or continuing in business" within the city or town if:
 - (1) engaging in any activity as a principal or broker, the gross receipts of which may be subject to Transaction Privilege Tax under Article IV of this Chapter, or
 - (2) maintaining within the town directly, or if a corporation by a subsidiary, an office, distribution house, sales house, warehouse or other place of business; maintaining within the city or town directly, or if a corporation by a subsidiary, any real or tangible personal property; or having any agent or other representative operating within the city or town under the authority of such person, or if a corporation by a subsidiary, irrespective of whether such place of business, property, or agent or other representative is located here permanently or temporarily, or

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- (3) soliciting sales, orders, contracts, leases, and other similar forms of business relationships, within the city or town from customers, consumers, or users located within the city or town, by means of salesmen, solicitors, agents, representatives, brokers, and other similar agents or by means of catalogs or other advertising, whether such orders are received or accepted within or without this city or town.
- (4) A person shall also be deemed to be "engaging or continuing in business" if engaging in any activity subject to Use Tax under Article VI of this Chapter for business purposes. Individuals who acquire items subject to Use Tax for their own personal use or their family's personal use are not required to obtain a license.
- (5) Every person required to report and pay a tax upon Rental Occupancy, as imposed by Section 4A-440.
- (c) A person engaging in more than one activity subject to Transaction Privilege Tax at any one business location is not required to obtain a separate license for each activity, provided that, at the time such person makes application for a license, he shall list on such application each category of activity in which he is engaged.
- (d) The licensee shall inform the Tax Collector of any changes in his business activities, location, or mailing address within thirty (30) days.
- (e) Limitation. The issuance of a Transaction Privilege and Use Tax License by the Tax Collector shall in no way be construed as permission to operate a business activity in violation of any other law or regulation to which such activity may be subject.
- (f) Casual activity. For the purposes of this Chapter, individuals engaging in a "casual activity or sale" are not subject to the license requirements imposed under this Article provided that they are only engaged in private sales activities, such as the sale of a personal automobile or garage sale, on no more than three separate occasions during any calendar year.

Sec. 4A-310. Licensing: special requirements.

- (a) Partnerships. Application for a Transaction Privilege and Use Tax License for a partnership engaging or continuing in business shall provide, as a minimum, the names and addresses of all general partners. Licenses issued to persons engaging in business as partners, limited or general, shall be in the name of the partnership.
- (b) Limited Liability Companies. Application for a Transaction Privilege and Use Tax License for a Limited Liability Company (LLC) engaging or continuing in business shall provide, as a minimum, the names and addresses of all members and the manager. Licenses issued to persons engaging in business as Limited Liability Companies, shall be in the name of the LLC.
- (c) Corporations. Application for a Transaction Privilege and Use Tax License for a corporation engaging or continuing in business shall provide, as a minimum, the names and addresses of both the Chief Executive Officer and Chief Financial Officer of the corporation. Licenses issued to persons engaging in business as corporations shall be in the name of the corporation.

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- (d) Multiple Locations or Multiple Business Names. A person engaging or continuing in one or more businesses at two (2) or more locations or under two (2) or more business names shall procure a license for each such location or business name. A "location" is a place of a separate business establishment.
- (e) Real Property Rental, Leasing, and Licensing for Use. In all cases the Transaction Privilege and Use Tax License shall be issued only to the owner of the real property regardless of the owner engaging a property manager or other broker to oversee the owner's business activity including filing tax returns on behalf of the owner. Each rental property that can be independently sold or transferred is deemed to be a separate business establishment. Each platted parcel of real property subject to the tax imposed by this Chapter is deemed to be a separate business establishment and requires a separate license, regardless of the number of rental units located on that platted parcel. If one structure is located on multiple parcels in a manner such that ownership of an individual parcel cannot be sold or transferred without requiring alteration to divide the structure, one license shall be required for all affected parcels.

Sec. 4A-320. License fees; annual renewal; renewal fees.

- (a) The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of two dollars (\$2.00), except for a license to engage in the business activity of residential or commercial real property rental, leasing, and licensing for use as separately identified in this Section. The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars (\$0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such annual renewal fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.
- (b) The Transaction Privilege and Use Tax License to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of two dollars (\$2.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars (\$0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

Sec. 4A-330. Licensing; duration; transferability; display; penalties; penalty waiver; relicensing; fees collectible as if taxes.

- (a) The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying the applicable license renewal fee for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January. Application and payment of the annual fee must be received in the Tax Collector's office to be deemed paid and received.

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- (b) The Transaction Privilege and Use Tax License shall be nontransferable between owners or locations, and shall be on display to the public in the licensee's place of business.
- (c) Any person required to be licensed under this Chapter who fails to obtain a license on or before conducting any business activity requiring such license shall be subject to the license fees due for each year in business plus a penalty in the amount of fifty percent (50%) of the applicable fee for each period of time for which such fee would have been imposed, from and after the date on which such activity commenced until paid. This penalty shall be in addition to any other penalty imposed under this Chapter and must be paid prior to the issuance of any license. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 4A-540.
- (d) Any licensee who fails to renew his license on or before the due date shall be deemed to be operating without a license following such due date, and shall be subject to all penalties imposed under this Chapter against persons required to be licensed and operating without a license. The non-licensed status may be removed by payment of the annual license fee for each year or portion of a year he operated without a license, plus a license fee penalty of 50% of the license fee due for each year. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 4A-540.
- (e) Any licensee who permits his license to expire through cancellation as provided in Section 4A-340, by his request for cancellation, by surrender of the license, or by the cessation of the business activity for which the license was issued, and who thereafter applies for a license, shall be granted a new license as a new applicant and shall pay the current license fee imposed under Section 4A-320.
- (f) Any licensee who needs a copy of his Transaction Privilege and Use Tax License which is still in effect shall be charged the current license fee for each reissuance of a license.
- (g) Any person conducting a business activity subject to licensing without obtaining a Transaction Privilege and Use Tax License shall be liable to the city for all applicable fees and penalties and shall be subject to the provisions of Sections 4A-580 and 4A-590, to the same extent as if such fees and penalties were taxes and penalties under such Sections.

Sec. 4A-340. Licensing; cancellation; revocation.

- (a) Cancellation. The Tax Collector may cancel the Transaction Privilege and Use Tax License of any licensee as "inactive" if the taxpayer, required to report monthly, has neither filed any return nor remitted any taxes imposed by this Chapter for a period of six (6) consecutive months; or, if required to report quarterly, has neither filed any return nor remitted any taxes imposed by this Chapter for two (2) consecutive quarters; or, if required to report annually, has neither filed any return nor remitted any taxes imposed by this Chapter when such annual report and tax are due to be filed with and remitted to the Tax Collector.
- (b) Revocation. If any licensee fails to pay any tax, interest, penalty, fee, or sum required to be paid under this Chapter, or if such licensee fails to comply with any other provisions of this Chapter, the Tax Collector may revoke the Transaction Privilege and Use Tax License of said licensee.

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- (c) Notice and Hearing. The Tax Collector shall deliver notice to such licensee of cancellation or revocation of the Transaction Privilege and Use Tax License. If the licensee requests a hearing within twenty (20) days of receipt of such notice, he shall be granted a hearing before the Tax Collector.
- (d) After cancellation or revocation of a taxpayer's license, the taxpayer shall not be issued a new license until all reports have been filed; all fees, taxes, interest, and penalties due have been paid; and he is in compliance with all provisions of this Chapter.

Sec. 4A-350. Operating without a license.

It shall be unlawful for any person who is required by this Chapter to obtain a Transaction Privilege and Use Tax License to engage in or continue in business without a license. The Tax Collector shall assess any delinquencies in tax, interest, and penalties which may apply against such person upon any transactions subject to the taxes imposed by this Chapter.

Sec. 4A-360. Recordkeeping requirements.

- (a) It shall be the duty of every person subject to the tax imposed by this Chapter to keep and preserve suitable records and such other books and accounts as may be necessary to determine the amount of tax for which he is liable under this Chapter. The books and records must contain, at a minimum, such detail and summary information as may be required by this Article; or when records are maintained within an electronic data processing (EDP) system, the requirements established by the Arizona Department of Revenue for privilege tax filings will be accepted. It shall be the duty of every person to keep and preserve such books and records for a period equal to the applicable limitation period for assessment of tax, and all such books and records shall be open for inspection by the Tax Collector during any business day.
- (b) The Tax Collector may direct, by letter, a specific taxpayer to keep specific other books, records, and documents. Such letter directive shall apply:
 - (1) only for future reporting periods, and
 - (2) only by express determination of the Tax Collector that such specific recordkeeping is necessary due to the inability of the taxing jurisdiction to conduct an adequate examination of the past activities of the taxpayer, which inability resulted from inaccurate or inadequate books, records, or documentation maintained by the taxpayer.

Sec. 4A-362. Recordkeeping: income.

The minimum records required for persons having gross income subject to, or exempt or excluded from, tax by this Chapter must show:

- (a) The gross income of the taxpayer attributable to any activity occurring in whole or in part in the Town.

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- (b) The gross income taxable under this Chapter, divided into categories as stated in the official Town tax return.
- (c) The gross income subject to Arizona Transaction Privilege Taxes, divided into categories as stated in the official State tax return.
- (d) The gross income claimed to be exempt, and with respect to each activity or transaction so claimed:
 - (1) If the transaction is claimed to be exempt as a sale for resale or as a sale, rental, lease, or license for use of rental equipment:
 - (A) The City Privilege License number and State Transaction Privilege Tax License number of the customer (or the equivalent city, if applicable, and state tax numbers of the city and state where the customer resides), and
 - (B) The name, business address, and business activity of the customer, and
 - (C) Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by Regulation.
 - (2) If the transaction is claimed to be exempt for any other reason:
 - (A) The name, business address, and business activity of the customer, and
 - (B) Evidence which would establish the applicability of the exemption to a reasonably prudent businessman acting in good faith. Ordinary business documentation which would reasonably indicate the applicability of an exemption shall be sufficient to relieve the person on whom the tax would otherwise be imposed from liability therein, if he acts in good faith as provided by Regulation.
- (e) With respect to those allowed deductions or exclusions for tax collected or charges for delivery or other direct customer services, where applicable, evidence that the deductible income has been separately stated and shown on the records of the taxpayer and on invoices or receipts provided to the customer. All other deductions, exemptions, and exclusions shall be separately shown and substantiated.
- (f) With respect to special classes and activities, such other books, records, and documentation as the Tax Collector, by regulation, shall deem necessary for specific classes of taxpayer by reason of the specialized business activity of any such class.
- (g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded income defined by this Chapter.

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Sec. 4A-364. Recordkeeping: expenditures.

The minimum records required for persons having expenditures, costs, purchases and rental or lease or license expenses subject to, or exempt or excluded from, tax by this Chapter are:

- (a) The total price of all goods acquired for use or storage in the Town.
- (b) The date of acquisition and the name and business address of the seller or lessor of all goods acquired for use or storage in the Town.
- (c) Documentation of taxes, freight, and direct customer service labor separately charged and paid for each purchase, rental, lease, or license.
- (d) The gross price of each acquisition claimed as exempt from tax, and with respect to each transaction so claimed, sufficient evidence to satisfy the Tax Collector that the exemption claimed is applicable.
- (e) As applicable to each taxpayer, documentation sufficient to the Tax Collector, so that he may ascertain:
 - (1) All construction expenditures and all Privilege and Use Taxes claimed paid, relating to owner-builders and speculative builders.
 - (2) Disbursement of collected gratuities and related payroll information required of restaurants.
 - (3) Franchise and license fee payments and computation thereto which relate to utility service.
 - (4) The validity of any claims of proof of exemption.
 - (5) A claimed alternative prior value for reconstruction.
 - (6) All claimed exemptions to the Use Tax imposed by Article VI of this Chapter.
 - (7) (Reserved)
 - (8) Payments of tax to the Arizona Department of Transportation and computations therefor, when a motor-vehicle transporter claims such the exemption.
 - (9) Payments by tenants subject to the tax upon Rental Occupancy imposed by Section 4A-440.
- (f) Any additional documentation as the Tax Collector, by Regulation, shall deem necessary for any specific class of taxpayer by reason of the specialized business activity of specific exemptions afforded to that class of taxpayer.
- (g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded expenditures as defined by this Chapter.

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Sec. 4A-366. Recordkeeping: out-of-City and out-of-State sales.

- (a) Out-of-City Sales. Any person engaging or continuing in a business who claims out-of-City sales shall maintain and keep accounting records or books indicating separately the gross income from the sales of tangible personal property from such out-of-City branches or locations.
- (b) Out-of-State sales. Persons engaged in a business claiming out-of-State sales shall maintain accounting records or books indicating for each out-of-State sale the following documentation:
 - (1) documentation of location of the buyer at the time of order placement; and
 - (2) shipping, delivery, or freight documents showing where the buyer took delivery; and
 - (3) documentation of intended location of use or storage of the tangible personal property sold to such buyer.

Sec.4A-370. Recordkeeping: claim of exclusion, exemption, deduction, or credit; documentation; liability.

- (a) All deductions, exclusions, exemptions, and credits provided in this Chapter are conditional upon adequate proof and documentation of such as may be required under A.R.S. Section 42-5022 or by this Chapter or Regulation.
- (b) Any person who claims and receives an exemption, deduction, exclusion, or credit to which he is not entitled under this Chapter, shall be subject to, liable for, and pay the tax on the transaction as if the vendor subject to the tax had passed the burden of the payment of the tax to the person wrongfully claiming the exemption. A person who wrongfully claimed such exemption shall be treated as if he is delinquent in the payment of the tax and shall be subject to interest and penalties upon such delinquency. However, if the tax is collected from the vendor on such transaction it shall not again be collected from the person claiming the exemption, or if collected from the person claiming the exemption it shall not also be collected from the vendor.

Sec. 4A-372. Proof of exemption: sale for resale; sale, rental, lease, or license of rental equipment.

A claim of purchase for resale or of purchase, rental, lease, or license for rent, lease, or license is valid only if the evidence is sufficient to persuade a reasonably prudent businessman that the particular item is being acquired for resale or for rental, lease, or license in the ordinary course of business. The fact that the acquiring person possesses a Privilege License number, and makes a verbal claim of "sale for resale or lease" or "lease for re-lease" does not meet this burden and is insufficient to justify an exemption. The "reasonable evidence" must be evidence which exists objectively, and not merely in the mind of the vendor, that the property being acquired is normally sold, rented, leased, or licensed by the acquiring person in the ordinary course of business. Failure to obtain such reasonable evidence at the time of the transaction will be a basis for disallowance of any claimed deduction on returns filed for such transactions.

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Sec. 4A-380. Inadequate or unsuitable records.

In the event the records provided by the taxpayer are considered by the Tax Collector to be inadequate or unsuitable to determine the amount of the tax for which such taxpayer is liable under the provisions of this Chapter, it is the responsibility of the taxpayer either:

- (a) to provide such other records required by this Chapter or Regulation; or
- (b) to correct or to reconstruct his records, to the satisfaction of the Tax Collector.

This change also eliminates the following Regulations, effective January 1, 2015:

Regulation 4A-300.1. Who must apply for a license.

Regulation 4A-300.2. (Reserved)

Regulation 4A-310.1. (Reserved)

Regulation 4A-310.2. (Reserved)

Regulation 4A-310.3. (Reserved)

Regulation 4A-350.1. Recordkeeping: income.

Regulation 4A-350.2. Recordkeeping: expenditures.

Regulation 4A-350.3. Recordkeeping: out-of-City and out-of-State sales.

Regulation 4A-360.1. Proof of exemption: sale for resale; sale, rental, lease or license of rental equipment.

Regulation 4A-360.2. Proof of exemption: exemption certificate.

Section VI. Model City Tax Code Section 4A-425 is amended as follows to eliminate Local Option #MM, which will no longer be used by any city or town, effective July 1, 2012. New Subsection (7) is added with an effective date of September 21, 2006.

Sec. 4A-425. Job printing.

- (a) The tax rate shall be at an amount equal to two and one-half percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of job printing, which includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.
- (b) The tax imposed by this Section shall not apply to:
 - (1) job printing purchased for the purpose of resale by the purchaser in the form supplied by the job printer.
 - (2) out-of-City sales.
 - (3) out-of-State sales.

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- (4) (Reserved)
- (5) sales of job printing to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (6) (Reserved)
- (7) SALES OF POSTAGE AND FREIGHT EXCEPT THAT THE AMOUNT DEDUCTED SHALL NOT EXCEED THE ACTUAL POSTAGE AND FREIGHT EXPENSE THAT IS PAID TO THE UNITED STATES POSTAL SERVICE OR A COMMERCIAL DELIVERY SERVICE AND THAT IS SEPARATELY ITEMIZED BY THE TAXPAYER ON THE CUSTOMER'S INVOICE AND IN THE TAXPAYER'S RECORDS.

Section VII. Model City Tax Code Section 4A-445 is amended as follows, with an effective date of July 1, 2013.

Sec.4A-445. Rental, leasing, and licensing for use of real property.

- (a) The tax rate shall be at an amount equal to one and sixty-five hundredths percent (1.65%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing or renting real property located within the Town for a consideration, to the tenant in actual possession, or the licensing for use of real property to the final licensee located within the Town for a consideration including any improvements, rights, or interest in such property; provided further that:
 - (1) Payments made by the lessee to, or on behalf of, the lessor for property taxes, repairs, or improvements are considered to be part of the taxable gross income.
 - (2) Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.
 - (3) However, if the lessor engages in telecommunication activity, as evidenced by installing individual metering equipment and by billing each tenant based upon actual usage, such activity is taxable under Section 4A-470.
- (b) If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.
- (c) Charges by a qualifying hospital, qualifying community health center or a qualifying health care organization to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.
- (d) Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services are exempt from the tax imposed by this Section.

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- (e) Exempt from the tax imposed by this Section is gross income derived from the rental, leasing, or licensing for use of real property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (f) (Reserved)
- (g) (Reserved)
- (h) (Reserved)
- (i) (Reserved)
- (j) Exempt from the tax imposed by this Section is gross income derived from the activities taxable under Section 4A-444 of this code.
- (k) (Reserved)
- (l) (Reserved)
- (m) (Reserved)
- (n) Notwithstanding the provisions of Section 4A-200(b), the fair market value of one (1) apartment, in an apartment complex provided rent free to an employee of the apartment complex is not subject to the tax imposed by this Section. For an apartment complex with more than fifty (50) units, an additional apartment provided rent free to an employee for every additional fifty (50) units is not subject to the tax imposed by this Section.
- (o) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section.
- (p) Charges by any hospital, any licensed nursing care institution, or any kidney dialysis facility to patients of such facilities for the use of rooms or other real property during the course of their treatment by such facilities are exempt.
- (q) Charges to patients receiving "personal care" or "directed care", by any licensed assisted living facility, licensed assisted living center or licensed assisted living home as defined and licensed pursuant to Chapter 4 Title 36 Arizona Revised Statutes and Title 9 of the Arizona Administrative Code are exempt.

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- (r) Income received from the rental of any "low-income unit" as established under Section 42 of the Internal Revenue Code, including the low-income housing credit provided by IRC Section 42, to the extent that the collection of tax on rental income causes the "gross rent" defined by IRC Section 42 to exceed the income limitation for the low-income unit is exempt. This exemption also applies to income received from the rental of individual rental units subject to statutory or regulatory "low-income unit" rent restrictions similar to IRC Section 42 to the extent that the collection of tax from the tenant causes the rental receipts to exceed a rent restriction for the low-income unit. This subsection also applies to rent received by a person other than the owner or lessor of the low-income unit, including a broker. This subsection does not apply unless a taxpayer maintains the documentation to support the qualification of a unit as a low-income unit, the "gross rent" limitation for the unit and the rent received from that unit.

(s) THE GROSS PROCEEDS OF
A COMMERCIAL LEASE OF REAL PROPERTY BETWEEN AFFILIATED COMPANIES,
BUSINESSES, PERSONS OR RECIPROCAL INSURERS ARE EXEMPT. FOR THE
PURPOSES OF THIS PARAGRAPH:

- (1) "AFFILIATED COMPANIES, BUSINESSES, PERSONS OR RECIPROCAL INSURERS" MEANS THE LESSOR HOLDS A CONTROLLING INTEREST IN THE LESSEE, THE LESSEE HOLDS A CONTROLLING INTEREST IN THE LESSOR, AN AFFILIATED ENTITY HOLDS A CONTROLLING INTEREST IN BOTH THE LESSOR AND THE LESSEE OR AN UNRELATED PERSON HOLDS A CONTROLLING INTEREST IN BOTH THE LESSOR AND LESSEE.
- (2) "CONTROLLING INTEREST" MEANS DIRECT OR INDIRECT OWNERSHIP OF AT LEAST EIGHTY PER CENT OF THE VOTING SHARES OF A CORPORATION OR OF THE INTERESTS IN A COMPANY, BUSINESS OR PERSON OTHER THAN A CORPORATION.
- (3) "RECIPROCAL INSURER" HAS THE SAME MEANING AS PRESCRIBED IN A.R.S. SECTION 20-762.

Section VIII. Model City Tax Code Section 4A-450 is amended as follows, with an effective date of September 1, 2004.

Sec. 4A-450. Rental, leasing, and licensing for use of tangible personal property.

- (a) The tax rate shall be at an amount equal to two and one-half percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting tangible personal property for a consideration, including that which is semi-permanently or permanently installed within the Town as provided by Regulation.
- (b) Special provisions relating to long-term motor vehicle leases. A lease transaction involving a motor vehicle for a minimum period of twenty-four (24) months shall be considered to have occurred at the location of the motor vehicle dealership, rather than the location of the place of business of the lessor, even if the lessor's interest in the lease and its proceeds are sold,

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transferred, or otherwise assigned to a lease financing institution; provided further that the city or town where such motor vehicle dealership is located levies a Privilege Tax or an equivalent excise tax upon the transaction.

- (c) Gross income derived from the following transactions shall be exempt from Privilege Taxes imposed by this Section:
- (1) rental, leasing, or licensing for use of tangible personal property to persons engaged or continuing in the business of leasing, licensing for use, or rental of such property.
 - (2) rental, leasing, or licensing for use of tangible personal property that is semi-permanently or permanently installed within another city or town that levies an equivalent excise tax on the transaction.
 - (3) rental, leasing, or licensing for use of film, tape, or slides to a theater or other person taxed under Section 4A 410, or to a radio station, television station, or subscription television system.
 - (4) rental, leasing, or licensing for use of the following:
 - (A) prosthetics.
 - (B) income-producing capital equipment.
 - (C) mining and metallurgical supplies.

These exemptions include the rental, leasing, or licensing for use of tangible personal property which, if it had been purchased instead of leased, rented, or licensed by the lessee or licensee, would qualify as income-producing capital equipment or mining and metallurgical supplies.

- (5) rental, leasing, or licensing for use of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or rental, leasing, or licensing for use of tangible personal property in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.
- (6) separately billed charges for delivery, installation, repair, and/or maintenance as provided by Regulation.
- (7) charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services.

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- (8) the gross income from coin-operated washing, drying, and dry cleaning machines, or from coin-operated car washing machines. This exemption shall not apply to suppliers or distributors renting, leasing, or licensing for use of such equipment to persons engaged in the operation of coin-operated washing, drying, dry cleaning, or car washing establishments.
- (9) rental, leasing, or licensing of aircraft that would qualify as aircraft acquired for use outside the State, as prescribed by Regulation, if such rental, leasing, or licensing had been a sale.
- (10) rental, leasing and licensing for use of an alternative fuel vehicle if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.
- (11) rental, leasing, and licensing for use of solar energy devices, for taxable periods beginning from and after July 1, 2008. The lessor shall register with the department of revenue as a solar energy retailer. By registering, the lessor acknowledges that it will make its books and records relating to leases of solar energy devices available to the Department of Revenue and city, as applicable, for examination.
- (12) LEASING OR RENTING CERTIFIED IGNITION INTERLOCK DEVICES INSTALLED PURSUANT TO THE REQUIREMENTS PRESCRIBED BY A.R.S. SECTION 28-1461. FOR THE PURPOSES OF THIS PARAGRAPH, "CERTIFIED IGNITION INTERLOCK DEVICE" HAS THE SAME MEANING PRESCRIBED IN A.R.S. SECTION 28-1301.

Section IX. Model City Tax Code Section 4A-460 is amended as follows, with an effective date of October 1, 2007.

Sec. 4A-460. Retail sales: measure of tax; burden of proof; exclusions.

- (a) The tax rate shall be at an amount equal to two and one-half percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail.
- (b) The burden of proving that a sale of tangible personal property is not a taxable retail sale shall be upon the person who made the sale.
- (c) Exclusions. For the purposes of this Chapter, sales of tangible personal property shall not include:
 - (1) sales of stocks, bonds, options, or other similar materials.
 - (2) sales of lottery tickets or shares pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.

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- (3) sales of platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by Regulation.
- (4) gross income derived from the transfer of tangible personal property which is specifically included as the gross income of a business activity upon which another Section of this Article imposes a tax, shall be considered gross income of that business activity, and are not includable as gross income subject to the tax imposed by this Section.
- (5) sales by professional or personal service occupations where such sales are inconsequential elements of the service provided.
- (6) SALES OF CASH EQUIVALENTS. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THE REDEMPTION OF ANY CASH EQUIVALENT BY THE HOLDER AS A MEANS OF PAYMENT FOR GOODS OR SERVICES THAT ARE TAXABLE UNDER THIS ARTICLE IS SUBJECT TO THE TAX. "CASH EQUIVALENTS" MEANS ITEMS OR INTANGIBLES, WHETHER OR NOT NEGOTIABLE, THAT ARE SOLD TO ONE OR MORE PERSONS, THROUGH WHICH A VALUE DENOMINATED IN MONEY IS PURCHASED IN ADVANCE AND MAY BE REDEEMED IN FULL OR IN PART FOR TANGIBLE PERSONAL PROPERTY, INTANGIBLES OR SERVICES. CASH EQUIVALENTS INCLUDE GIFT CARDS, STORED VALUE CARDS, GIFT CERTIFICATES, VOUCHERS, TRAVELER'S CHECKS, MONEY ORDERS OR OTHER INSTRUMENTS, ORDERS OR ELECTRONIC MECHANISMS, SUCH AS AN ELECTRONIC CODE, PERSONAL IDENTIFICATION NUMBER OR DIGITAL PAYMENT MECHANISM, OR ANY OTHER PREPAID INTANGIBLE RIGHT TO ACQUIRE TANGIBLE PERSONAL PROPERTY, INTANGIBLES OR SERVICES IN THE FUTURE, WHETHER FROM THE SELLER OF THE CASH EQUIVALENT OR FROM ANOTHER PERSON. CASH EQUIVALENTS DO NOT INCLUDE EITHER OF THE FOLLOWING:
 - (A) ITEMS OR INTANGIBLES THAT ARE SOLD TO ONE OR MORE PERSONS, THROUGH WHICH A VALUE IS NOT DENOMINATED IN MONEY.
 - (B) PREPAID CALLING CARDS OR PREPAID AUTHORIZATION NUMBERS FOR TELECOMMUNICATIONS SERVICES MADE TAXABLE BY SUBSECTION (g) OF THIS SECTION.
- (d) (Reserved)
- (e) When this Town and another Arizona city or town with an equivalent excise tax could claim nexus for taxing a retail sale, the city or town where the permanent business location of the seller at which the order was received shall be deemed to have precedence, and for the purposes of this Chapter such city or town has sole and exclusive right to such tax.
- (f) The appropriate tax liability for any retail sale where the order is received at a permanent business location of the seller located in this Town or in an Arizona city or town that levies an equivalent excise tax shall be at the tax rate of the city or town of such seller's location.

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- (g) Retail sales of prepaid calling cards or prepaid authorization numbers for telecommunications services, including sales of reauthorization of a prepaid card or authorization number, are subject to tax under this Section.

Section X. Model City Tax Code Section 4A-462 is added as follows, with an effective date of July 1, 2013.

SEC. 4A-462. RETAIL SALES: FOOD FOR HOME CONSUMPTION.

- (a) THE TAX RATE SHALL BE AT AN AMOUNT EQUAL TO **TWO AND ONE-HALF PERCENT (2.5%)** OF THE GROSS INCOME FROM THE BUSINESS ACTIVITY UPON EVERY PERSON ENGAGING OR CONTINUING IN THE BUSINESS OF SELLING FOOD FOR HOME CONSUMPTION AT RETAIL.
- (b) FOR THE PURPOSES OF THIS SECTION ONLY, THE FOLLOWING DEFINITIONS SHALL BE APPLICABLE:
- (1) "**ELIGIBLE GROCERY BUSINESS**" MEANS AN ESTABLISHMENT WHOSE SALES OF FOOD ARE SUCH THAT IT IS ELIGIBLE TO PARTICIPATE IN THE FOOD STAMP PROGRAM ESTABLISHED BY THE FOOD STAMP ACT OF 1977 (P.L. 95-113; 91 STAT. 958.7 U.S.C. SECTION 2011 ET SEQ.), ACCORDING TO REGULATIONS IN EFFECT ON JANUARY 1, 1979. AN ESTABLISHMENT IS DEEMED ELIGIBLE TO PARTICIPATE IN THE FOOD STAMP PROGRAM IF IT IS AUTHORIZED TO PARTICIPATE IN THE PROGRAM BY THE UNITED STATES DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE FIELD OFFICE ON THE EFFECTIVE DATE OF THIS SECTION, OR IF, PRIOR TO A REPORTING PERIOD FOR WHICH THE RETURN IS FILED, SUCH RETAILER PROVES TO THE SATISFACTION OF THE TAX COLLECTOR THAT THE ESTABLISHMENT, BASED ON THE NATURE OF THE RETAILER'S FOOD SALES, COULD BE ELIGIBLE TO PARTICIPATE IN THE FOOD STAMP PROGRAM ESTABLISHED BY THE FOOD STAMP ACT OF 1977 ACCORDING TO REGULATIONS IN EFFECT ON JANUARY 1, 1979.
- (2) "**FACILITIES FOR THE CONSUMPTION OF FOOD**" MEANS TABLES, CHAIRS, BENCHES, BOOTHS, STOOLS, COUNTERS, AND SIMILAR CONVENIENCES, TRAYS, GLASSES, DISHES, OR OTHER TABLEWARE AND PARKING AREAS FOR THE CONVENIENCE OF IN-CAR CONSUMPTION OF FOOD IN OR ON THE PREMISES ON WHICH THE RETAILER CONDUCTS BUSINESS.
- (3) "**FOOD FOR CONSUMPTION ON THE PREMISES**" MEANS ANY OF THE FOLLOWING:
- (A) "HOT PREPARED FOOD" AS DEFINED BELOW.
- (B) HOT OR COLD SANDWICHES.

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- (C) FOOD SERVED BY AN ATTENDANT TO BE EATEN AT TABLES, CHAIRS, BENCHES, BOOTHS, STOOLS, COUNTERS, AND SIMILAR CONVENIENCES AND WITHIN PARKING AREAS FOR THE CONVENIENCE OF IN-CAR CONSUMPTION OF FOOD.
 - (D) FOOD SERVED WITH TRAYS, GLASSES, DISHES, OR OTHER TABLEWARE.
 - (E) BEVERAGES SOLD IN CUPS, GLASSES, OR OPEN CONTAINERS.
 - (F) FOOD SOLD BY CATERERS.
 - (G) FOOD SOLD WITHIN THE PREMISES OF THEATRES, MOVIES, OPERAS, SHOWS OF ANY TYPE OR NATURE, EXHIBITIONS, CONCERTS, CARNIVALS, CIRCUSES, AMUSEMENT PARKS, FAIRS, RACES, CONTESTS, GAMES, ATHLETIC EVENTS, RODEOS, BILLIARD AND POOL PARLORS, BOWLING ALLEYS, PUBLIC DANCES, DANCE HALLS, BOXING, WRESTLING AND OTHER MATCHES, AND ANY BUSINESS WHICH CHARGES ADMISSION, ENTRANCE, OR COVER FEES FOR EXHIBITION, AMUSEMENT, ENTERTAINMENT, OR INSTRUCTION.
 - (H) ANY ITEMS CONTAINED IN SUBSECTIONS (B)(3)(A) THROUGH (G) ABOVE EVEN THOUGH THEY ARE SOLD ON A "TAKE-OUT" OR "TO GO" BASIS, AND WHETHER OR NOT THE ITEM IS PACKAGED, WRAPPED, OR IS ACTUALLY TAKEN FROM THE PREMISES.
- (4) "HOT PREPARED FOOD" MEANS THOSE PRODUCTS, ITEMS, OR INGREDIENTS OF FOOD WHICH ARE PREPARED AND INTENDED FOR CONSUMPTION IN A HEATED CONDITION. "HOT PREPARED FOOD" INCLUDES A COMBINATION OF HOT AND COLD FOOD ITEMS OR INGREDIENTS IF A SINGLE PRICE HAS BEEN ESTABLISHED.
- (5) "PREMISES" MEANS THE TOTAL SPACE AND FACILITIES IN OR ON WHICH A VENDOR CONDUCTS BUSINESS AND WHICH ARE OWNED OR CONTROLLED, IN WHOLE OR IN PART, BY A VENDOR OR WHICH ARE MADE AVAILABLE FOR THE USE OF CUSTOMERS OF THE VENDOR OR GROUP OF VENDORS, INCLUDING ANY BUILDING OR PART OF A BUILDING, PARKING LOT, OR GROUNDS.
- (6) "FOOD FOR HOME CONSUMPTION" MEANS ALL FOOD, EXCEPT FOOD FOR CONSUMPTION ON THE PREMISES, IF SOLD BY ANY OF THE FOLLOWING:
- (A) AN ELIGIBLE GROCERY BUSINESS.
 - (B) A PERSON WHO CONDUCTS A BUSINESS WHOSE PRIMARY BUSINESS IS NOT THE SALE OF FOOD BUT WHO SELLS FOOD WHICH IS DISPLAYED, PACKAGED, AND SOLD IN A SIMILAR MANNER AS AN ELIGIBLE GROCERY BUSINESS.

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- (C) A PERSON WHO SELLS FOOD AND DOES NOT PROVIDE OR MAKE AVAILABLE ANY FACILITIES FOR THE CONSUMPTION OF FOOD ON THE PREMISES.
 - (D) A PERSON WHO CONDUCTS A DELICATESSEN BUSINESS EITHER FROM A COUNTER WHICH IS SEPARATE FROM THE PLACE AND CASH REGISTER WHERE TAXABLE SALES ARE MADE OR FROM A COUNTER WHICH HAS TWO CASH REGISTERS AND WHICH ARE USED TO RECORD TAXABLE AND TAX EXEMPT SALES, OR A RETAILER WHO CONDUCTS A DELICATESSEN BUSINESS WHO USES A CASH REGISTER WHICH HAS AT LEAST TWO TAX COMPUTING KEYS WHICH ARE USED TO RECORD TAXABLE AND TAX EXEMPT SALES.
 - (E) VENDING MACHINES AND OTHER TYPES OF AUTOMATIC RETAILERS.
 - (F) A PERSON'S SALES OF FOOD, DRINK AND CONDIMENT FOR CONSUMPTION WITHIN THE PREMISES OF ANY PRISON, JAIL OR OTHER INSTITUTION UNDER THE JURISDICTION OF THE STATE DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF PUBLIC SAFETY, THE DEPARTMENT OF JUVENILE CORRECTIONS OR A COUNTY SHERIFF.
- (c) INCOME DERIVED FROM THE FOLLOWING SOURCES IS EXEMPT FROM THE TAX IMPOSED BY THIS SECTION:
- (1) SALES OF FOOD FOR HOME CONSUMPTION TO A PERSON REGULARLY ENGAGED IN THE BUSINESS OF SELLING SUCH PROPERTY.
 - (2) OUT-OF-CITY SALES OR OUT-OF-STATE SALES.
 - (3) CHARGES FOR DELIVERY OR OTHER "DIRECT CUSTOMER SERVICES" AS PRESCRIBED BY REGULATION.
 - (4) FOOD PURCHASED WITH FOOD STAMPS PROVIDED THROUGH THE FOOD STAMP PROGRAM ESTABLISHED BY THE FOOD STAMP ACT OF 1977 (P.L. 95-113; 91 STAT. 958.7 U.S.C. SECTION 2011 ET SEQ.) OR PURCHASED WITH FOOD INSTRUMENTS ISSUED UNDER SECTION 17 OF THE CHILD NUTRITION ACT (P.L. 95-627; 92 STAT. 3603; AND P.L. 99-669; SECTION 4302; 42 UNITED STATES CODE SECTION 1786) BUT ONLY TO THE EXTENT THAT FOOD STAMPS OR FOOD INSTRUMENTS WERE ACTUALLY USED TO PURCHASE SUCH FOOD.
 - (5) SALES OF FOOD PRODUCTS BY PRODUCERS AS PROVIDED FOR BY A.R.S. SECTIONS 3-561, 3-562 AND 3-563.
 - (6) SALES OF FOOD, BEVERAGES, CONDIMENTS AND ACCESSORIES TO A PUBLIC EDUCATIONAL ENTITY, PURSUANT TO ANY OF THE PROVISIONS OF TITLE 15, ARIZONA REVISED STATUTES, INCLUDING A REGULARLY

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ORGANIZED PRIVATE OR PAROCHIAL SCHOOL THAT OFFERS AN EDUCATIONAL PROGRAM FOR GRADE TWELVE OR UNDER WHICH MAY BE ATTENDED IN SUBSTITUTION FOR A PUBLIC SCHOOL PURSUANT TO A.R.S. 15-802 ; TO THE EXTENT SUCH ITEMS ARE TO BE PREPARED OR SERVED TO INDIVIDUALS FOR CONSUMPTION ON THE PREMISES OF A PUBLIC EDUCATIONAL ENTITY DURING SCHOOL HOURS. FOR THE PURPOSES OF THIS SUBSECTION, "ACCESSORIES" MEANS PAPER PLATES, PLASTIC EATING UTENSILS, NAPKINS, PAPER CUPS, DRINKING STRAWS, PAPER SACKS OR OTHER DISPOSABLE CONTAINERS, OR OTHER ITEMS WHICH FACILITATE THE CONSUMPTION OF THE FOOD.

- (7) SALES OF FOOD, BEVERAGES, CONDIMENTS AND ACCESSORIES TO A NONPROFIT CHARITABLE ORGANIZATION THAT HAS QUALIFIED AS AN EXEMPT ORGANIZATION UNDER 26 U.S.C. SECTION 501(C)(3) AND REGULARLY SERVES MEALS TO THE NEEDY AND INDIGENT ON A CONTINUING BASIS AT NO COST. FOR THE PURPOSES OF THIS SUBSECTION, "ACCESSORIES" MEANS PAPER PLATES, PLASTIC EATING UTENSILS, NAPKINS, PAPER CUPS, DRINKING STRAWS, PAPER SACKS OR OTHER DISPOSABLE CONTAINERS, OR OTHER ITEMS WHICH FACILITATE THE CONSUMPTION OF THE FOOD.
- (d) REPORTING. SUCH PERSONS WHO SELL FOOD FOR HOME CONSUMPTION SHALL, IN CONJUNCTION WITH THE RETURN REQUIRED PURSUANT TO SECTION 44A-520, REPORT TO THE TAX COLLECTOR IN A MANNER PRESCRIBED BY THE TAX COLLECTOR ALL SALES OF FOOD FOR HOME CONSUMPTION EXEMPTED FROM TAXES IMPOSED BY THIS CHAPTER.
- (e) RECORDKEEPING.
- (1) RETAILERS SHALL MAINTAIN ACCURATE, VERIFIABLE, AND COMPLETE RECORDS OF ALL PURCHASES AND SALES OF TANGIBLE PERSONAL PROPERTY IN ORDER TO VERIFY EXEMPTIONS FROM TAXES IMPOSED BY THIS CHAPTER. A RETAILER MAY USE ANY METHOD OF REPORTING THAT PROPERLY REFLECTS ALL PURCHASES AND SALES OF FOOD FOR HOME CONSUMPTION, AS WELL AS ALL PURCHASES AND SALES OF ITEMS SUBJECT TO TAXES IMPOSED BY THIS CHAPTER, PROVIDED THAT SUCH RECORDS ARE MAINTAINED IN ACCORDANCE WITH ARTICLE III, AND REGULATIONS OF THE TAX COLLECTOR.
- (2) ANY PERSON WHO FAILS TO MAINTAIN RECORDS AS PROVIDED HEREIN SHALL BE DEEMED TO HAVE HAD NO SALES OF FOOD FOR HOME CONSUMPTION, AND IF UPON REQUEST BY THE TAX COLLECTOR, A PERSON CANNOT DEMONSTRATE TO THE TAX COLLECTOR THAT SUCH RECORDS AND REPORTS DO PROPERLY REFLECT ALL SALES OF FOOD FOR HOME CONSUMPTION, THE TAX COLLECTOR MAY RECOMPUTE THE AMOUNT OF TAX TO BE PAID AS PROVIDED IN SECTIONS 4A-370 AND 4A-545(B).

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Section XI. Model City Tax Code Section 4A-465 is amended as follows. All changes are effective July 1, 2013, except new subsection (mm), which is effective January 1, 2007.

Sec. 4A-465. Retail sales: exemptions.

Income derived from the following sources is exempt from the tax imposed by Section 4A-460:

- (a) sales of tangible personal property to a person regularly engaged in the business of selling such property.
- (b) out-of-City sales or out-of-State sales.
- (c) charges for delivery, installation, or other direct customer services as prescribed by Regulation.
- (d) charges for repair services as prescribed by Regulation, when separately charged and separately maintained in the books and records of the taxpayer.
- (e) sales of warranty, maintenance, and service contracts, when separately charged and separately maintained in the books and records of the taxpayer.
- (f) sales of prosthetics.
- (g) sales of income-producing capital equipment.
- (h) sales of rental equipment and rental supplies.
- (i) sales of mining and metallurgical supplies.
- (j) sales of motor vehicle fuel and use fuel which are subject to a tax imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes; or sales of use fuel to a holder of a valid single trip use fuel tax permit issued under A.R.S. Section 28-5739, or sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.
- (k) sales of tangible personal property to a construction contractor who holds a valid Privilege Tax License for engaging or continuing in the business of construction contracting where the tangible personal property sold is incorporated into any structure or improvement to real property as part of construction contracting activity.
- (l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.
- (m) sales of tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines, or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.
- (n) (Reserved)
 - (1) (Reserved)
 - (2) (Reserved)

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- (o) sales to hotels, bars, restaurants, dining cars, lunchrooms, boarding houses, or similar establishments of articles consumed as food, drink, or condiment, whether simple, mixed, or compounded, where such articles are customarily prepared or served to patrons for consumption on or off the premises, where the purchaser is properly licensed and paying a tax under Section 4A-455 or the equivalent excise tax upon such income.
- (p) sales of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or sales of tangible personal property purchased in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.
- (q)
- (r) (Reserved)
- (s) sales of groundwater measuring devices required by A.R.S. Section 45-604.
- (t) (Reserved)
- (u) sales of aircraft acquired for use outside the State, as prescribed by Regulation.
- (v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.
- (w) (Reserved)
- (x) sales of food and drink to a PERSON WHO IS ENGAGED IN BUSINESS THAT IS CLASSIFIED UNDER THE RESTAURANT CLASSIFICATION AND THAT provides such food and drink without monetary charge to its employees for their own consumption on the premises during such employees' hours of employment.
- (y) (Reserved)
- (z) (Reserved)
- (aa) the sale of tangible personal property used in remediation contracting as defined in Section 4A-100 and Regulation 4A-100.5.
- (bb) sales of materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
 - (1) printed or photographic materials.
 - (2) electronic or digital media materials.
- (cc) sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. Section 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups,

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- drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (dd) in computing the tax base in the case of the sale or transfer of wireless telecommunication equipment as an inducement to a customer to enter into or continue a contract for telecommunication services that are taxable under Section 4A-470, gross proceeds of sales or gross income does not include any sales commissions or other compensation received by the retailer as a result of the customer entering into or continuing a contract for the telecommunications services.
 - (ee) for the purposes of this Section, a sale of wireless telecommunication equipment to a person who holds the equipment for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 4A-470 is considered to be a sale for resale in the regular course of business.
 - (ff) sales of alternative fuel as defined in A.R.S. Section 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. Section 49-426 or Section 49-480.

 - (gg) sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, INCLUDING A REGULARLY ORGANIZED PRIVATE OR PAROCHIAL SCHOOL THAT OFFERS AN EDUCATIONAL PROGRAM FOR GRADE TWELVE OR UNDER WHICH MAY BE ATTENDED IN SUBSTITUTION FOR A PUBLIC SCHOOL PURSUANT TO A.R.S. 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
 - (hh) sales of personal hygiene items to a person engaged in the business of and subject to tax under Section 4A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.
 - (ii) for the purposes of this Section, the diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.
 - (jj) sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C. Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups,

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drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

- (kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.
- (ll) sales of solar energy devices, for taxable periods beginning from and after July 1, 2008. The retailer shall register with the department of revenue as a solar energy retailer. By registering, the retailer acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and city, as applicable, for examination.
- (MM) SALES OR OTHER TRANSFERS OF RENEWABLE ENERGY CREDITS OR ANY OTHER UNIT CREATED TO TRACK ENERGY DERIVED FROM RENEWABLE ENERGY RESOURCES. FOR THE PURPOSES OF THIS PARAGRAPH, "RENEWABLE ENERGY CREDIT" MEANS A UNIT CREATED ADMINISTRATIVELY BY THE CORPORATION COMMISSION OR GOVERNING BODY OF A PUBLIC POWER UTILITY TO TRACK KILOWATT HOURS OF ELECTRICITY DERIVED FROM A RENEWABLE ENERGY RESOURCE OR THE KILOWATT HOUR EQUIVALENT OF CONVENTIONAL ENERGY RESOURCES DISPLACED BY DISTRIBUTED RENEWABLE ENERGY RESOURCES.
- (NN) SALES OF MAGAZINES OR OTHER PERIODICALS OR OTHER PUBLICATIONS BY THIS STATE TO ENCOURAGE TOURIST TRAVEL.
- (OO) SALES OF PAPER MACHINE CLOTHING, SUCH AS FORMING FABRICS AND DRYER FELTS, SOLD TO A PAPER MANUFACTURER AND DIRECTLY USED OR CONSUMED IN PAPER MANUFACTURING.
- (PP) SALES OF OVERHEAD MATERIALS OR OTHER TANGIBLE PERSONAL PROPERTY THAT IS USED IN PERFORMING A CONTRACT BETWEEN THE UNITED STATES GOVERNMENT AND A MANUFACTURER, MODIFIER, ASSEMBLER OR REPAIRER, INCLUDING PROPERTY USED IN PERFORMING A SUBCONTRACT WITH A GOVERNMENT CONTRACTOR WHO IS A MANUFACTURER, MODIFIER, ASSEMBLER OR REPAIRER, TO WHICH TITLE PASSES TO THE GOVERNMENT UNDER THE TERMS OF THE CONTRACT OR SUBCONTRACT.
- (QQ) SALES OF COAL, PETROLEUM, COKE, NATURAL GAS, VIRGIN FUEL OIL AND ELECTRICITY SOLD TO A QUALIFIED ENVIRONMENTAL TECHNOLOGY MANUFACTURER, PRODUCER OR PROCESSOR AS DEFINED IN A.R.S. SECTION 41-1514.02 AND DIRECTLY USED OR CONSUMED IN THE GENERATION OR PROVISION OF ON-SITE POWER OR ENERGY SOLELY FOR ENVIRONMENTAL TECHNOLOGY MANUFACTURING, PRODUCING OR PROCESSING OR ENVIRONMENTAL PROTECTION. THIS PARAGRAPH SHALL APPLY FOR TWENTY FULL CONSECUTIVE CALENDAR OR FISCAL YEARS FROM THE DATE THE FIRST PAPER MANUFACTURING MACHINE IS PLACED IN SERVICE. IN THE CASE OF AN ENVIRONMENTAL TECHNOLOGY MANUFACTURER, PRODUCER OR PROCESSOR WHO DOES NOT MANUFACTURE PAPER, THE TIME PERIOD SHALL BEGIN WITH

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THE DATE THE FIRST MANUFACTURING, PROCESSING OR PRODUCTION EQUIPMENT IS PLACED IN SERVICE.

- (RR) SALES OR GROSS INCOME DERIVED FROM SALES OF MACHINERY, EQUIPMENT, MATERIALS AND OTHER TANGIBLE PERSONAL PROPERTY USED DIRECTLY AND PREDOMINANTLY TO CONSTRUCT A QUALIFIED ENVIRONMENTAL TECHNOLOGY MANUFACTURING, PRODUCING OR PROCESSING FACILITY AS DESCRIBED IN A.R.S. SECTION 41-1514.02. THIS SUBSECTION APPLIES FOR TEN FULL CONSECUTIVE CALENDAR OR FISCAL YEARS AFTER THE START OF INITIAL CONSTRUCTION.

Section XII. Model City Tax Code Section 4A-480 is amended as follows, with an effective date of January 1, 2007, except new Local Option #PP which is available to be selected effective August 1, 2014.

Sec. 4A-480. Utility services.

- (a) The tax rate shall be at an amount equal to two and one-half percent (2.5%) of the gross income from the business activity upon every person engaging or continuing in the business of producing, providing, or furnishing utility services, including electricity, electric lights, current, power, gas (natural or artificial), or water to:
- (1) consumers or ratepayers who reside within the Town.
 - (2) (Reserved)
- (b) Exclusion of certain sales of natural gas to a public utility. Notwithstanding the provisions of subsection (a) above, the gross income derived from the sale of natural gas to a public utility for the purpose of generation of power to be transferred by the utility to its ratepayers shall be considered a retail sale of tangible personal property subject to Sections 4A-460 and 4A-465, and not considered gross income taxable under this Section.
- (c) Resale utility services. Sales of utility services to another provider of the same utility services for the purpose of providing such utility services either to another properly licensed utility provider or directly to such purchaser's customers or ratepayers shall be exempt and deductible from the gross income subject to the tax imposed by this Section, provided that the purchaser is properly licensed by all applicable taxing jurisdictions to engage or continue in the business of providing utility services, and further provided that the seller maintains proper documentation, in a manner similar to that for sales for resale, of such transactions.
- (d) Tax credit offset for franchise fees. There shall be allowed as an offset any franchise fees paid to the Town pursuant to the terms of a franchise agreement. However, such offset shall not be allowed against taxes imposed by any other Section of this Chapter. Such offsets shall not be deemed in conflict
- (e) The tax imposed by this Section shall not apply to sales of utility services to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for

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use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

- (f) The tax imposed by this Section shall not apply to sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.
- (g) The tax imposed by this Section shall not apply to:
 - (1) revenues received by a municipally owned utility in the form of fees charged to persons constructing residential, commercial or industrial developments or connecting residential, commercial or industrial developments to a municipal utility system or systems if the fees are segregated and used only for capital expansion, system enlargement or debt service of the utility system or systems.
 - (2) revenues received by any person or persons owning a utility system in the form of reimbursement or contribution compensation for property and equipment installed to provide utility access to, on or across the land of an actual utility consumer if the property and equipment become the property of the utility. This exclusion shall not exceed the value of such property and equipment.
- (h) The tax imposed by this Section shall not apply to sales of alternative fuel as defined in A.R.S. Section 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. Section 49-426 or Section 49-480.
- (I) THE TAX IMPOSED BY THIS SECTION SHALL NOT APPLY TO SALES OR OTHER TRANSFERS OF RENEWABLE ENERGY CREDITS OR ANY OTHER UNIT CREATED TO TRACK ENERGY DERIVED FROM RENEWABLE ENERGY RESOURCES. FOR THE PURPOSES OF THIS PARAGRAPH, "RENEWABLE ENERGY CREDIT" MEANS A UNIT CREATED ADMINISTRATIVELY BY THE CORPORATION COMMISSION OR GOVERNING BODY OF A PUBLIC POWER UTILITY TO TRACK KILOWATT HOURS OF ELECTRICITY DERIVED FROM A RENEWABLE ENERGY RESOURCE OR THE KILOWATT HOUR EQUIVALENT OF CONVENTIONAL ENERGY RESOURCES DISPLACED BY DISTRIBUTED RENEWABLE ENERGY RESOURCES.
- (J) THE TAX IMPOSED BY THIS SECTION SHALL NOT APPLY TO THE PORTION OF GROSS PROCEEDS OF SALES OR GROSS INCOME ATTRIBUTABLE TO TRANSFERS OF ELECTRICITY BY ANY RETAIL ELECTRIC CUSTOMER OWNING A SOLAR PHOTOVOLTAIC ENERGY GENERATING SYSTEM TO AN ELECTRIC DISTRIBUTION SYSTEM, IF THE ELECTRICITY TRANSFERRED IS GENERATED BY THE CUSTOMER'S SYSTEM.
- (K) (RESERVED)

Section XIII. Model City Tax Code Section 4A-485 is amended as follows, with an effective date of July 1, 2013.

Sec. 4A-485. WASTEWATER REMOVAL SERVICES

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- (a) THE TAX RATE SHALL BE AN AMOUNT EQUAL TO **ZERO** PERCENT (0%) OF THE GROSS INCOME FROM THE BUSINESS ACTIVITY UPON EVERY PERSON ENGAGING OR CONTINUING IN THE BUSINESS OF PROVIDING WASTEWATER REMOVAL SERVICES BY MEANS OF SEWER LINES OR SIMILAR PIPELINES TO:
- (1) CONSUMERS OR RATEPAYERS WHO RESIDE WITHIN THE **TOWN**.
 - (2) CONSUMERS OR RATEPAYERS OF THIS CITY, WHETHER WITHIN THE **TOWN** **OR** WITHOUT, TO THE EXTENT THAT THIS CITY PROVIDES SUCH PERSONS WASTEWATER REMOVAL SERVICES, EXCLUDING CONSUMERS OR RATEPAYERS WHO ARE RESIDENTS OF ANOTHER CITY OR TOWN WHICH LEVIES AN EQUIVALENT EXCISE TAX UPON THIS CITY FOR PROVIDING SUCH WASTEWATER REMOVAL SERVICES TO SUCH PERSONS.
- (b) THE TAX IMPOSED BY THIS SECTION SHALL NOT APPLY TO GROSS INCOME RELATING TO THE PROVIDING OF WASTEWATER REMOVAL SERVICES FROM A QUALIFYING HOSPITAL, QUALIFYING COMMUNITY HEALTH CENTER OR A QUALIFYING HEALTH CARE ORGANIZATION.

Section XIV. Model City Tax Code, Appendix IV, Section 4A-570 is amended as follows to conform the Appendix language with prior changes made to Section 4A-570 of the Model language, with an effective date of July 1, 2008.

Sec. 4A-570. Administrative review; petition for hearing or for redetermination; finality of order. (State Administration and Audits)

- (a) Closing agreements between the Tax Collector and a taxpayer have no force of law unless made in accordance with the provisions of A.R.S. Section 42-1113.
- (b) Administrative review.
- (1) Petitions of appeal shall be made to, and hearings shall be conducted by, the Arizona Department of Revenue, in accordance with the provisions of A.R.S. Section 42-1251, as modified by Section 4A-571.
 - (2) (Reserved)
 - (3) (Reserved)
 - (4) (Reserved)
 - (5) Hearings shall be held by the Arizona Department of Revenue in accordance with the provisions of A.R.S. Section 42-1251. The Department's decision may be appealed to the State Board of Tax Appeals, in accordance with the provisions of A.R.S. Section 42-1253.
 - (6) (Reserved)

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- (7) (Reserved)
- (8) (Reserved)
- (c) (Reserved)
- (d) (Reserved)
- (e) Taxpayers shall be subject to the state taxpayer bill of rights (A.R.S. § 42-2051 et. seq.).

**Sec. 4A-570. Administrative review; petition for hearing or for redetermination; finality of order.
(Local Audits)**

For the purposes of this section, "Municipal Tax Hearing Office" means the administrative offices of the MUNICIPAL Tax Hearing Officer.

- (a) Informal Conference. A taxpayer shall have the right to discuss any proposed assessment with the auditor prior to the issuance of any assessment, but any such informal conference is not required for the taxpayer to file a petition for administrative review.
- (b) Administrative Review.
 - (1) Filing a Petition. Other than in the case of a jeopardy assessment, a taxpayer may contest the applicability or amount of tax, penalty, or interest imposed upon or paid by him pursuant to this Chapter by filing a petition for a hearing or for redetermination with the Tax Collector as set forth below:
 - (A) within forty-five (45) days of receipt by the taxpayer of notice of a determination by the Tax Collector that a tax, penalty, or interest amount is due, or that a request for refund or credit has been denied; or
 - (B) by voluntary payment of any contested amount when accompanied by a timely filed return and a petition requesting a refund of the protested portion of said payment; or
 - (C) by petition accompanying a timely filed return contesting an amount reported but not paid; or
 - (D) by petition requesting review of denial of waiver of penalty as provided in subsection 4A-540(g).
 - (2) Extension to file a petition. In all cases, the taxpayer may request AN extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay, and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow A FORTY-FIVE (45) DAY extension to file a petition, when such written request has been properly and timely made by the taxpayer. THE TAX COLLECTOR MAY GRANT AN ADDITIONAL EXTENSION AND MAY DETERMINE THE CORRESPONDING TIME OF ANY SUCH EXTENSION AT HIS SOLE DISCRETION.
 - (3) Requirements for petition.

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- (A) The petition shall be in writing and shall set forth the reasons why any correction, abatement, or refund should be granted, and the amount of reduction or refund requested. The petition may be amended at any time prior to the time the taxpayer rests his case at the hearing or such time as the Hearing Officer allows for submitting of amendments in cases of redeterminations without hearings. The Hearing Officer may require that amendments be in writing, and in that case, he shall provide a reasonable period of time to file the amendment. The Hearing Officer shall provide a reasonable period of time for the Tax Collector to review and respond to the petition and to any written amendments.
 - (B) The taxpayer, as part of the petition, may request a hearing which shall be granted by the Hearing Officer. If no request for hearing is made the petition shall be considered to be submitted for decision by the Hearing Officer on the matters contained in the petition and in any reply made by the Tax Collector.
 - (C) The provisions of this Section are exclusive, and no petition seeking any correction, abatement, or refund shall be considered unless the petition is timely and properly filed under the Section.
- (4) Transmittal to Hearing Officer. The city/town shall designate a Hearing Officer, who may be other than an employee of the (city/town). The Tax Collector, if designated to receive petitions, shall forward any petition to the Municipal Tax Hearing Officer within twenty (20) days after receipt, accompanied by documentation as to timeliness. In cases where the Hearing Officer determines that the petition is not timely or not in proper form, he shall notify both the taxpayer and the Tax Collector; and in cases of petitions not in proper form only, the Hearing Officer shall provide the taxpayer with an extension up to forty-five (45) days to correct the petition.
- (5) Hearings shall be conducted by a Hearing Officer and shall be continuous until the Hearing Officer closes the record. The taxpayer may be heard in person or by his authorized representative at such hearing. Hearings shall be conducted informally as to the order of proceeding and presentation of evidence. The Hearing Officer shall admit evidence over hearsay objections where the offered evidence has substantial probative value and reliability. Further, copies of records and documents prepared in the ordinary course of business may be admitted, without objection as to foundation, but subject to argument as to weight, admissibility, and authenticity. Summary accounting records may be admitted subject to satisfactory proof of the reliability of the summaries. In all cases, the decision of the Hearing Officer shall be made solely upon substantial and reliable evidence. All expenses incurred in the hearing shall be paid by the party incurring the same.
- (6) Redeterminations upon a "petition for redetermination" shall follow the same conditions, except that no oral hearing shall be held.
- (7) Hearing Ruling. In either case, the Hearing Officer shall issue his ruling not later than forty-five (45) days after the close of the record by the Hearing Officer.

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- (8) Notice of Refund or Adjusted Assessment. Within sixty (60) days of the issuance of the Hearing Officer's decision, the Tax Collector shall issue to the taxpayer either a notice of refund or an adjusted assessment recalculated to conform to the Hearing Officer's decision.
- (c) Stipulations that future tax is also protested. A taxpayer may enter into a stipulation with the Tax Collector that future taxes of similar nature are also at issue in any protest or appeal. However, unless such stipulation is made, it is presumed that the protest or appeal deals solely and exclusively with the tax specifically protested and no other. When a taxpayer enters into such a stipulation with the Tax Collector that future taxes of similar nature will be included in any redetermination, hearing, or court case, it is the burden of that taxpayer to identify, segregate, and keep record of such income or protested taxable amount in his books and records in the same manner as the taxpayer is required to segregate exempt income.
- (d) When an assessment is final.
- (1) If a request for administrative review and petition for hearing or redetermination of an assessment made by the Tax Collector is not filed within the period required by subsection (b) above, such person shall be deemed to have waived and abandoned the right to question the amount determined to be due and any tax, interest, or penalty determined to be due shall be final as provided in subsections 4A-545(a) and 4A-555(f).
- (2) The decision made by the Hearing Officer upon administrative review by hearing or redetermination shall become final thirty (30) days after the taxpayer receives the notice of refund or adjusted assessment required by subsection (b)(8) above, unless the taxpayer appeals the order or decision in the manner provided in Section 4A-575.
- (e) The provisions of the state taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.) shall not apply.

Section XV. Model City Tax Code Section 4A-660 is amended as follows. All changes are effective July 1, 2013, except new subsection (mm), which is effective January 1, 2007, 2014.

Sec. 4A-660. Use tax: exemptions.

The storage or use in this Town of the following tangible personal property is exempt from the Use Tax imposed by this Article:

- (a) tangible personal property brought into the Town by an individual who was not a resident of the Town at the time the property was acquired for his own use, if the first actual use of such property was outside the Town, unless such property is used in conducting a business in this Town.
- (b) tangible personal property, the value of which does not exceed the amount of one thousand dollars (\$1,000) per item, acquired by an individual outside the limits of the Town for his personal use and enjoyment.

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- (c) charges for delivery, installation, or other customer services, as prescribed by Regulation.
- (d) charges for repair services, as prescribed by Regulation.
- (e) separately itemized charges for warranty, maintenance, and service contracts.
- (f) prosthetics.
- (g) income-producing capital equipment.
- (h) rental equipment and rental supplies.
- (i) mining and metallurgical supplies.
- (j) motor vehicle fuel and use fuel which are used upon the highways of this State and upon which a tax has been imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes.
- (k) tangible personal property purchased by a construction contractor, but not an owner-builder, when such person holds a valid Privilege License for engaging or continuing in the business of construction contracting, and where the property acquired is incorporated into any structure or improvement to real property in fulfillment of a construction contract.
- (l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.
- (m) tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.
- (n) rental, leasing, or licensing for use of film, tape, or slides by a theater or other person taxed under Section 4A-410, or by a radio station, television station, or subscription television system.
- (o) food served to patrons for a consideration by any person engaged in a business properly licensed and taxed under Section 4A-455, but not food consumed by owners, agents, or employees of such business.
- (p) tangible personal property acquired by a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property is in fact used in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (q)
- (r) (Reserved)
 - (1) (Reserved)
 - (2) (Reserved)
 - (3) (Reserved)
 - (4) (Reserved)**

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- (s) groundwater measuring devices required by A.R.S. Section 45-604.
- (t) (Reserved)
- (u) aircraft acquired for use outside the State, as prescribed by Regulation.
- (v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.
- (w) (Reserved)

- (x) food and drink PROVIDED BY A PERSON WHO IS ENGAGED IN BUSINESS THAT IS CLASSIFIED UNDER THE RESTAURANT CLASSIFICATION without monetary charge to its employees for their own consumption on the premises during such employees' hours of employment.
- (y) (Reserved)
- (z) (Reserved)
- (aa) tangible personal property used in remediation contracting as defined in Section 4A-100 and Regulation 4A-100.5.
- (bb) materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
 - (1) printed or photographic materials.
 - (2) electronic or digital media materials.
- (cc) food, beverages, condiments and accessories used for serving food and beverages by a commercial airline, as defined in A.R.S. Section 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (dd) wireless telecommunication equipment that is held for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 4A-470.
- (ee) (Reserved)
- (ff) alternative fuel as defined in A.R.S. Section 1-215, by a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. Section 49-426 or Section 49-480.
- (gg) food, beverages, condiments and accessories purchased by or for a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, INCLUDING A REGULARLY ORGANIZED PRIVATE OR PAROCHIAL SCHOOL THAT OFFERS AN EDUCATIONAL PROGRAM FOR GRADE TWELVE OR UNDER WHICH MAY BE ATTENDED IN SUBSTITUTION FOR A PUBLIC SCHOOL PURSUANT TO A.R.S. 15-802;

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- to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (hh) personal hygiene items purchased by a person engaged in the business of and subject to tax under Section 4A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.
 - (ii) the diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.
 - (jj) food, beverages, condiments and accessories purchased by or for a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C. Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
 - (kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.
 - (ll) The storage, use or consumption of tangible personal property in the city or town by a school district or charter school.
 - (mm) RENEWABLE ENERGY CREDITS OR ANY OTHER UNIT CREATED TO TRACK ENERGY DERIVED FROM RENEWABLE ENERGY RESOURCES. FOR THE PURPOSES OF THIS PARAGRAPH, "RENEWABLE ENERGY CREDIT" MEANS A UNIT CREATED ADMINISTRATIVELY BY THE CORPORATION COMMISSION OR GOVERNING BODY OF A PUBLIC POWER UTILITY TO TRACK KILOWATT HOURS OF ELECTRICITY DERIVED FROM A RENEWABLE ENERGY RESOURCE OR THE KILOWATT HOUR EQUIVALENT OF CONVENTIONAL ENERGY RESOURCES DISPLACED BY DISTRIBUTED RENEWABLE ENERGY RESOURCES.
 - (nn) MAGAZINES OR OTHER PERIODICALS OR OTHER PUBLICATIONS BY THIS STATE TO ENCOURAGE TOURIST TRAVEL.
 - (oo) PAPER MACHINE CLOTHING, SUCH AS FORMING FABRICS AND DRYER FELTS, SOLD TO A PAPER MANUFACTURER AND DIRECTLY USED OR CONSUMED IN PAPER MANUFACTURING.
 - (pp) OVERHEAD MATERIALS OR OTHER TANGIBLE PERSONAL PROPERTY THAT IS USED IN PERFORMING A CONTRACT BETWEEN THE UNITED STATES GOVERNMENT AND A MANUFACTURER, MODIFIER, ASSEMBLER OR REPAIRER, INCLUDING PROPERTY USED IN PERFORMING A SUBCONTRACT WITH A

**2012-2014 AMENDMENTS TO THE
TAX CODE OF THE TOWN OF PARADISE VALLEY**

GOVERNMENT CONTRACTOR WHO IS A MANUFACTURER, MODIFIER, ASSEMBLER OR REPAIRER, TO WHICH TITLE PASSES TO THE GOVERNMENT UNDER THE TERMS OF THE CONTRACT OR SUBCONTRACT.

- (QQ) COAL, PETROLEUM, COKE, NATURAL GAS, VIRGIN FUEL OIL AND ELECTRICITY SOLD TO A QUALIFIED ENVIRONMENTAL TECHNOLOGY MANUFACTURER, PRODUCER OR PROCESSOR AS DEFINED IN A.R.S. SECTION 41-1514.02 AND DIRECTLY USED OR CONSUMED IN THE GENERATION OR PROVISION OF ON-SITE POWER OR ENERGY SOLELY FOR ENVIRONMENTAL TECHNOLOGY MANUFACTURING, PRODUCING OR PROCESSING OR ENVIRONMENTAL PROTECTION. THIS PARAGRAPH SHALL APPLY FOR TWENTY FULL CONSECUTIVE CALENDAR OR FISCAL YEARS FROM THE DATE THE FIRST PAPER MANUFACTURING MACHINE IS PLACED IN SERVICE. IN THE CASE OF AN ENVIRONMENTAL TECHNOLOGY MANUFACTURER, PRODUCER OR PROCESSOR WHO DOES NOT MANUFACTURE PAPER, THE TIME PERIOD SHALL BEGIN WITH THE DATE THE FIRST MANUFACTURING, PROCESSING OR PRODUCTION EQUIPMENT IS PLACED IN SERVICE.
- (RR) MACHINERY, EQUIPMENT, MATERIALS AND OTHER TANGIBLE PERSONAL PROPERTY USED DIRECTLY AND PREDOMINANTLY TO CONSTRUCT A QUALIFIED ENVIRONMENTAL TECHNOLOGY MANUFACTURING, PRODUCING OR PROCESSING FACILITY AS DESCRIBED IN A.R.S. SECTION 41-1514.02. THIS SUBSECTION APPLIES FOR TEN FULL CONSECUTIVE CALENDAR OR FISCAL YEARS AFTER THE START OF INITIAL CONSTRUCTION.

(SS) (RESERVED)

Section XVI. Model City Tax Code Regulation 4A-120.1 is repealed, with an effective date of July 1, 2013.

4A

Section XVII. Model City Tax Code Regulation 4A-270.1 is amended as follows, with an effective date of July 1, 2013.

Reg. 4A-270.1. Proprietary activities of municipalities are not considered activities of a governmental entity.

The following activities, when performed by a municipality, are considered to be activities of a person engaged in business for the purposes of this Chapter, and not excludable by reason of Section 4A-270:

- (a) rental, leasing, or licensing for use of real property to other than another department or agency of the municipality.

**2012-2014 AMENDMENTS TO THE
TAX CODE OF THE TOWN OF PARADISE VALLEY**

- (b) producing, providing, or furnishing electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.
- (c) sale of tangible personal property to the public, when similar tangible personal property is available for sale by other persons, as, for example, at police or surplus auctions.
- (d) PROVIDING WASTEWATER REMOVAL SERVICES TO CONSUMERS OR RATEPAYERS BY MEANS OF SEWER LINES OR SIMILAR PIPELINES.

Section XVIII. Model City Tax Code Regulation 4A-460.1 is amended as follows, with an effective date of July 1, 2013.

Reg. 4A-460.1. Distinction between retail sales and certain other transfers of tangible personal property.

- (a) Charges for transfer of tangible personal property included in the gross income of the business activity of persons engaged in the following business activities shall be deemed only as gross income from such business activity and not sales at retail taxed by Section 4A-460:
 - (1) tangible personal property incorporated into real property as part of reconstruction or construction contracting, per Sections 4A-415 through 4A-418.
 - (2) (Reserved)
 - (3) job printing, per Section 4A-425.
 - (4) mining, timbering, and other extraction, but not sales of sand, gravel, or rock extracted from the ground, per Section 4A-430.
 - (5) publication of newspapers, magazines, and other periodicals, per Section 4A-435.
 - (6) rental, leasing, and licensing of real or tangible personal property, per Sections 4A-445 or 4A-450.
 - (7) restaurants and bars, per Section 4A-455.
 - ~~(8) FOOD FOR HOME CONSUMPTION, PER SECTION 4A-462.~~
 - (9) telecommunications services, per Section 4A-470.
 - (10) utility services, per Section 4A-480.
 - ~~(11) WASTEWATER REMOVAL SERVICES, PER SECTION 4A-485.~~
- (a) Distinction between construction contracting, retail, and certain direct customer service activities.
 - (1) When an item is attached or installed on real property, it is a construction contracting activity and any subsequent repair, removal, or replacement of that item is construction contracting.
 - (2) Items attached or installed on tangible personal property are retail sales.

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- (3) Transactions where no tangible personal property is attached or installed are considered direct customer service activities (for example: carpet cleaning, lawn mowing, landscape maintenance).
- (4) Demolition, earth moving, and wrecking activities are considered construction contracting.
- (c) The sale of sand, rock, and gravel extracted from the ground shall be deemed a sale of tangible personal property and not mining or metallurgical activity.
- (d) Sale of consumable goods incorporated into or applied to real property is considered a retail sale and not construction contracting. Examples of consumable goods are lubricants, faucet washers, and air conditioning coolant, but not paint.
- (e) Installation or removal of tangible personal property which has independent functional utility is considered a retail activity.
 - (1) "Tangible personal property which has independent functional utility" must be able to substantially perform its function(s) without attachment to real property. "Attachment to real property" must include more than connection to water, power, gas, communication, or other service.
 - (2) Examples of tangible personal property which has independent functional utility include artwork, furnishings, "plug-in" kitchen equipment, or similar items installed by bolts or similar fastenings.
 - (3) Examples of tangible personal property which does not have independent functional utility include wall-to-wall carpeting, flooring, wallpaper, kitchen cabinets, or "built-in" dishwashers or ranges.
 - (4) The installation of window coverings (drapes, mini-blinds, etc.) is always a retail activity.

TOWN OF PARADISE VALLEY

Tax Code Amendments
February 25, 2016



Purpose

- Council rules require ordinances to be reviewed in Study Session
- State Law requires the Council to adopt the MCTC Amendments



Policy Question

- The Council has no discretion over the MCTC text amendments
- Should there be a tax rate for wastewater utility service?
 - Recommendation is 0%



What is the MCTC?

- The MCTC's goal is to provide a greater degree of uniformity among cities and towns while at the same time preserving local options for determining exemptions and setting tax rates.
- PV adopted the Code in 1987



2012-2014 Amendments

- Incorporation of statutory changes to definitions and exemptions
- Repeal and replacement of Article III – Licensing and Recordkeeping
- Uniformity of taxable categories



Definitions & Exemptions

- Amendments to definitions
 - Jet fuel, prosthetics, renewable energy, food for home consumption
- Amendments to exemptions
 - Interlock devices, job printing,
 - Leases between affiliated entities



Article III Licensing & Recordkeeping

- Repealed and replaced
 - TPT Simplification Act
 - Eliminates the use of the tax license as a means to regulate business for any purpose other than tax collection. (Separate business licenses necessary to regulate and enforce zoning, use permits, etc)



Uniformity of Taxable Categories

- New MCTC classification for wastewater removal services
- Policy Question: Should the rate remain at 0% for PV sewer customers?



Questions?





Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 16-060



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 16-062

TOWN
Of
PARADISE VALLEY



**TOWN COUNCIL MEETING
6401 E. LINCOLN DRIVE
PARADISE VALLEY, ARIZONA 85253
MINUTES
Thursday, February 11, 2016**

1. CALL TO ORDER / ROLL CALL

Mayor Collins called to order the Town Council Meeting for Thursday, February 11, 2016 at 4:00 p.m. in the Town Hall Boardroom.

COUNCIL MEMBERS PRESENT

Mayor Michael Collins
Vice Mayor David Sherf
Council Member Jerry Bien-Willner
Council Member Paul Dembow
Council Member Mary Hamway
Council Member Mark Stanton
Council Member Maria Syms

STAFF MEMBERS PRESENT

Town Manager Kevin Burke
Town Attorney Andrew M. Miller
Town Clerk Duncan Miller
Police Chief Peter Wingert
Community Development Director Eva Cutro
Director of Administration and Government Affairs Dawn Marie Buckland
Public Works Director / Town Engineer James P. Shano
Senior Planner Paul Michaud

2. STUDY SESSION ITEMS

**16-035 Discussion of "The Villas at Mountain
Shadows - Amended - Condominiums" Preliminary Condominium Plat
Map**

Senior Planner Paul Michaud presented a request by TNHC Mountain Shadows, L.L.C. for approval of a preliminary condominium plat map application for the "The Villas at

Mountain Shadows - Amended - Condominiums.” This map consisted of a total of 12 condominiums located on approximately one acre near the southwest corner of Lincoln Drive and 56th Street. He said the development would be in accordance with the approved Special Use Permit for a resort residential development. He reported that the Planning Commission voted 5 to 0 to recommend approval, subject to 5 stipulations.

He explained that if the Council approves the request, the applicant would file the final condominium plat map that would describe the detailed boundaries of the condominium units. This final condominium plat map would require recommendation by the Planning Commission and approval by the Town Council. This re-plat application was scheduled for recommendation at the February 16, 2016 Planning Commission meeting and tentatively scheduled for the March 24, 2016 Town Council meeting. Pursuant to the Special Use Permit, the Town Council must take action within 40 calendar days of the Planning Commission action

16-045 Discussion of Expenditure Limitation Rule and Permanent Base Adjustment

Town Manager Kevin Burke stated that the Town Council discussed the state expenditure limitation law at its fall retreat and agreed to pursue a permanent base adjustment election in November 2016. He said the next step was for the Council to determine the appropriate adjustment amount.

There was general Council consensus to plan for a 10 year period. The Council asked for a revenue and expenditure projection model for fiscal years 2017 through 2026. In particular, the Council asked for details on amortization of the public safety pension debt retirement and the projected financial impact of CIP projects over the next 10 years.

16-049 Update on the Police Department Strategic Plan

Police Chief Peter Wingert presented the Paradise Valley Police Department Strategic Plan. He stated that the creation of a 5-year strategic plan resulted from a recommendation by the Mayor’s Task Force on Public Safety in 2013. The Task Force’s goal was for the plan to monitor service levels and quality of service; and provide a blueprint for sustainment of human resources, capital, and technology.

He summarized the drafting and review process which lasted approximately 3 years and included multiple drafts and revisions.

He explained the 5 strategic plan goals, the initiatives supporting those goals, and the performance measures that would be used to determine success. The goals were:

- **Goal 1:** Reduce Crime and the Fear of Crime
- **Goal 2:** Encourage Community Empowerment
- **Goal 3:** Develop and Empower Department Personnel
- **Goal 4:** Incorporate Technology into the Department

- **Goal 5:** Review and Improve Work Product

Responding to a question from Council, Chief Wingert stated that the Department would continue to provide Council with monthly crime statistics and would submit an annual report. He also confirmed that once the plan was finalized and accepted by the Council it would be distributed to all members of the Police Department.

Mayor Collins recessed the meeting at 5:50 p.m.

3. EXECUTIVE SESSION

16-025 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 agenda items listed on the agenda as authorized by A.R.S. §38-431.A.3.

This item was not discussed.

4. BREAK

5. RECONVENE FOR REGULAR MEETING

Mayor Collins reconvened the meeting at 6:00 p.m.

6. ROLL CALL

COUNCIL MEMBERS PRESENT

Mayor Michael Collins
Vice Mayor David Sherf
Council Member Jerry Bien-Willner
Council Member Paul Dembow
Council Member Mary Hamway
Council Member Mark Stanton
Council Member Maria Syms

STAFF MEMBERS PRESENT

Town Manager Kevin Burke
Town Attorney Andrew M. Miller
Town Clerk Duncan Miller
Police Chief Peter Wingert
Community Development Director Eva Cutro
Director of Administration and Government Affairs Dawn Marie Buckland
Senior Planner Paul Michaud

7. PLEDGE OF ALLEGIANCE*

Mayor Collins led the Pledge of Allegiance

8. PRESENTATIONS

16-046 Presentation to the Town Council by the Police Department Volunteers

Chief Wingert introduced the members of the Paradise Valley Police Department Volunteers led by Bill Harrington. He stated that in 2015, the volunteers worked a total of 4,395 hours which is the equivalent of \$101,392 per the Federal Government rate for volunteer service of \$23.07 per hour. Mr. Harrington and the volunteers presented Mayor Collins with a “check” representing the value of the number of hours served. Mayor Collins presented a certificate of appreciation to the group.

9. CALL TO THE PUBLIC

Resident and Scottsdale Unified School District Board Member Pam Kirby reported the results of the AZ Merit Test. She stated that Phoenix Business Journal released the top 15 scoring elementary schools across metro Phoenix based on fifth grade results. Out of the hundreds of elementary schools in the Valley, both elementary schools in Paradise Valley ranked in the top 15. She introduced Kiva Elementary School Principal Nick Noonan. She stated the Cherokee Elementary School ranked number 2. She introduced Cherokee School Principal Walt Chantler.

10. CONSENT AGENDA

Mr. Burke summarized the items on the consent agenda.

16-039 Minutes of Town Council Meeting January 14, 2016

16-040 Minutes of Town Council Meeting January 28, 2016

16-050 Receive and File the IT Strategic Plan

A motion was made by Council Member Hamway, seconded by Vice Mayor Sherf, to approve the Consent Agenda as submitted. The motion carried by the following vote:

Aye: 7 - Mayor Collins, Vice Mayor Dembow, Council Member Bien-Willner, Council Member Hamway, Council Member Sherf, Council Member Stanton, and Council Member Syms

11. PUBLIC HEARINGS

There were no public hearings.

12. ACTION ITEMS

16-036 Consideration of “The Villas at Mountain Shadows - Amended - Condominiums” Preliminary Condominium Plat Map

Senior Planner Paul Michaud presented the request by TNHC Mountain Shadows, L.L.C. for approval of a preliminary condominium plat map application for the “The Villas at Mountain Shadows - Amended - Condominiums.” He explained the various steps in the plat and map approval process for the entire property. He noted that the request is in conformance with the approved SUP and plat. He responded a question from

Council regarding the area and lot coverage of the resort.

Applicant Pat Moroney, President of New Home Company, introduced himself and thanked Council for its consideration.

There were no public comments.

A motion was made by Council Member Hamway, seconded by Council Member Dembow, to approve the Preliminary Plat Map, “The Villas at Mountain Shadows – Amended - Condominiums” (PP 16-01), subject to the following stipulations:

1. The Final Plat Map shall be in substantial compliance with the Preliminary Plat Map, “The Villas at Mountain Shadows – Amended - Condominiums,” Sheets 1-5, prepared by Coe & Van Loo Consultants, Inc. dated February 3, 2016.
2. Prior to recordation of the Final Plat Map, the applicant shall provide to the Town Attorney a copy of the CC&R’s, declaration, bylaws, or other documents for review to insure that all terms required under the SUP or other recorded agreements are part of these documents, including provision for maintenance of any drainage easements dedicated on the plat.
3. The final improvements shall be in substantial compliance with improvement plans approved by the Town Engineer and Community Development Department that address items such as sewer, water, grading, drainage, paving, landscaping, and irrigation. Prior to the recordation of the Final Map, the applicant shall provide, subject to Town approval and consistent with the requirements set forth in the SUP and Development Agreement, all assurances necessary to guarantee completion of any improvements in the public right-of-way. The Town Engineer shall approve said final improvement plans prior to the issuance of any building permit for a residential unit in said Final Plat Map.
4. Within 60 days of approval of the Final Map, the applicant shall submit to the Town mylars of the approved plans and an electronic version of these plans in a pdf format for the Town’s permanent record.
5. The Final Plat Map and/or declaration shall include any and all necessary easements, including:
 - a. Easements for drainage that are consistent to the overall grading and drainage plans for the entire Special Use Permit (SUP) site west of 56th Street, which shall be depicted on the Final Map prior to recordation of said plat,
 - b. Easements for utilities, with said easements to be in the locations and widths as prescribed by the respective utility provider, with

correspondence from said utility providers given to the Town prior to Town Council approval of the Final Plat Map, and

- c. Easements for access, parking, refuse collection, and other similar easements.

The motion carried by the following vote:

Aye: 7 - Mayor Collins, Vice Mayor Sherf, Council Member Bien-Willner, Council Member Hamway, Council Member Dembow, and Council Member Stanton, Council Member Syms

13. REQUESTS FOR FUTURE AGENDA ITEMS

16-027 Consideration of Requests for Future Agenda Items

Mr. Burke summarized the future agenda topic list. He reminded the Council that the next two meetings on February 25 and March 10 would start at 2:00 PM.

14. MAYOR / COUNCIL / MANAGER COMMENTS

Council Member Dembow reported that the Historical Advisory Committee has withdrawn its request to hold a 55th Anniversary celebration and instead plan for a 60th Anniversary.

Council Member Syms provided reminder that the Public Safety Fair would be held on February 20th from 8:00 a.m. to 12:00 p.m.

15. ADJOURN

A motion was made by Council Member Hamway, seconded by Council Member Bien-Willner, to adjourn which passed by the following vote:

Aye: 7 - Mayor Collins, Vice Mayor Sherf, Council Member Bien-Willner, Council Member Hamway, Council Member Dembow, and Council Member Stanton, Council Member Syms

Mayor Collins adjourned the meeting at 6:25 p.m.

TOWN OF PARADISE VALLEY

SUBMITTED BY:

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 the minutes of the regular meeting of the Paradise Valley Town Council held on Thursday, February 11, 2016
I further certify that said municipal corporation is duly organized and existing. The meeting was properly called and held and that a quorum was present.

Duncan Miller, Town Clerk



Action Report

File #: 16-058

Memo

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Peter Wingert, Chief of Police

DATE: February 17, 2016

DEPARTMENT: Police Department

CONTACT: Peter Wingert, 480-948-7418

AGENDA TITLE:
Receive and File Police Department Strategic Plan

Council Goals

Improve Public Safety Services including prevention, enforcement, communication and community/victim outreach.

SUMMARY STATEMENT:

In 2013, the Mayor's Task Force on Public Safety made the recommendation that the Police Department would complete a rolling five year Community Policing Strategic Plan. In 2014, a strategic plan was presented to the Town Council, but not adopted as the Police Department's Strategic Plan.

In 2015, work began anew on the Police Department Strategic Plan. This plan gathers input from the community, the employees and the other town staff, in addition to reviewing the 2012 General Plan, and the 2013 Mayor's Task Force on Public Safety.

This plan was coordinated through the Advisory Committee on Public Safety (ACOPS), who extensively reviewed the goals, the measurements, and the Mission, Vision and Value Statements included within the plan.

This plan was presented to the Town Council at a study session, where suggestions were made by the Mayor and Councilmembers. These suggestions were incorporated into this final draft.

File #: 16-058

ATTACHMENT(S):
PVPD 2016-2021 Strategic Plan



Paradise Valley Police Department



COMMUNITY POLICING STRATEGIC PLAN

FY2016-2021



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Introduction

The Department's Community Policing Strategic Plan is meant to be the cornerstone of a long term effort to ensure the Department will continue to provide high quality police services, programs and community security for the citizens of Paradise Valley, Arizona. The Plan is not intended to be a set of specific instructions for building community safety or reducing crime. This Strategic Plan is a blueprint intended to establish crime prevention programs as central to the Police Department's mission. It should integrate crime prevention concepts, long term planning, effective programs and fiscal support into the fabric and culture of the Police Department, Town Management and the Town's citizens.

The Plan identifies the tactics and programs the Police Department will implement to further effectiveness and to incorporate these programs into the Department's philosophy. It will also define the direction and changes the Police Department will implement to fulfill our goals. The changes made and actions to be taken work to define the Department's performance and will be measured.

The Plan incorporates community involvement into many of the tactics and programs identified which depends upon the Town's citizens to be actively involved in helping to reduce crime. First the Plan creates five specific community-driven goals. Second, the Plan identifies a number of specific tactics and strategies, each linked to one of the five goals. Lastly, the Plan identifies performance measures that seek community input and employee input as well as crime and investigations data developed from the Police Department's new CAD/RMS system.

Implementation

Most of the programs and tactics identified in the Strategic Plan will be easily incorporated into the Department's operations without policy changes or increases to the operating budget. However, there may be portions of the Strategic Plan that require the development of a separate plan detailing the processes, associated costs, timelines, policy changes and responsible Department members necessary for program implementation.

A significant influence on the implementation of the Plan will be the Department's budget and the Town Council decisions regarding budget requests. Many of the tactics and programs suggested in the Plan will not require additional staffing or special funding; however, there are some programs that will need funding beyond the Department's current budget. The implementation plan will identify those programs in the Strategic Plan requiring additional funding which will be provided to Town Council for their review and action.

Influences on the Strategic Plan

In addition to the Department's budget, there are other factors that influence the Plan's direction, including the Department staffing and size, Town Government, State and Federal law, and citizen expectations. Each of these factors was considered as the Department developed the Strategic Plan and will continue to have an impact on the changes to the plan in the years ahead.

While there are many factors that influence the development of the Plan, a very significant impact is the Mayor's Task Force on Public Safety (2013). Significantly, the Task Force included many of the Town's elected officials as well as numerous Town residents. The Task Force was created in response to citizen's concerns about the impact of recent budget and staff reductions to the Department and its effectiveness and ability to provide for public safety. The focus of the Task Force was primarily on Police operations and how the Department is able to meet community expectations.

In its final document, the Mayor's Task Force on Public Safety produced a report with six key recommendations:

- Improve crime prevention and community outreach staffing.
- Increase patrol staffing, officer visibility and problem solving.
- Implement effective crime prevention strategies.
- Develop a rolling Five-Year Strategic Plan.
- Establish community outreach practices and policies.
- Update and implement up-to-date core technologies.

The Department recognizes the value and importance of each recommendation and has worked to implement them as quickly as possible. The Department is still working to implement some elements for each recommendation; however, many have already been implemented or are close to being fully implemented. For example:

- Authorized patrol level staffing has been increased.
- The Department now has a Community Resource Officer.
- An Administrative Lieutenant position has been created and staffed.
- Much of the new technology has been purchased and installed.
- Policies and procedures on the new technology have been completed and training is on-going.
- Substations have been opened to increase officer visibility within their beat.

Our Purpose:

Mission, Vision, and Values

OUR MISSION: *Provide high quality police services to our community, reduce crime and the fear of crime, and by working with all citizens, to preserve life, protect property, promote individual responsibility and encourage community involvement.*

We will accomplish our mission by:

- Always striving to exceed community expectations.
- Recruiting, training and retaining high quality employees.
- Valuing human rights and diversity.
- Providing high quality, responsive and effective police services.
- Building lasting relationships with the community that foster trust.

OUR VISION: *Maintain strong Police-Community partnerships, to keep our neighborhoods crime free and to eliminate fear of crime in our community.*

OUR CORE VALUES

The Town of Paradise Valley has adopted a set of seven Core Values. They are *Professionalism, High Quality Customer Service, Teamwork, Respect, Accountability, Transparency and Respect for Town Heritage*. The Plan has incorporated these into a set of Core Values unique to our community policing philosophy.

- ***Service to Our Community:*** Service to our community is our daily obligation. We are unwavering in our dedication to serve and protect our citizens. We partner with residents and businesses within our community to identify and address issues which affect public safety and neighborhood livability.
- ***Reverence of the Law:*** We are sworn to obey, uphold and enforce the law. We must always treat that as a privilege and employ integrity in the use of responsibility and authority entrusted to us.
- ***Commitment to Leadership:*** The Paradise Valley Police Department will be a leader in law enforcement, inspiring respect for us and admiration for the Department. Accordingly, every employee of the Department needs to be a leader in his or her own area of expertise and responsibility. Our mission, vision and core values must become part of our day-to-day lives and guide our thinking, decision making and judgment.
- ***Integrity and Ethics in All We Do:*** Integrity is the foundation for every task, decision and action we undertake. We always conduct ourselves in a manner that brings honor to the Department, the Town of Paradise Valley and ourselves. We are committed to the highest standards of honesty and ethical behavior.
- ***Respect for People:*** We serve all citizens equally with fairness, dignity and respect. We value the cultural diversity of our community. We empower our employees to fulfill their responsibilities with knowledge, creative problem solving and discretion. We are committed to developing our employees to their fullest potential and creating opportunities for continuous growth and achievement.

- **Effective Communication and Transparency:** Our effectiveness as an organization is dependent on our ability to communicate effectively. Within the Department as well as outward to the Community, our communication and information sharing must be open, honest, timely and transparent.

Our Goals

Goal 1: Reduce Crime and the Fear of Crime

The reduction of actual crime and providing for citizen safety in the community is the primary reason we exist as an organization. In addition to actual crime, the fear of crime and victimization can have a crime-enabling impact on the community and its citizens. Fear of crime is especially threatening for the Town's most vulnerable citizens. To meet this goal the Department will prioritize responses to crimes that most impact community safety and fear and to develop crime prevention efforts that create crime-resistant neighborhoods.

Goal 2: Encourage Community Empowerment

The citizens of the Town of Paradise Valley have a shared responsibility with the Police Department to reduce crime and fear of crime. To achieve this objective, the Department will work with the Town's citizens to develop and maintain community partnerships, improve a customer service orientation, provide an open and responsive communications process and enhance community involvement in problem solving and public safety services.

Goal 3: Develop and Empower Department Personnel

The police officers and staff of the Police Department play the most significant role in the reduction of crime and the fear that follows a criminal act. They have first contact with the citizen, are first on scene and have the most interaction with the Town's citizens. As a result, it is important that personnel feel they are empowered to act to ensure citizen concerns are addressed immediately and into the future as necessary. The Department will maintain a work environment that encourages customer service, innovation, personal accountability and ownership.

The Department will develop training practices and Department policies and procedures that are consistent with the Town values and the community's expectations, and that will enhance the development of a community policing philosophy. To ensure that personnel have adequate time to respond to community needs, the Department must maintain appropriate staffing levels and implement effective deployment schedules.

To maintain a high performing organization, the Department will ensure that recruiting, hiring, training and retaining Department personnel consistently meet the highest standards of excellence.

Goal 4: Incorporate Technology into the Department

The use of technology will never replace an officer on the street responding to citizens' calls for assistance. However, the appropriate use of technology can and will enhance the ability of the officer and other Department personnel to meet the needs of our citizens more efficiently, effectively and quickly. The appropriate type and use of technology can enhance citizen and officer safety, identify crime trends and patterns, and improve traffic safety.

Through the budgeting process, the citizens of Paradise Valley have provided funds to purchase newer and more effective technology. To ensure the value of the new technology is maximized, it will be important that Department personnel receive current and on-going training on the use, application and maintenance of the equipment. It will also be important to be aware of new technology that might become available in the future.

Goal 5: Review and Improve Work Product

Improvement to the Department's service delivery process is continuous and never ending. The Department's goal is to continue to maintain, improve and create new and innovative ways to meet community and employee expectations, and to strengthen planning, analysis, and budget and fiscal management.

Performance Measures

Our Performance Measures

Performance measures, linked to the Town and Department goals and objectives, will be important to the successful development of both short-term and long-term planning, program evaluations, analysis of crime data, budget development and fiscal and personnel management.

Performance measures and data analysis provide Department accountability to the community and Town Council, which will provide feedback to our citizens about the Department by identifying its successes and shortcomings. Within the Department, it will enhance the organization's ability to determine the effectiveness of its tactics, programs and operations. Properly developed performance measures will ensure the Department learns from the past and make adjustments when necessary.

The Department's performance measures should be viewed as a whole and considered together. For example, multiple performance measurements may be linked to one strategic goal and should not be viewed in isolation from each other, except for information purposes, and should be viewed and considered in their entirety. Consideration of only one measurement, such as response times or reported crimes, will provide an incomplete picture of the Department's overall performance. For example, some crimes tend to be under-reported, such as domestic abuse or rape; while a temporary increase in another crime, such as burglary, may cause a sudden increase in community fear, even though actual crime has decreased. That said, individual measures will provide feedback on potential areas for improvement and will not be ignored.

The performance measurements developed and incorporated into this Plan will come primarily from the sources described below:

- **Reported Crime:** Monthly crime data will be collected and will show changes in criminal activity from month to month as well as provide a picture of how crime changes over time. In addition, this data will be used to review deployment and staffing strategies.
- **Citizen Calls for Service and Response Data:** Data collected from the CAD/RMS will provide monthly information on how quickly the Department responds to citizen calls for service.
- **Investigations and Case Management:** Data, including crime mapping, from the Investigations Case Management System will provide information on case status, solvability, case clearances and serve to determine the effectiveness of the Department's investigations processes.

- **Crime Prevention:** The effectiveness of the Department's crime prevention program will be measured by a reduction in false alarms, burglaries and thefts that result from open or unlocked doors, citizen participation in crime prevention programs and a reduction in fear as evidenced by the annual Citizen Survey.
- **Alarm Activity:** The Department will evaluate responses to residential and commercial alarms, and identify the volume of false alarms and location of repeat calls to develop strategies designed to reduce false alarms and increase patrol efficiency.
- **Citizen Survey:** The Citizen Survey will measure citizen perceptions of crime in the community, fear of victimization and level of satisfaction with police service. This information will identify areas the Department can improve on as well as how well fear of crime is managed.
- **Internal Department Survey:** The internal survey will provide feedback on Department morale and overall satisfaction. As with the community surveys, the ability to identify employee concerns and make corrections will help to ensure that staff understand their role and feel well managed and led. High morale organizations perform high quality work.
- **Community Engagement:** Evaluate how closely the Department is working with the community by reviewing how much discretionary patrol time is used toward increased community contacts, problem solving and crime prevention activity.
- **Community Outreach:** Placing ourselves in positions to communicate with our citizens through non-enforcement venues will enable better communication between citizens and officers. As such, we will strive to present opportunities outside of enforcement activity to connect with our community in order to facilitate that communication.

Annually, the Department will provide to Town Council and the Community a Police Department Annual Report. The report will provide an overview of the Department's achievements and activities as well as a detailed analysis of the Department's performance as measured by available data and surveys from the previous year.

APPENDIX

Environmental Assessment

The Town of Paradise Valley, Arizona, founded in 1961, is situated in approximately 16 square miles and has a population of 13,000 residents. The population density is about 864 residents per square mile, which is low compared to other U.S. Towns and Cities. The Town has a high household median income of approximately \$122,237 and a high level of education (38% of adults have a master's degree or higher). However, about 2.5% of the Town's families are living below the poverty level. Of those living in poverty, 3.7% are 65 years or older. The median age of the town is 53.2 years. The racial makeup is 90% white 4.0% Asian, and 3.7% Hispanic or Latino^[1].

The terrain of the Town is dominated within its limits by Mummy Mountain. Camelback Mountain lies to the south and the Phoenix Mountain Preserve on the west create natural borders with Phoenix.

The Town is bound on all sides by two major metropolitan communities; Phoenix and Scottsdale. Two major roads entering the Town funnel a very large volume of vehicular traffic into and through the Town from neighboring cities in the metropolitan area. East Lincoln Drive provides for east/west traffic and serves the southern portion of the Town. North Tatum Boulevard provides for north/south traffic and primarily serves the western portion of the Town.

The Town of Paradise Valley has a very limited commercial retail business; however, it is home to a number of resorts. The large number of resorts and the popularity of nearby Camelback Mountain make the Town a very popular tourist destination.

^[1] <http://www.city-data.com/city/Paradise-Valley-Arizona.html>

Tactics and Programs

The Police Department's full range of tactics and programs for the continuing implementation of community policing in the Town of Paradise Valley are identified in this section. The Plan identifies many new tactics and programs; however, for purposes of this Plan, an inventory of current programs and tactics will also be included. As a result, this Plan will be less about identifying a new direction and more about establishing our current level of service, while attempting to lay out a roadmap to the future. As the Plan matures in future years, it is anticipated the focus of the Plan will be on new initiatives designed to move and improve the Department and less an inventory of current programs.

While every tactic and program has an assigned person within the Department, as a practical matter, the implementation will require others in the Department to assist. Some will require the involvement of other Town Departments or the Town Council to implement.

As noted, some of the tactics and programs are currently in place. Others are not and will require an implementation plan to identify budget requirements, metrics, policy and procedure issues and impacts on the Department's goals.

Goal 1: Reduce Crime and the Fear of Crime

Tactics and Program Description	Responsible	Due
Traffic Management: Improve public safety by reducing collisions and speed throughout Town by use of effective patrols and improved technology.	Patrol Operations - Lt. Carney	Reduce collisions town wide by 5% < 193 collisions
<ol style="list-style-type: none"> 1. Traffic patrols in high collision areas on regular basis <ol style="list-style-type: none"> a. Map collision locations on quarterly/monthly b. When staffing allows, dedicate officer to traffic deployment c. Minimum 15 minute minimum deployment in high collision location per four hour shift period (45 minute for 12 hour shift; 30 minute deployment for 8 hour shift) 2. Increase DUI enforcement <ol style="list-style-type: none"> a. Apply for GOHS grant b. Monthly deployment of DUI car on PV streets 3. Increase Special Traffic Enforcement Programs <ol style="list-style-type: none"> a. Apply for GOHS grant b. Monthly deployment of STEP car 	<ol style="list-style-type: none"> 1. Patrol Operations – Lt. Carney <ol style="list-style-type: none"> a. Support Services – Lt. Cole b. Patrol supervisors c. Patrol supervisors 2. Patrol Operations – Lt. Carney <ol style="list-style-type: none"> a. Chief Wingert b. Patrol Operations – Lt. Carney 3. Patrol Operations – Lt. Carney <ol style="list-style-type: none"> a. Chief Wingert b. Lt. Carney 	<ol style="list-style-type: none"> 1a. Pending 1b. Pending 1c. 90% of shifts 2a. During FY 2016, be awarded GOHS grant 2b. 12 DUI deployments 3a. During FY 2016, be awarded GOHS grant 3b. 12 deployments
Theft and Burglary Reduction: Reduce open and unlocked doors, keys left in vehicles and increase the use of home alarms through crime prevention training.	Support Services – Lt. Cole CRO – Officer Albert	Ongoing
<ol style="list-style-type: none"> 1. Maintain or decrease Burglary numbers 2. Measure and reduce Burglary numbers to unsecured, unalarmed properties 	<ol style="list-style-type: none"> 1. Chief Wingert 2. Officer Albert 	<ol style="list-style-type: none"> 1. <=70 2. Pending
Crime Analysis and Mapping: Using Police Department CAD/RMS, identify trends, potential problem areas and implement effective response plans.	Patrol Operations - Lt. Carney	Pending
<ol style="list-style-type: none"> 1. Monthly crime mapping of each Part I crime 2. Review & Implement evidence based crime prevention programs 3. Provide crime detail to street level through monthly reports 	<ol style="list-style-type: none"> 1. Lt. Cole 2. Chief Wingert 3. Lt. Carney 	<ol style="list-style-type: none"> 1. Pending 2. By 7/1/2016 implement 3. Pending
Criminal Investigations: Conduct thorough investigations and provide timely victim follow-up and case status reports.	Support Services – Lt. Cole	Ongoing
<ol style="list-style-type: none"> 1. Assignment letter to victim promptly (next business day) 2. Investigator contacts victim within 72 hours of incident 3. Investigator maintains contact with victim on minimum 30 day basis 4. CPTED and/or Home Security review by officer within 72 hours 5. Innovative investigations completed by patrol at scene (DNA, latents, etc.) 	<ol style="list-style-type: none"> 1. Detective Sergeant 2. Detective Sergeant 3. Detective Sergeant 4. Lt. Carney 5. Lt. Carney 	<ol style="list-style-type: none"> 1. Minimum 90% of cases 2. Minimum 90% of cases 3. Minimum 90% of cases 4. Minimum 75% of cases 5. Minimum 90% of cases
Reporting System for Pawn Shop: Provide investigators with nation-wide access to pawn shop and second-hand store information. (Leads Online)	Support Services – Lt. Cole	Implemented and Ongoing
<ol style="list-style-type: none"> 1. Implement Leads Online program 	<ol style="list-style-type: none"> 1. Lt. Cole 	<ol style="list-style-type: none"> 1. Implemented July 1, 2015

<ol style="list-style-type: none"> 2. Educate public about capabilities of Leads Online 3. Serial number tracking through L.O. for citizens 4. Anti-Theft Dots 5. Increase stolen/lost property recovered by PVPD by 10% 	<ol style="list-style-type: none"> 2. Lt. Cole/Officer Albert 3. Lt. Cole/Officer Albert 4. Lt. Cole/Officer Albert 5. Lt. Cole 	<ol style="list-style-type: none"> 2. Pending 3. Pending 4. December 2015 Kickoff 5. Yr.15 vs. Yr. 16
<p>Intelligence Sharing: Regularly share crime activity and information throughout Department and with other law enforcement agencies.</p>	Support Services – Lt. Cole/Detective Sergeant	Ongoing
<ol style="list-style-type: none"> 1. Network with neighboring cities about crime trends (Investigative briefings) 2. Daily meeting/briefing attendance by investigators at PVPD 3. Consider software solution for networked investigations (Coplinc) 	<ol style="list-style-type: none"> 1. Detective Sergeant 2. Detective Sergeant 3. Chief Wingert 	<ol style="list-style-type: none"> 1. 12 annually 2. 50 annually 3. Budgeted FY17
<p>Emergency Notification: Using programs such as Code Red provide real-time information on emergencies and items of community concern.</p>	Patrol Operations – Lt. Cole CRO – Officer Albert	Ongoing
<ol style="list-style-type: none"> 1. Educate community about CodeRed 2. Increase membership of CodeRed by 5% 3. Increase Social Media presence as it pertains to community concerns 	<ol style="list-style-type: none"> 1. Lt. Cole/Officer Albert 2. Lt. Cole/Officer Albert 3. Lt. Cole/Officer Albert 	<ol style="list-style-type: none"> 1. Provide 6 avenues to discuss CodeRed 2. Increase membership by 5% 3. 75% of community concern calls communicated
<p>Senior Citizen Programs: Develop and implement programs such as You Are Not Alone (YANA) to reduce victimization of the elderly and vulnerable citizens.</p>	Support Services – Lt. Cole CRO – Officer Albert	Pending
<ol style="list-style-type: none"> 1. Provide education activities around Senior Citizen Day <ol style="list-style-type: none"> a. ID Theft prevention b. YANA c. Scams d. Income tax scams <p>Opportunities</p> <ol style="list-style-type: none"> 2. Senior Citizen Day (August 21) 3. Income tax filing day (April 15) 	Lt. Cole/CRO Albert	Provide quarterly outreach meetings on events to vulnerable adult citizens (4 events)
<p>Emergency Planning: Work in partnership Planning and Public Works to develop an effective emergency plan to respond to man-made and natural disasters.</p>	Patrol Operations – Lt. Carney	Pending
<ol style="list-style-type: none"> 1. Provide education activities to community regarding preparedness 2. Review, revise and update Town Emergency Plan 3. Table top exercise during 2016 4. Review ICS training levels for department directors and PD employees <p>Opportunities</p> <ol style="list-style-type: none"> 5. National preparedness Month (September) 	<ol style="list-style-type: none"> 1. Lt. Cole/Officer Albert 2. Chief Wingert/Dept Directors/Emergency manager 3. Emergency Manager/Chief 4. Chief Wingert 	<ol style="list-style-type: none"> 1. Provide 4 opportunities for outreach 2. Pending 3. Pending 4. All PD employees ICS 100 &700 trained
<p>Community Information and Education: Utilize social media such as the Webpage, Facebook, Twitter as well as community groups such as churches, schools, clubs and professional organizations to provide information to the community.</p>	Support Services – Lt. Cole CRO – Officer Albert	Ongoing
<ol style="list-style-type: none"> 1. PD Communication plan 2. Goals from Town wide communication plan 3. Identify community boards and places of worship and local schools 	<ol style="list-style-type: none"> 1. Lt. Carney/Lt. Cole 2. Chief Wingert 3. Lt. Cole/CRO-Officer Albert 	<ol style="list-style-type: none"> 1. By 7/1/16, create PD communication plan 2. Work with Town Hall to create goals for town wide communication plan 3. Pending

Target Hardening Town Policy: In partnership with Community Development and Public Works, incorporate Crime Prevention Through Environmental Design (CPTED) principles into Town building codes	Support Services – Lt. Cole CRO – Officer Albert	Pending
<ol style="list-style-type: none"> 1. Review Town Codes relating to CPTED in May Opportunities <ol style="list-style-type: none"> 2. Building safety month (May, third week of May is Surround your house with safety) 	Chief Wingert	1. Review completed by 6/01/2016
Officer in School: Assign district officers to schools and schedule regular visits.	Patrol Operations – Lt. Carney	Implemented and Ongoing
<ol style="list-style-type: none"> 1. Beat officers to visit schools two times weekly <ol style="list-style-type: none"> a. Implemented 9/14/15 2. Blue Wednesday <ol style="list-style-type: none"> a. Implemented 9/23/15 3. Substations <ol style="list-style-type: none"> a. Identify locations in beat b. Sign contract c. Identify equipment needed 4. Identify opportunities <ol style="list-style-type: none"> a. School sports games (intramural or interscholastic) b. Read to Kids c. Other school activities 	<ol style="list-style-type: none"> 1. Lt. Carney 2. Lt. Carney 3. Chief Wingert 4. Lt. Carney 	<ol style="list-style-type: none"> 1. 15 occasions 2. 15 occasions 3. 3 substations online by June 30, 2016 4. Pending
Crisis Intervention: Train officers to effectively respond to citizens in crisis, without the use of force if other alternatives exist.	Patrol Operations – Lt. Carney	Pending
<ol style="list-style-type: none"> 1. Provide training in Crisis Intervention to staff 2. Provide advanced training on C.I. issues to at least one team member per team 	<ol style="list-style-type: none"> 1. Lt. Carney/Lt. Cole 2. Lt. Carney 	<ol style="list-style-type: none"> 1. 25% of officers & Dispatchers by 12/31/16 2. 2 individuals trained by 12/31/16
Smart911: Provide Communications and first responders with additional critical caller data about caller to speed response times and improve response effectiveness.	Support Services – Lt. Cole Communications Supervisor Henrie	Implemented and Ongoing
<ol style="list-style-type: none"> 1. Measure Smart 911 usage 2. Educate/increase sign ups on Smart911 at all meetings (develop speaking points) 3. Increase Smart911 by 5% Opportunities 4. PS Communicator Week (April) 5. Public Safety Fair (February 20, 2016) 	<ol style="list-style-type: none"> 1. Lt. Cole/CRO Albert 2. CRO Albert 3. Lt. Cole 4. Lt. Cole 5. Chief Wingert 	<ol style="list-style-type: none"> 1. Pending 2. Pending 3. Pending 4. Pending 5. Scheduled
Victim Target Hardening: Conduct CPTED audit of victim's residences to advise and educate crime victims on crime reduction strategies. (Note: Department training provided January, 2015)	Patrol Operations – Lt. Cole CRO – Officer Albert	In Process
<ol style="list-style-type: none"> 1. Provide CPTED and Home security reviews to victims within 72 hours of incident 2. Measure and increase number of CPTED/Home Security reviews conducted by 25% 	<ol style="list-style-type: none"> 1. Lt. Carney 2. Lt. Carney 	<ol style="list-style-type: none"> 1. Minimum 75% of cases 2. Greater than 37
Transparency and Information Sharing: Develop and implement strategies to keep the community informed of crime trends and events of interest. Currently the Department regularly shares information to the local newspaper, Mayor and Council and citizens by Facebook, Twitter, email and the Department's webpage.	Support Services – Lt. Cole	Ongoing

<ol style="list-style-type: none"> 1. <i>Develop communication plan with tiered menu</i> 2. <i>Use social media for good news to increase following</i> 3. <i>Provide social media opportunities for soft news</i> 	<ol style="list-style-type: none"> 1. <i>Lt. Carney/Lt. Cole</i> 2. <i>Lt. Cole/CRO Albert</i> 3. <i>Lt. Cole/CRO Albert</i> 	<ol style="list-style-type: none"> 1. <i>By 7/1/16</i> 2. <i>In process</i> 3. <i>In process</i>
<p>District Officer Program: <i>Assign officers to Patrol beats to increase officer "ownership," develop community partnership and enhance neighborhood problem solving.</i></p>	<p><i>Patrol Operations – Lt. Carney</i></p>	<p><i>Implemented and ongoing</i></p>
<ol style="list-style-type: none"> 1. <i>Annually, review beat layout to determine:</i> <ol style="list-style-type: none"> a. <i>Even spread of call loads to each beat</i> b. <i>Timely response to each call regardless of beat</i> c. <i>Review beat response times</i> 2. <i>Monthly meetings with all beat officers to facilitate communication</i> 	<ol style="list-style-type: none"> 1a. <i>Lt. Carney</i> 1b. <i>Lt. Carney</i> 1c. <i>Lt. Carney</i> 2. <i>Lt. Carney</i> 	<p><i>Pending</i></p>

Goal 2: Encourage Community Empowerment

Tactics and Program Description	Responsible	Due
Crime Prevention Programs: Partner with community groups, schools and business organizations to reduce crime and fear by empowering citizen by sharing tips and techniques proven to reduce crime, and empowering our citizens to work with the police as partners.	Patrol Operations – Lt. Carney CRO – Officer Albert	Ongoing
<ol style="list-style-type: none"> 1. Introduce “Community Armor” anti-crime program 2. Introduce “Community Vision” shared camera program 	<ol style="list-style-type: none"> 1. Lt. Cole/CRO Albert 2. Lt. Cole/CRO Albert 	<ol style="list-style-type: none"> 1. In process 2. Pending
Volunteer Programs: Encourage citizen volunteers to assist police by performing patrol tasks as appropriate. Currently, the Department has 27 volunteers providing approximately 4500 volunteer hours annually.	Patrol Operations – Lt. Cole CRO – Officer Albert	Ongoing
<ol style="list-style-type: none"> 1. Provide an atmosphere for volunteers to recruit able bodied people to assist in volunteer service 2. Increase the services that the volunteers provide <ol style="list-style-type: none"> a. Fingerprints(review fee schedule) b. Filing c. Records maintenance 	<ol style="list-style-type: none"> 1. Lt. Cole/CRO Albert 2. CRO Albert 	Pending In process
Community Survey: Conduct annual citizen survey to measure how the community feels about the PD and public safety. The first citizen surveys were sent out with the Town’s January water bills.	Chief Wingert	Implemented and ongoing
<ol style="list-style-type: none"> 1. First citizen survey conducted in January 2015 received 401 responses 2. Increase citizen responses by 10% from initial survey (441) 		January 2016
Crime Victim Response letter and Survey: Send letter and surveys to crime victims to determine how the Department responded to their criminal incident.	Support Services – Lt. Cole	Pending
Opportunities <ol style="list-style-type: none"> 1. Quality assurance program in Dispatch 2. Customer service tenets 3. Timely patrol response by competent, friendly patrolman 4. Effective report taking 5. Innovative investigations 6. Effective communication by patrol 7. Communication from Investigations 8. Ongoing case management at Investigation level 	<ol style="list-style-type: none"> 1. Lt. Cole 2. Chief Wingert 3. Lt. Carney 4. Lt. Carney 5. Lt. Cole 6. Lt. Carney 7. Lt. Cole 8. Lt. Carney 	<ol style="list-style-type: none"> 1. Pending 2. Pending 3. Pending 4. Pending 5. Pending 6. Pending 7. Pending 8. Pending
Detective Information and Case Status to Crime Victims: CIU detectives will contact crime victims by phone and follow-up letter to keep the victim advised about the current status of their case.	Support Services – Lt. Cole CIU – Detective Sergeant	Implemented and Ongoing
<ol style="list-style-type: none"> 1. Investigation letter within three workdays to each victim 2. Monthly contact by investigator (every 30 days) documented on all open cases 3. Give a status update and document in case report/investigation notes within 48 hours of victim contact 	<ol style="list-style-type: none"> 1. Lt. Cole/Det. Sgt. 2. Detective Sergeant 3. Detective Sergeant 	<ol style="list-style-type: none"> 1. Minimum 90% of cases 2. Minimum 90% of cases 3. Minimum 90% of cases

Citizens Police Academy: Conduct annual series of PD led classes to community members designed to educate and broaden understanding of law enforcement.	Support Services – Lt. Cole CRO – Officer Albert	Pending
<ol style="list-style-type: none"> 1. Costs 2. Attendance and recruiting 3. Curriculum 		By 06/30/2017
Youth Citizen Police Academy: Conduct annual series of PD led classes to community youth designed to educate and broaden understanding of law enforcement.	Support Services – Lt. Cole CRO – Officer Albert	Pending
<ol style="list-style-type: none"> 1. Costs 2. Attendance and recruiting 3. Curriculum 		By 12/31/2017
Hotel/Resort Partnerships: Develop a formal partnership with local resorts to prevent crime and disorder.	Support Services – Lt. Cole CRO – Officer Albert	Pending
Program opportunities <ol style="list-style-type: none"> 1. Panic button App 2. Lock it or Lose it program 3. Bait car program 4. Other creative deterrence measures 		Implement one program by 12/31/2016
Paradise Police Foundation: Develop a 501C.3 non-profit to assist the PD with purchases that cannot be accomplished through the normal budget process.	Chief Wingert, Town Attorney	Pending
HOA/Neighborhood Partnership: Develop formal partnerships with neighborhoods and HOAs to reduce crime, share information and empower citizens to prevent criminal activity.	Support Services – Lt. Cole CRO – Officer Albert	Implemented and Ongoing
<ol style="list-style-type: none"> 1. Regular attendance at Mayor’s HOA meetings; attendance at other HOA meetings 2. Identify and implement a neighborhood to create a “Neighborhood Watch” program 	<ol style="list-style-type: none"> 1. CRO Albert 2. Lt. Cole/CRO Albert 	<ol style="list-style-type: none"> 1. 10 meetings by 12/31/16 2. By 7/1/2017
Coffee with a Cop: Community-wide meeting to meet district officers; obtain crime prevention tips, up-to-date data and to enhance communication and partnerships. (First community meeting March, 2015)	Chief Wingert	In Process
<ol style="list-style-type: none"> 1. Conduct 12 Coffee with a Cop on 12 occasions annually (2 in each neighborhood) 	Lt. Cole/CRO Albert	By 06/30/2016
Neighborhood Conversations: Conduct small neighborhood meetings and “block parties” to facilitate the growth of partnerships and relationships with our citizens. The purpose is to listen, learn and educate.	Support Services – Lt. Cole CRO – Officer Albert	Pending

Goal 3: Develop and Empower Police Department Personnel

Tactics and Program Description	Responsible	Due
<i>Department Training: Provide Annual in-service training for all personnel to ensure they are properly trained to safely and effectively perform all the functional requirements of their job.</i>	<i>Lt. Cole/Lt. Carney/Chief Wingert</i>	<i>Pending</i>
<ol style="list-style-type: none"> 1. Identify budget needs 2. Identify core courses needed 3. Identify locations of courses 	<i>Chief Wingert</i>	<p><u>2016</u>: Provide 75% of employees 40 hours of training annually</p> <p><u>2017</u>: Provide 90% of employees 40 hours of training annually</p> <p><u>2018</u>: Provide 100% of employees 40 of training annually</p>
<i>Volunteer Training Program: Develop and provide regular training of citizen volunteers to ensure they are properly trained to safely and effectively perform their mission.</i>	<i>Support Services – Lt. Cole CRO – Officer Albert</i>	<i>Ongoing</i>
<ol style="list-style-type: none"> 1. TIMS 2. AED/CPR 3. Vacation watch 4. Driving/Backing 	<i>Lt. Cole</i>	<i>Ongoing</i>
<i>Department General Orders and Procedures: Annually, review and update the Departments Policies, Orders and procedures. January – March, 2016 all Department policies will be reviewed.</i>	<i>Chief Wingert</i>	<i>In Process</i>
<ol style="list-style-type: none"> 1. Conduct review of policy manual. 2. Write and review needed policies 3. Train and Implement 	<i>Lt. Cole</i>	<i>July 1, 2016</i>
<i>Annual Employee Survey: Survey of all personnel to obtain confidential feedback on Department morale. First survey was sent out December, 2014.</i>	<i>Chief Wingert</i>	<i>Implemented and Ongoing</i>
<i>Critical Skills Training: Provide training in specialized areas to develop expertise in areas critical to Department.</i>	<i>Chief Wingert/Lt. Carney</i>	<i>Ongoing</i>
<ol style="list-style-type: none"> 1. High risk policy training at computer login daily 2. Provide sworn officers in-service training on: <ol style="list-style-type: none"> a. High Risk Stops b. Defensive Tactics c. TASER d. Use of Force e. Evidence packaging and submission f. Firearms g. Active threats h. Search and Seizure i. Patrol rifle 	<ol style="list-style-type: none"> 1. <i>Chief Wingert</i> 2. <i>Lt. Carney</i> 	<ol style="list-style-type: none"> 1. <i>Identify solution by 07/01 2016</i> 2. <i>Six courses completed by 12/31/2016</i>

j. Building searches k. CPR/AED		
Professional Growth: <i>Develop strategies to enhance professional growth for all personnel.</i>	<i>Chief Wingert/Lt. Cole/Lt. Carney</i>	<i>Pending</i>
Legal Updates and Training Bulletins: <i>Provide regular roll-call training and legal updates in addition to annual in-service training.</i>	<i>Patrol Operations-Lt. Carney</i>	<i>Implemented and Ongoing</i>
Opportunities 1. Edwards and Ginn Policy reviews 2. PATC Legal reviews 3. Police Executive Research Form	<i>Lt. Carney</i>	<i>Pending</i>

Goal 4: Incorporate Technology into the Department

Tactics and Program Description	Responsible	Due
<i>CAD/RMS data analysis: Monthly review and analysis of data and provide up to date information to officers and command staff. (Department does not have and a crime analyst – pending Budget)</i>	Support Services – Lt. Cole Crime Analyst	Pending Analyst position budgeted FY 17
<i>Electronic Ticketing and Accident Reporting: Electronic transmission of traffic citations and accident reports to the courts and the State. Program developed in partnership with Finance (IT) and Town Court.</i>	Support Services – Lt. Cole	In Process
<ol style="list-style-type: none"> 1. Implement Brazos e-ticketing 2. Implement ADOT e-collisions 	<ol style="list-style-type: none"> 1. Lt. Cole 2. Lt. Cole 	<ol style="list-style-type: none"> 1. Implemented 2. By March 1, 2016
<i>Paradise Valley alarm monitoring: Identify a long term solution to the Paradise Valley Alarm Monitoring business.</i>	Chief Wingert	In progress, complete by June 30, 2017
<ol style="list-style-type: none"> 1. Develop business plan to include subscriber recruitment plan 2. Determine infrastructure needs, personnel needs, software needs, and budget figures associated with needs. 	<ol style="list-style-type: none"> 1. Chief Wingert 2. Chief Wingert 	<ol style="list-style-type: none"> 1. June 30, 2017 2. June 30, 2017
<i>Internet: Use Department webpage to share crime prevention and crime data to community.</i>	Support Services – Lt. Cole CRO – Officer Albert	Ongoing
<i>Social Media: Use social media to provide real time information to community such as Facebook or Twitter.</i>	Support Services – Lt. Cole CRO – Officer Albert	Ongoing
Opportunities <ol style="list-style-type: none"> 1. Posts relating to traffic hazards, road blockages, collisions, to social media 2. Posts related to soft news to generate interest in social media platforms 	Lt. Cole	Ongoing
<i>Technology Working Group: Selected staff will review, manage and monitor core technology to ensure Department is up-to-date and utilizing tools effectively.</i>	Support Services – Lt. Cole	Ongoing
<i>Public Safety Enhancements: Develop strategies to ensure technology is employed as a “force multiplier” to increase the effectiveness of the Department’s response to crime, fear reduction, community education and traffic safety.</i>	Chief Wingert	Ongoing
<i>On-Line Reporting: Implement a process for citizens to report incidents (e.g. animal complaints, lost property, additional information on previously reported crime, etc.) without being required to have a police officer being dispatched to their residence or place of business. CopLogic is now implemented and on the Department web page.</i>	Patrol Operations – Lt. Carney CRO – Officer Albert	Implemented and Ongoing
<ol style="list-style-type: none"> 1. Publicize CopLogic 2. Increase number of reports generated through CopLogic by 50% 	<ol style="list-style-type: none"> 1. Lt. Cole 2. Lt. Cole 	<ol style="list-style-type: none"> 1. Pending 2. >20 online reports
<i>Traffic Safety and Enforcement: Implement technology to enhance traffic safety and provide officers with the tools necessary to enforce traffic laws. Technologies currently in use are photo speed and red light enforcement and mobile/stationary radar in the patrol cars.</i>	Support Services – Lt. Cole	In Process
<ol style="list-style-type: none"> 1. Implement HALO collision avoidance technology at Tatum/Lincoln corridor 2. Increase use of mobile/stationary radar by patrol in neighborhood speed complaints 	<ol style="list-style-type: none"> 1. Lt. Cole 2. Lt. Carney 	<ol style="list-style-type: none"> 1. Completed November 2015 2. 12 deployments by 10/1/2016

<p>Community Safety: Implement technology to enhance community safety, reduce fear of crime and assist investigations. Technologies currently in use are Smart911, LeadsOnline, mobile and fixed license plate readers (LPRs).</p>	<p>Support Services – Lt. Cole</p>	<p>In Process</p>
<ol style="list-style-type: none"> 1. Implement 4 new LPR units on East side of Paradise Valley during Labor Day weekend 2015 2. Continue to publicize results of LPR program with monthly media releases about results 3. Consider use of software that links agency data to other agencies (Coplinc) 	<ol style="list-style-type: none"> 1. Lt. Cole 2. Lt. Cole 3. Chief Wingert 	<ol style="list-style-type: none"> 1. Completed 2. Ongoing 3. Budget request FY17

Goal 5: Review and Improve Work Product

Tactics and Program Description	Responsible	Due
<i>Minimize Response times: Monthly conduct a review of dispatch and response times to ensure calls are recorded, dispatched and responded to in an appropriate time for communications and patrol.</i>	<i>Support Services – Lt. Cole Communications Supervisor Henrie</i>	<i>Ongoing</i>
<ol style="list-style-type: none"> 1. Goal-priority one response time (from dispatch to first on scene) < five minutes on average 2. Supporting Goal-priority one first officer dispatched within one minute of initial call on average 3. Goal-priority two response time (from dispatch to first on scene)<ten minutes on average 4. Supporting Goal-priority two first officer dispatched within 90 seconds of initial call on average 5. Use substations to maintain officers in beats 6. Review calls to assure correct priority is reflected on annual basis 	<ol style="list-style-type: none"> 1. Lt. Cole/Lt. Carney 2. Lt. Cole/Comm. Supr. Henrie 3. Lt. Cole/Lt. Carney 4. Lt. Cole/Comm. Supr. Henrie 5. Lt. Carney 6. Chief Wingert/Command Staff 	<i>Implemented and ongoing</i>
<i>Identify Back-Up Dispatch Location: Fire Station 91 has been identified as the backup emergency dispatch location in the event of unanticipated disruption to Department location. This location will also allow officers a location to complete necessary office work and meet citizens without returning to the Department.</i>	<i>Support Services – Lt. Cole Communications Supervisor</i>	<i>Implemented</i>
<ol style="list-style-type: none"> 1. This location was not funded in FY 16 budget. 2. Partnerships and relationships should be considered with other agencies. 	<i>Chief Wingert</i>	<i>Pending</i>
<i>False Alarm Reduction: Develop strategies to reduce the number of residential false alarms.</i>	<i>Chief Wingert</i>	<i>Pending</i>
<ol style="list-style-type: none"> 1. Review town code on alarms (9-3) 2. Review and consider false alarm monitoring program 	<ol style="list-style-type: none"> 1. Chief Wingert 2. Chief Wingert 	<ol style="list-style-type: none"> 3. <i>By January 1, 2017</i> 4. <i>By January 1, 2017</i>
<i>Performance and Effectiveness: Annually, review the effectiveness of the Department’s patrol deployment strategies, investigations, crime analysis, and community engagement.</i>	<i>Chief Wingert/Lt. Cole/Lt. Carney</i>	<i>Pending</i>
<ol style="list-style-type: none"> 1. Annually review the call load between each beat 2. Annually review the response times between each beat 3. Review the engagement of each beat by reviewing the attendance at community programs 	<ol style="list-style-type: none"> 1. Lt. Carney 2. Lt. Carney 3. Lt. Carney 	<i>Ongoing</i>
<i>Property Room Inventory and Audit: Perform annual audits and random inventories of the property room to ensure items are accounted for and that policies and procedures are followed and meet recommended best practice. The Department is completing an inventory and will conduct a full audit in February, 2015. Department policies and procedures will also be rewritten.</i>	<i>Administration - Commander Laitsch</i>	<i>Completed</i>
<ol style="list-style-type: none"> 1. Property room audit completed June 2015 2. Property and Evidence policy 3. Property room spot audit quarterly 4. Complete security upgrades in property room <ol style="list-style-type: none"> a. Drugs and guns cage b. Video Cameras c. Secure area for long term vehicle storage 	<ol style="list-style-type: none"> 1. Cmdr. Laitsch 2. Cmdr. Laitsch 3. Lt. Cole 4. Cmdr. Laitsch 5. Chief Wingert 	<ol style="list-style-type: none"> 1. <i>Completed</i> 2. <i>In process</i> 3. <i>Pending</i> 4. <ol style="list-style-type: none"> a. <i>Completed</i> b. <i>By July 1, 2016</i> c. <i>By July 1, 2016</i>

5. Property and Evidence clerk		5. FY 2016-17 Budget
Program Reviews: Random review/audit of Department programs to ensure best policies and best practices are being followed.	Chief Wingert	In process
<ol style="list-style-type: none"> 1. Identify best practices through IACP/State Law/PERF 2. Review/audit two processes/programs monthly 	<ol style="list-style-type: none"> 1. Chief Wingert 2. Chief Wingert 	<ol style="list-style-type: none"> 1. By 12/31/2015 2. Started 1/1/2016
Review Technology for Law Enforcement: Ensure current technology is up to date, properly maintained and personnel trained on the uses.	Support Services – Lt. Cole Technology working group	Ongoing
Customer Service Standards: Develop customer service standards and establish expectations on how the Department will provide the best service available.	Chief Wingert/Lt. Cole/Lt. Carney	By March 1, 2016
<ol style="list-style-type: none"> 1. Create customer service standards for each division 2. Train to customer service standards 3. Implement customer service standards 4. Require accountability to customer service standards 	<ol style="list-style-type: none"> 1. Command Staff 2. Division Lieutenants 3. Division Lieutenants 4. Division Lieutenants 	By July 1, 2016
Forecasting and Resource Management: Develop a long-term planning process to consider and identify future staffing, equipment and budget expectations.	Chief Wingert/Lt. Cole/Lt. Carney	Pending
Employee Performance Reviews: Develop policy and practice of providing “face to face” feedback to employees during their annual Performance Review. In addition, supervisors should meet with employees at least quarterly to provide informal feedback and guidance.	Chief Wingert	Implemented
<ol style="list-style-type: none"> 1. Quarterly goals review between Division supervisor, direct supervisor and employee 2. Development of “Supervisor Notes” accountability for same 	<ol style="list-style-type: none"> 1. Division Lieutenants 2. Division Lieutenants 	<ol style="list-style-type: none"> 1. Ongoing 2. Implemented
Employee Recognition Program: Develop programs to recognize employee work performance that motivate and encourage all employees.	Chief of Police	In process
<ol style="list-style-type: none"> 1. “Catch a Cop Doing Something Right!” 2. High Point of the Week 3. Officer/Civilian/Volunteer of the year(Elks) 4. MADD Award 5. Awards program and policy 	<ol style="list-style-type: none"> 1. Chief Wingert 2. Chief Wingert 3. Command Staff 4. Command Staff 5. Lt. Cole 	<ol style="list-style-type: none"> 1. Implemented 2. Implemented 3. Implemented 4. Implemented 5. Pending
Investigations Case Management: Perform monthly reviews of each detective’s current cases to ensure each investigation is proceeding effectively, that the crime victims have been kept informed about the case status.	Support Services – Lt. Cole/Detective Sergeant	Implemented



Action Report

File #: 16-063

TO: Town Council Members

FROM: Mayor Michael Collins

DATE:

DEPARTMENT: Town Manager

AGENDA TITLE:

Approval of a Resolution Creating a Joint Planning Team Between the Town and the City of Scottsdale

Council Goals or Other Policies / Statutory Requirements:

Collaboration - Cultivate strong relationships with interested stakeholders including, but not limited to, Scottsdale...

RECOMMENDATION:

Approve the resolution authorizing the creation of a joint planning team between the Town and the City of Scottsdale.

SUMMARY STATEMENT:

From time to time there are development projects that occur on or near the shared border between the Town of Paradise Valley and the City of Scottsdale. In these instances the impacts of those developments are not exclusively contained within the developing jurisdiction. Coordinating and collaborating between the two municipalities would help increase awareness and mitigate unforeseen impacts of the project.

This concept was tried informally once before and was found by those participating to be a benefit. It was discussed during a joint meeting of the Town Council and Scottsdale Council and suggested it be brought forward by each body in public session for full consideration. The attached resolution is put forth for that consideration. The intent is for a mix of staff, Planning Commission and Councilmembers to be involved to provide a variety of perspectives. The Council representative would rotate.

BUDGETARY IMPACT:

None

File #: 16-063

ATTACHMENT(S):
Resolution 16-06

1 When recorded, return to:
2
3 Paradise Valley Town Attorney
4 6401 East Lincoln Drive
5 Paradise Valley, Arizona 85253

6
7 **RESOLUTION NUMBER 16-06**
8

9 **A RESOLUTION OF THE MAYOR AND COUNCIL OF**
10 **THE TOWN OF PARADISE VALLEY, ARIZONA,**
11 **AUTHORIZING THE CREATION OF A JOINT**
12 **PLANNING TEAM BETWEEN THE TOWN AND THE**
13 **CITY OF SCOTTSDALE.**
14

15 BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF
16 PARADISE VALLEY, ARIZONA THAT:

17 WHEREAS, the Mayor and Council desire to establish a joint planning team
18 (the “Joint Planning Team”) with the City of Scottsdale (“Scottsdale”) for the
19 coordination and planning of development and infrastructure in areas where the
20 Town and Scottsdale share a common border; and

21 WHEREAS, the Town members of the Joint Planning Team shall consist of a
22 Council member, Planning Commission member and Town Staff; and

23 WHEREAS, the Joint Planning Team shall engage in discussions and the
24 exchange of information and ideas with Scottsdale on planning and zoning matters,
25 land uses, traffic, drainage, and common-interest infrastructure planning matters
26 between the Town and Scottsdale; and

27 WHEREAS, the Joint Planning Team is to be of a temporary nature and shall
28 have a firm sunset date.

29 NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council
30 hereby:

- 31 1. Create the Joint Planning Team with the City of Scottsdale, the

1 purpose of which is to engage in discussions with counterparts in Scottsdale
2 regarding planning and zoning matters, land uses, traffic, drainage, and other
3 common-interest infrastructure planning matters between the Town and Scottsdale.

4 2. The Town members for the Joint Planning Team shall be the Town
5 Manager, the Community Development Director, Town Engineer, Mayor or
6 designee, and Planning Commission Chair or designee.

7 3. This resolution shall sunset on December 31, 2018 at which time the
8 Joint Planning Team shall be no longer in effect or authorized to act on behalf of
9 the Town.

10 PASSED AND ADOPTED by the Mayor and Town Council of the Town of
11 Paradise Valley, Arizona, this ___ day of February, 2016.

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Michael Collins, Mayor

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16 ATTEST:

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Duncan Miller, Town Clerk

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Andrew M. Miller, Town Attorney



Action Report

File #: 16-061

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Duncan Miller, Town Clerk

DEPARTMENT: Town Manager

AGENDA TITLE:
Consideration of Requests for Future Agenda Items

Council Goals or Other Policies / Statutory Requirements:
Resolution Number 1250: Town Council Rules of Procedure

RECOMMENDATION:
Review the current list of pending agenda topics.

SUMMARY STATEMENT:
Attached is the most recent Town Council Study Session Topic Schedule. Pursuant to the Council's Rules and Procedures as adopted by Resolution Number 1250, any member of the Council may move to have the Town Manager add a new agenda item to a future agenda. Upon concurrence of three or more Members, which may include the Mayor, the item will be added to the list of future agenda items and placed on a meeting agenda within sixty days. Reminder is provided that any discussion on the motion to add a future agenda item shall be limited to the propriety of placing such item on a future agenda and shall not include discussion on the merits of the topic itself.

BUDGETARY IMPACT:
None

ATTACHMENT(S):
Future agenda topics schedule

TOWN COUNCIL STUDY SESSION TOPIC SCHEDULE

February 18, 2016

03/10	03/24	04/14	04/28
<p>2 PM STUDY SESSION</p> <ul style="list-style-type: none"> Budget Review <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p> <ul style="list-style-type: none"> Tax Code Amendments Select & Approve Marquee Signs Award of Construction Contract for Police Communications Tower Ray Settlement Agreement <p>STUDY SESSION CONTINUED</p> <ul style="list-style-type: none"> Budget Review 	<p>4 PM STUDY SESSION</p> <ul style="list-style-type: none"> Police Technology Update Update on Trash Collection Alternatives Sustainability Task Force Creation and Scope <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p>	<p>4 PM STUDY SESSION</p> <ul style="list-style-type: none"> Budget Review <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p> <p>COMMUNITY CONVERSATION</p> <ul style="list-style-type: none"> Trash Collection Options 	<p>4 PM STUDY SESSION</p> <ul style="list-style-type: none"> Kiva Elementary School Art Acceptance <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p>
05/12	05/26	06/09	06/23
<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p> <ul style="list-style-type: none"> Tentative FY 17 Budget 	<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p> <ul style="list-style-type: none"> Expenditure Limit – Call of Election 	<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p> <ul style="list-style-type: none"> Final FY 17 Budget 	<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p>
09/08	09/22	10/13	10/27
<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p>	<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p>	<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p>	<p>4 PM STUDY SESSION</p> <p>EXECUTIVE SESSION</p> <p>ACTION ITEMS</p>

Items to be scheduled

1. Storm Water Ordinance
2. Noise Ordinance
3. Emergency Planning
4. Trash Collection
5. Leaf Blower Regulations
6. Short Term Rental