



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Meeting Notice and Agenda Town Council

Thursday, January 11, 2018

3:00 PM

Council Chambers

1. CALL TO ORDER / ROLL CALL

Notice is hereby given that members of the Town Council will attend either in person or by 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.

18-019

**Discussion of Luke Avenue Lot Line Adjustment/Re-orientation
6430 E. Luke Avenue and 5602 N. Wilkinson Road
15 Minutes**

Staff Contact:

George Burton, 480-348-3525

18-020

**Identification of Budget Goals for the Fiscal Year 2019 Budget;
Review of the Capital Improvement Program process and the
background on the Doubletree Street Improvement Project
60 Minutes**

Recommendation:

Receive information and provide direction to staff.

Staff Contact:

Kevin Burke, Town Manager 480.348.3690

18-035

**Discussion of Amendments to Small Cell Ordinance
15 Minutes**

Staff Contact:

Kevin Burke, Town Manager 480.348.3690

3. EXECUTIVE SESSION

[18-028](#)

Discussion and consultation with the Town Attorney for legal advice regarding safety considerations related to hillside development as authorized by A.R.S. §38-431.03(A)(3).

[18-029](#)

Discussion, consultation, and direction to the Town Attorney regarding the Town Council's position on the Development Agreement with Five Star Development as authorized by A.R.S. §38-431.03(A)(4).

[18-027](#)

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

4. BREAK**5. RECONVENE FOR REGULAR MEETING 6:00 PM****6. ROLL CALL****7. PLEDGE OF ALLEGIANCE*****8. PRESENTATIONS*****18-031 Presentation of Paradise Valley Vintage Car Show Proceeds to the Sentinels of Freedom and the Military Assistance Mission**

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

Staff Contact: Kevin Burke

18-010 Speak Up, Stand Up, Save a Life Month

Recommendation: Staff recommends that the proclamation is approved

Staff Contact: Timothy Gomez, Executive Assistant/Deputy Town Clerk

18-016 Mummy Mountain Preserve Trust Annual Update

Recommendation: Receive and file the Mummy Mountain Trust Annual Update

Staff Contact: Kevin Burke, Town Manager

18-009 Kevin Burke's ICMA 25 Year Service Award

Recommendation: Staff recommends that the proclamation is approved

Staff Contact: Timothy Gomez, Executive Assistant/Deputy Town clerk

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.

[18-033](#)**Minutes of Town Council Meeting December 7, 2017****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.

[18-018](#)**Adoption of Resolution Number 2018-01: Accepting the FY2017 Comprehensive Annual Financial Report (CAFR) and Associated Financial Reports a.k.a. the Annual Audit**

Recommendation: Adopt Resolution Number 2018-01: Accepting the FY2017 Comprehensive Annual Financial Report (CAFR) and Associated Financial Reports.

Staff Contact: Dawn Marie Buckland

[18-034](#)**Authorize the Town Manager to Execute a Contract to DWL Architects in an Amount Not to Exceed \$420,000.00 for Architectural Services Related to the Town Complex Remodel**

Recommendation: Authorize the Town Manager to execute a contract with DWL Architects.

Staff Contact: Paul Mood, P.E., 480-348-3573

[18-015](#)**Election of Vice Mayor**

Recommendation: Elect a Council Member to serve as vice mayor for calendar year 2018.

Staff Contact: Kevin Burke, Town Manager

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.

[18-030](#)**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.

18-039**Manager Comments**

Staff Contact: Kevin Burke, Town Manager 480.348.3690

15. STUDY SESSION ITEMS CONTINUED**18-032****Consideration of Paradise Valley Municipal Court's Appointment and Retention of Volunteer Judges Policy**

Staff Contact: Jeanette Wiesenhofer, 480-404-7020

18-017**Cost Recovery for Fees and Charges**

Staff Contact: Dawn Marie Buckland

18-036**Legislative Update**

Recommendation: Review and provide direction to staff on current legislative issues.

Staff Contact: Dawn Marie Buckland, Deputy Town Manager 480.348.3555

16. 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 #: 18-019

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Eva Cutro, Community Development Director
George Burton, Planner

DATE: January 11, 2018

DEPARTMENT: Community Development

AGENDA TITLE:

Luke Avenue Lot Line Adjustment/Re-orientation (LLA 17-06). Work Session.
6430 E. Luke Avenue and 5602 N. Wilkinson Road (APN: 173-10-001A and 173-10-001B)

Town Value(s):

- ☒ Primarily one-acre, residential community
- ☐ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Re-orientating one acre lots consistent with neighborhood configuration.

PLANNING COMMISSION DISCUSSION

On December 19, 2017, by a vote of 6 to 0, the Planning Commission made a recommendation of approval of the Luke Ave Lot Line Adjustment, re-orientating two (2) residential R-43-zoned lots, subject to the following stipulations:

1. The lot line adjustment plat must be recorded with the Maricopa County Recorder's Office, in full compliance with the plat prepared by Arizona Surveyors, Inc., Sheets 1 - 2, and dated July 7, 2017.
2. Prior to the issuance of a Certificate of Occupancy for a new single-family residence, the fire sprinkler system shall demonstrate compliance to the National Fire Protection Association standard 13D or the current equivalent code requirement.
3. Prior to the recordation of the lot line adjustment plat, the property owner or designee shall submit the required improvement plans for Town Engineer approval and provide a procedure

and other forms of assurances necessary for the Town to be in a guaranteed position to complete: 1) the pavement widening and curbing adjoining the subject site in accordance with the local roadway standard, Option B, of the Town's General Plan and 2) the installation of any applicable water or sewer improvements.

BACKGROUND:

Request:

The applicant, Celebrity Homes LLC, is requesting approval of a lot line adjustment to re-orientate two lots. The lots will be re-orientated from the existing north/south orientation to an east/west orientation. 5602 E Wilkinson Rd is 48,305 square feet (1.11 acres) and has a non-conforming lot width of 145' (a 165' minimum width is recommended per code). 6430 E. Luke Ave is 51,293 square feet (1.18 acres) and has a lot width of 165'.

In association with this re-orientation, the applicant will dedicate 10' from each property adjoining Luke Ave and Wilkinson Rd to meet the right-of-way width requirement of 25' measured from the right-of-way center line. With the re-orientation and the required dedication of right-of-way, both properties will have a lot width of less than 165' as recommended by code. Lot 1 will be 145' wide and 44,228 square feet (1.02 acres) in size. Lot 2 will be 141' wide and 48,804 square feet (1.12 acres) in size.

Existing Site:

The house and pool for 6430 E. Luke Ave were demolished in 2017 and the house, pool, and fence for 5602 N Wilkinson Rd were demolished in 2015.

General Plan:

Both properties are shown as Low Density Residential (0-1 house per acre) on the Town's General Plan Land Use Map, are zoned R-43, and are limited to one house per acre.

ENFORCEMENT:

There are no current zoning violations associated with the subject property.

FACTS/DISCUSSION:

Luke Avenue: 10' right-of-way (ROW) dedication is required. The existing right-of-way is 15' wide from center line and the Town standards require a minimum ROW width of 25' from center line.

Wilkinson Road: 10' right-of-way (ROW) dedication is required. The right-of-way is 15' wide from center line and the Town standards require a minimum ROW width of 25' from center line.

Traffic:

Per the Town Engineer, a traffic study is not required.

Lot Configuration:

The proposed lot line adjustment meets all area requirements for R-43 lots, except for the minimum lot width of 165'. Lot 1 will be 145' wide and Lot 2 will be 141' wide. Per Section 6-9-13 of the Town Code, "No lot split which creates a substandard or non-conforming lot or structure shall be approved

except by Council action.” Therefore, the deviation from the 165’ minimum lot width must be approved by Town Council. The Planning Commission will review and make a recommendation on the proposed lot re-orientation and the requested deviation for a lot width of less than 165’ wide.

Staff is supportive of the re-orientation and of both lots having a width of less than 165’ wide since:

- The right-of-way dedication/roadway improvements adjoining the site is a public benefit,
- The new lot orientation is more in character with the surrounding neighborhood, and
- The Town Code would still require right-of-way dedication/road improvements with building permits valued at \$500,000 or more even if the lots remained in their current configuration; resulting in both existing lots having a width of less than 165’ wide.

Utilities:

Each of the proposed lots will have the required 6 or 8-foot public utility easement along the perimeter of the lot in accordance with Section 6-3-3 of the Town Code. The following utilities will be available to each lot.

- 1) Electric: The subject site is located within the APS service area.
- 2) Water: Water for these two lots will be provided by EPCOR Water Company.
- 3) Sewer: The property is currently on septic. If available, the two new lots may be serviced by the Paradise Valley sewer.

Drainage:

Each lot will require an individual engineering site/grading and drainage plan with each building permit application submittal. On-lot retention will be required with the development of each lot.

Fire Protection Issues:

The 2 proposed lots will meet all standards related to fire protection as follows:

1. Fire Department access: Both lots will have direct access onto a public roadway.
2. Fire hydrant spacing/location: There are two fire hydrants located near the subject properties. One hydrant is located south of the properties on Luke Ave and the other hydrant is located near the northwest part of the subject lots on Wilkinson Rd. These fire hydrants meet the Town Code requirement of a fire hydrant to be located within 400’ of a property line.
3. Fire sprinkler requirement: The new homes and structures that will be constructed as a result of this lot line adjustment will have fire sprinklers in accordance with the Town Fire Code.
4. Fire Flow: The fire flow rate for this area is 3,392 gallons per minute (gpm). The Town Code requires a minimum flow test rate of 1,500 gallons per minute (gpm). A stipulation was added requiring that the fire sprinkler system for a new house shall demonstrate compliance to the National Fire Protection Association standard 13D or the current equivalent code requirement prior to issuance of a Certificate of Occupancy.

Title Report:

The applicant provided a copy of the title report for this lot. The title report references restrictions placed on the properties in May of 1952. It identifies that the lots shall not be used for commercial purposes and that no more than two dwellings shall be constructed on each two and a half acres.

File #: 18-019

However, the Town does not enforce private deed restrictions, only Town Code standards.

PUBLIC COMMENT:

Neighbors located within a 500' radius of the subject property will be notified of the public meeting. Staff received no comments regarding this lot line adjustment/re-orientation.

NEXT STEPS:

This application is scheduled for public meeting on January 25, 2018.

ATTACHMENTS:

Application
Vicinity & Aerial
Narrative
Hydrant Flow Test Report
Plans

C: - Applicant: Collee Marotta
 - Case File: LS-17-02



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TO: Mayor Collins and Town Council Members

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Eva Cutro, Community Development Director
George Burton, Planner

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File #: 18-019

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NEXT STEPS:

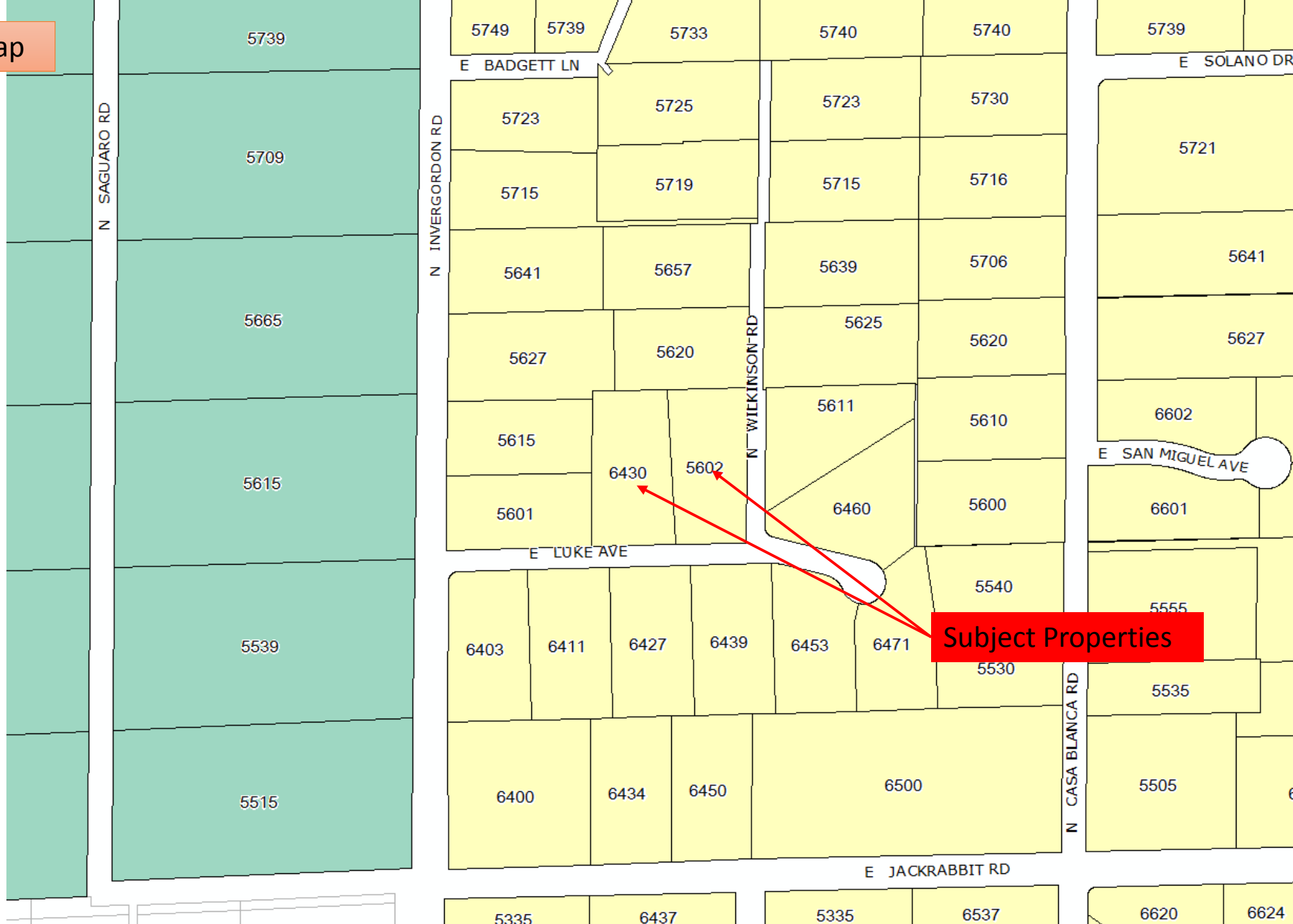
This application is scheduled for public meeting on January 25, 2018.

ATTACHMENTS:

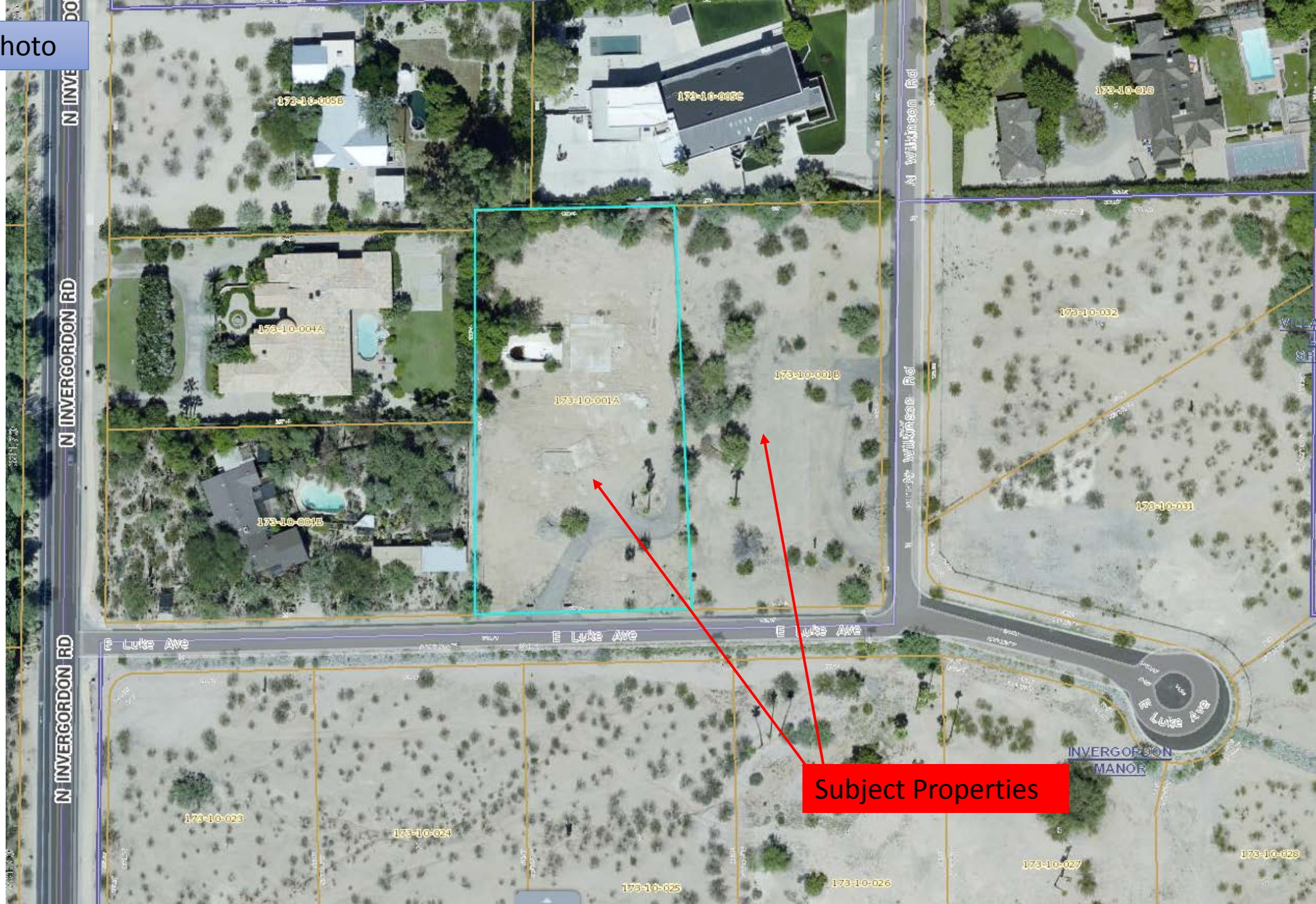
Application
Vicinity & Aerial
Narrative
Hydrant Flow Test Report
Plans

C: - Applicant: Collee Marotta
 - Case File: LS-17-02

Vicinity Map



Aerial Photo



LLA-17-06

TOWN OF PARADISE VALLEY
APPLICATION FOR LOT SPLITS

PARCEL NO.: 173 10 001A (2)
173 - 10 - 001B
(County Tax Assessor Number)

DATE: 8/30/2017

NAME OF SUBDIVISION: N/A

If property or properties are not in a subdivision check box: ☒

If property or properties are both in and out of a subdivision check box: ☐

ADDRESS OR LOCATION OF PROPERTY: 6430 E Luke
5602 N. Wilkinson

OWNER: Celebrity Homes LLC
NAME

9977 N. 95th St. #105 (480) 577-2573
ADDRESS PHONE #

C. Manager
SIGNATURE OF OWNER

All owners of the property or properties must sign the application or submit an original signed letter acknowledging the processing of this application.

REPRESENTATIVE: Colleen Marston Celebrity Homes
NAME COMPANY
9977 N. 95th St. #105 Scottsdale AZ 85258
ADDRESS

(480) 577-2573 ()
PHONE # FAX #

C. Manager
SIGNATURE OF REPRESENTATIVE

If representative is the same as the owner listed on this application check box ☒

The listed representative will be the primary contact on this application. The Town will send all correspondence on this application to the listed representative, unless otherwise notated.

CELEBRITY HOMES LLC

9977 N 95TH ST #105; SCOTTSDALE, AZ 85258 | 480-577-2573 | CSK2626@GMAIL.COM

10/6/2017

Town of Paradise Valley

Dear Town of Paradise Valley:

My name is Colleen Marotta and I am an owner of Celebrity Homes LLC. I will be the representative handling the Lot Line Adjustment for both lots at 6430 E Luke & 5602 E Wilkinson.

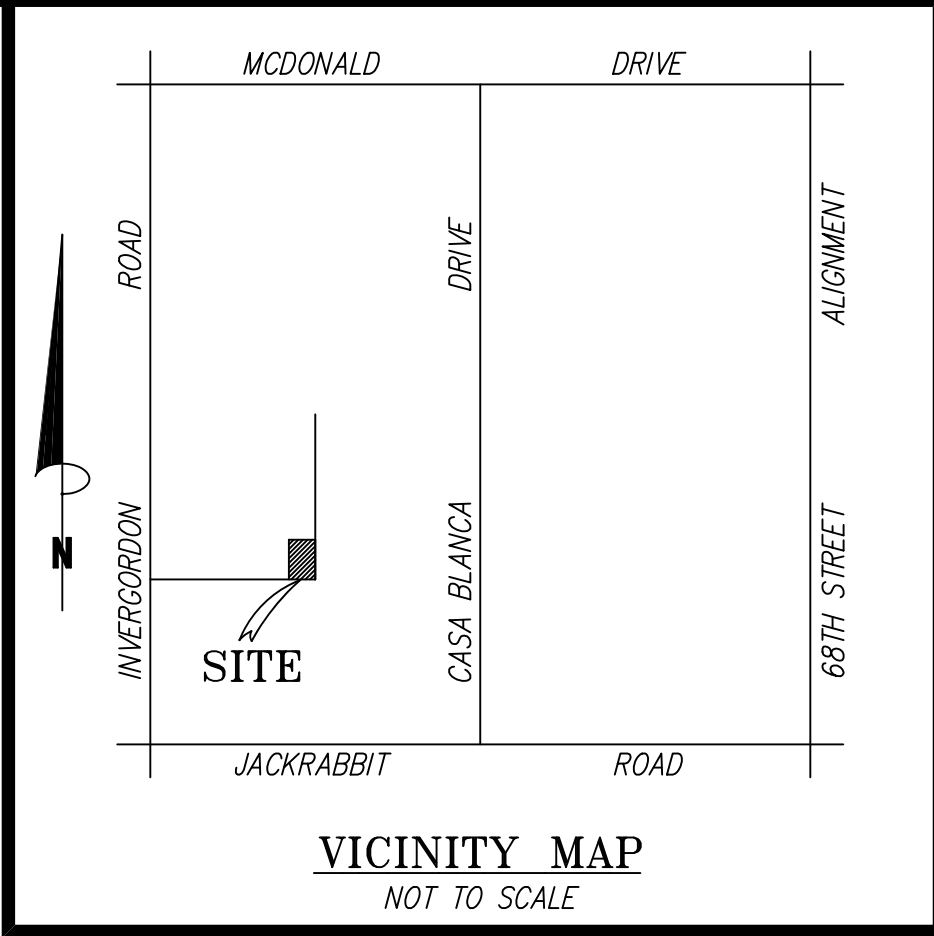
We are submitting our application for the lot line re-orientation for both lots. We are trying to re-position both lots to try and capture the views. The lots will be re-orientated from the existing north/south exposure to an east/west orientation.

We are requesting the Planning Commission to consider this application.

Sincerely,

Colleen Marotta
Owner

LUKE AVENUE
LOT LINE ADJUSTMENT
A PORTION OF THE NORTHWEST QUARTER,
SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST,
GILA & SALT RIVER BASE & MERIDIAN, MARICOPA COUNTY, ARIZONA.



DEDICATION:

STATE OF ARIZONA }
COUNTY OF MARICOPA } S.S.

KNOW ALL MEN BY THESE PRESENTS: CELEBRITY HOMES, LLC., AS LEGAL OWNER OF SAID REAL PROPERTY, HAVE SUBDIVIDED UNDER THE NAME OF LUKE AVENUE LOT LINE ADJUSTMENT, A SUBDIVISION LOCATED AT MARICOPA COUNTY ASSESSOR PARCEL NUMBERS 173-10-001A & 173-10-001B, BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AND HEREBY DECLARE THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS AND STREETS CONSTITUTING SAME AND THAT EACH LOT AND STREET SHALL BE KNOWN BY THE NUMBER OR NAME GIVEN EACH RESPECTIVELY ON THIS PLAT, AND HEREBY DEDICATE AND GRANT TO THE TOWN OF PARADISE VALLEY THE STREETS AND RIGHT-OF-WAY SHOWN ON THIS PLAT AND INCLUDED IN THE ABOVE-DESCRIBED PREMISES. EASEMENT ARE HEREBY DEDICATED FOR THE PURPOSES SHOWN.

CELEBRITY HOMES, LLC., AS OWNER, HAS HEREUNTO CAUSED THEIR NAME TO BE SIGNER AND THE SAME ATTESTED, THEREUNTO DULY AUTHORIZED THIS _____ DAY OF _____, 2017.

OWNER OR DULY AUTHORIZED REPRESENTATIVE _____

ACKNOWLEDGMENT:

STATE OF ARIZONA }
COUNTY OF MARICOPA } S.S.

THIS DOCUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 2017, BY _____ FOR AND ON THE BEHALF OF CELEBRITY HOMES, LLC., AN ARIZONA LIMITED PARTNERSHIP.

NOTARY PUBLIC

MY COMMISSION EXPIRES

APPROVALS:

APPROVED BY THE TOWN COUNCIL OF THE TOWN OF PARADISE VALLEY, THIS _____ DAY OF _____, 2017.

BY _____
MAYOR

ATTEST: _____
TOWN CLERK

BY _____
PLANNING DIRECTOR

ATTEST: _____
TOWN ENGINEER

UTILITY PROVIDERS

APS
SOUTHWEST GAS
CENTURY LINK
COX
EPCOR - WATER
TOWN OF PARADISE VALLEY - SEWER

PARENT PROPERTY DESCRIPTIONS

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; EXCEPT THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST COMER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 15; THENCE WESTERLY ALONG THE SOUTH LINE THEREOF, A DISTANCE OF 163.15 FEET; THENCE NORTHERLY TO A POINT ON THE NORTH LINE THEREOF; THENCE EASTERLY ALONG SAID NORTH LINE A DISTANCE OF 180.00 FEET TO THE NORTHEAST COMER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 15; THENCE SOUTHERLY ALONG THE EAST LINE THEREOF, TO THE POINT OF BEGINNING. EXCEPT THE SOUTH 15 FEET FOR ROADWAY APN: 173-10-001A

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15; THENCE WESTERLY ALONG THE SOUTH LINE THEREOF 163.15 FEET; THENCE NORTHERLY TO A POINT ON THE NORTH LINE THEREOF; THENCE EASTERLY ALONG SAID NORTH LINE 180 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15; THENCE SOUTHERLY ALONG THE EAST LINE THEREOF TO THE POINT OF BEGINNING.

SITE INFORMATION

OWNER: CELEBRITY HOMES, LLC.

SITE ADDRESS: 5602 NORTH WILKINSON ROAD &
6430 EAST LUKE AVENUE
PARADISE VALLEY, ARIZONA 85253

APN'S: 173-10-001A & 173-10-001B

ZONING: R-43

SUPPORTING DOCUMENTS

734-10 MCR
844-35 MCR
1033-47 MCR
1275.12 MCR

BASIS OF BEARING

THE WEST LINE OF THE NORTHWEST QUARTER, SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST, AND IS IDENTICAL TO GDAC PLAT 734-10 M.C.R. BEARING NORTH 00° 35' 20" EAST, BASED UPON SHOWN FOUND MONUMENTS.

NEW PROPERTY DESCRIPTIONS

LOT 1
A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 15 FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 15 BEARS NORTH 00° 35' 20" EAST 2653.4 FEET; THENCE ALONG THE WEST LINE OF SAID NORTHWEST QUARTER NORTH 00° 35' 20" EAST 663.35 FEET TO THE INTERSECTION OF SAID WEST LINE AND THE MONUMENT LINE OF LUKE AVENUE AS SHOWN ON THE OFFICIAL PLAT OF INVERGORDON MANOR, FILED IN BOOK 844 OF MAPS, PAGE 35 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID MONUMENT LINE NORTH 88° 42' 34" EAST 328.96 FEET; THENCE NORTH 00° 35' 06" EAST 186.01 FEET TO THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING NORTH 00° 35' 06" EAST 145.68 FEET; THENCE NORTH 88° 42' 53" EAST 303.79 FEET; THENCE SOUTH 00° 35' 07" WEST 145.65 FEET; THENCE SOUTH 88° 42' 34" WEST 303.79 FEET TO THE POINT OF BEGINNING, CONTAINING 46,050 SQUARE FEET MORE OR LESS.

LOT 2

A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 15 FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 15 BEARS NORTH 00° 35' 20" EAST 2653.4 FEET; THENCE ALONG THE WEST LINE OF SAID NORTHWEST QUARTER NORTH 00° 35' 20" EAST 663.35 FEET TO THE INTERSECTION OF SAID WEST LINE AND THE MONUMENT LINE OF LUKE AVENUE AS SHOWN ON THE OFFICIAL PLAT OF INVERGORDON MANOR, FILED IN BOOK 844 OF MAPS, PAGE 35 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID MONUMENT LINE NORTH 88° 42' 34" EAST 328.96 FEET; THENCE NORTH 00° 35' 06" EAST 25.01 FEET TO THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING NORTH 00° 35' 06" EAST 161 FEET; THENCE NORTH 88° 42' 34" EAST 303.79 FEET; THENCE SOUTH 00° 35' 07" WEST 141.64 FEET; THENCE ALONG A 20 RADIUS CURVE TO THE RIGHT 30.76 FEET THROUGH A CENTRAL ANGLE OF 88° 07' 27"; THENCE SOUTH 88° 42' 34" WEST 284.43 FEET TO THE POINT OF BEGINNING, CONTAINING 48,804 SQUARE FEET MORE OR LESS.

TITLE REFERENCE

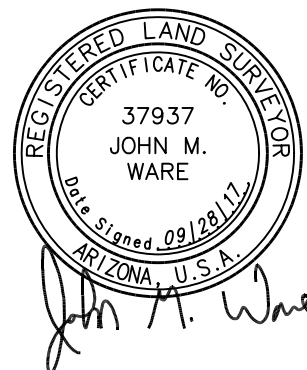
THIS SURVEY IS BASED UPON A TITLE COMMITMENT PREPARED BY CLEAR TITLE AGENCY OF ARIZONA, INC. NO. 10-520992 ARIZONA SURVEYORS, INC. HAS RELIED SOLELY UPON THE INFORMATION CONTAINED WITHIN THE TITLE COMMITMENT AND SCHEDULE B DOCUMENTS PROVIDED BY FIRST AMERICAN TITLE INSURANCE COMPANY AS LISTED HEREON. ARIZONA SURVEYORS INC AND JOHN M. WARE (RLS) MAKE NO STATEMENT AS TO THE ACCURACY OR COMPLETENESS OF THE SUBJECT REPORT.

NOTES

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2. THIS SURVEY WAS CONDUCTED WITH THE BENEFIT OF A TITLE REPORT. THIS SURVEY MAKES NO WARRANTY AS TO THE EXISTENCE OF ANY ADDITIONAL EASEMENTS OF RECORD AND/OR RESTRICTIONS TO AFFECTED PARCELS.
3. IT IS RECOMMENDED THAT THE CLIENT RETAIN LEGAL CONSULTATION TO THOROUGHLY EXAMINE TITLE FOR ANY CLAIMS, DEFECTS OR LIABILITY UNDISCLOSED BY THIS SURVEY.
4. THIS DOCUMENT MUST BE COMPARED TO THE ORIGINAL HARD COPY ISSUE AT THE SURVEY DATE WITH ITS ORIGINAL SEAL TO ENSURE THE ACCURACY OF THE INFORMATION AND TO FURTHER ENSURE THAT NO CHANGES, ALTERATIONS OR MODIFICATIONS HAVE BEEN MADE.
5. ALL BEARINGS AND DISTANCES SHOWN ARE MEASURED FROM MONUMENT TO MONUMENT UNLESS OTHERWISE NOTED.
6. EXCEPT AS SPECIFICALLY STATED OR SHOWN ON THIS PLAT, THIS SURVEY DOES NOT PURPORT TO REFLECT ANY OF THE FOLLOWING WHICH MAY BE APPLICABLE TO THE SUBJECT REAL ESTATE: EASEMENTS, OTHER THAN POSSIBLE EASEMENTS WHICH WERE VISIBLE AT THE TIME OF MAKING THIS SURVEY; RESTRICTIVE COVENANTS; SUBDIVISION RESTRICTIONS; ZONING OR OTHER LAND USE REGULATIONS, AND ANY OTHER FACTS WHICH AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE.
7. DECLARATION IS MADE TO ORIGINAL PURCHASER OF THE SURVEY. IT IS NOT TRANSFERABLE TO ADDITIONAL INSTITUTIONS OR SUBSEQUENT OWNERS.
8. ALL SURFACE AND SUBSURFACE IMPROVEMENTS ON AND ADJACENT TO THIS SUBJECT PARCEL ARE NOT NECESSARILY SHOWN.
9. A.R.S. 32-151 STATES THAT THE USE OF THE WORD "CERTIFY" OR "CERTIFICATION" BY A PERSON OR FIRM THAT IS REGISTERED OR CERTIFIED BY THE BOARD IS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING FACTS OR FINDINGS THAT ARE SUBJECT OF THE CERTIFICATION AND DOES NOT CONSTITUTE AN EXPRESS OR IMPLIED WARRANTY OR GUARANTEE.
10. THE POTENTIAL BUYER(S) OF THIS SITE IS HEREBY ADVISED THAT THIS SITE IS SUBJECT TO ARIZONA PLATTING LAWS PRIOR TO THE DEVELOPMENT OF THIS SITE.
11. THIS FIRM IS LICENSED TO PERFORM SPECIFIC SURVEY TASKS. C.C & R'S, ZONING MATTERS, A.D.A. REQUIREMENTS; LOCAL ORDINANCES, ETC. ARE LEGAL MATTERS AND SHOULD BE REVIEWED BY AN ATTORNEY.

CERTIFICATE OF SURVEY

I, JOHN M. WARE HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA, AND THAT THIS MAP CORRECTLY REPRESENTS A SURVEY MADE UNDER MY DIRECT SUPERVISION DURING THE MONTH OF MARCH, 2017.



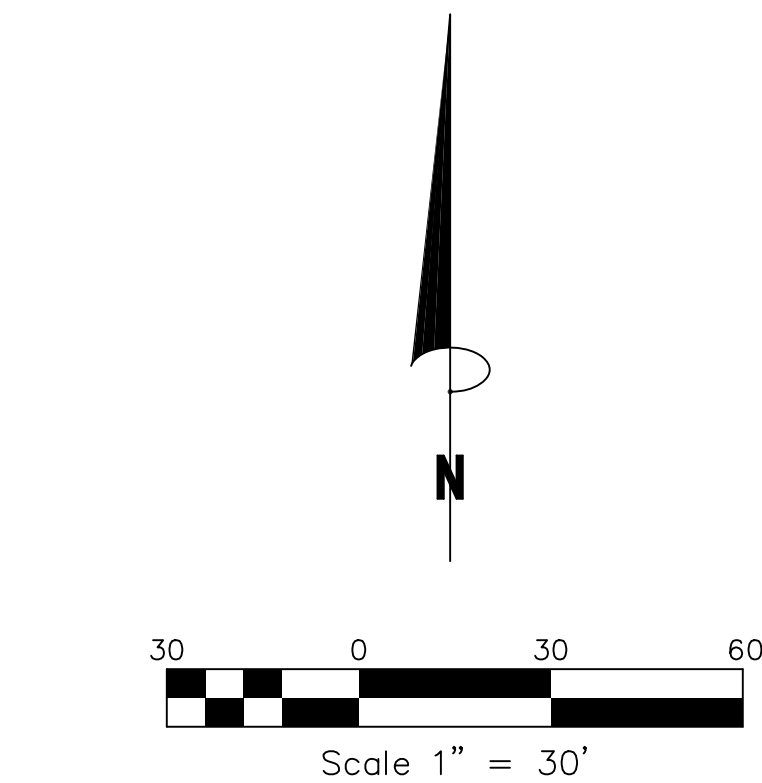
ARIZONA SURVEYORS, INC.

11445 EAST VIA LINDA SUITE 2-447
SCOTTSDALE, ARIZONA 85259-2638
PHONE - (480) 816-9773 FAX - (480) 816-9735
E-MAIL:
jwazrls@gmail.com
WEBSITE:
www.arizonasurveyors.com

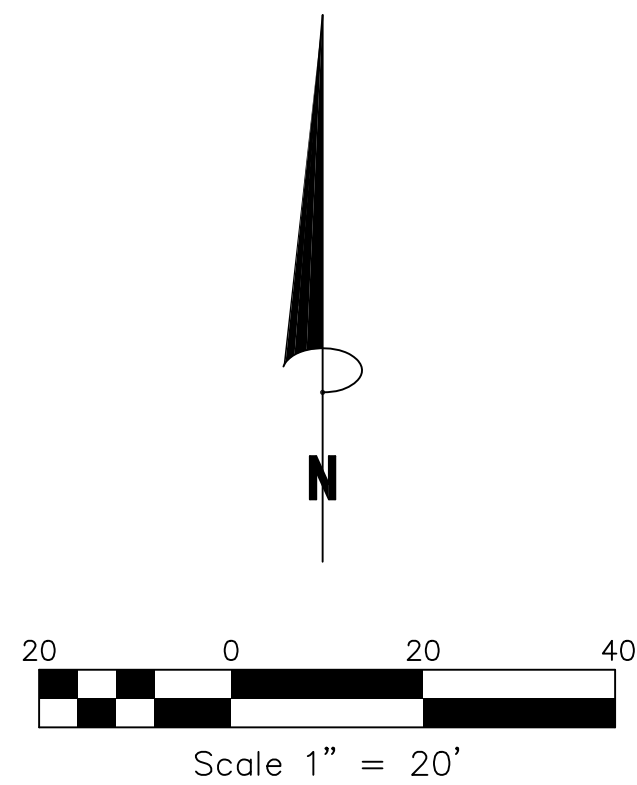
EXPIRES 09/30/2020

LOT LINE ADJUSTMENT

DRAWN: JMW	JOB NO: LUKE AVENUE	DATE: 07/07/2017
CHECK: JMW	SURVEYOR: JMW	
SCALE: 1" = 30'	SHEET 1 OF 2	



DRAWN: JMW	JOB NO: LUKE AVENUE	DATE: 07/07/2017
CHECK: JMW	SURVEYOR: JMW	
SCALE: 1" = 30'	SHEET 2 OF 2	



BENCHMARK

GDAC UNIQUE ID: 3807

DESCRIPTION: WEST QUARTER CORNER,
SECTION 15, TOWNSHIP 2 NORTH RANGE 4 EAST.

ELEVATION: 1375.83' (NAVD '88)

PROVIDED BY MCDOT

LEGEND:

- | | | | |
|---------|--|---|---------------|
| ○ | SEWER MANHOLE | 🌵 | MESQUITE |
| ⊕ | FIRE HYDRANT | 🌳 | OLIVE |
| ⊗ | WATER VALVE | 🌴 | PALM |
| ⊞ | WATER METER | 🌿 | PALO VERDE |
| ⊙ | CABLE RISER | 🌳 | TREE |
| ⊞ | TELEPHONE RISER | 🌳 | TREE |
| Ⓣ | TELCOM | ☼ | BARREL CACTUS |
| □ | ELECTRIC SWITCH | 🌵 | OCOTILLO |
| Ⓣ | TRANSFORMER PAD | 🌵 | SAGUARO |
| Ⓣ | POOL EQUIPMENT | ☼ | CACTUS |
| Ⓣ | SEWER CLEAN OUT | | |
| Ⓣ | HOSE BIB | | |
| ○ | MISC CONDUIT | | |
| Ⓣ | SIGN | | |
| —S— | SEWER LINE OR MANHOLES | | |
| —W— | APPROXIMATE WATER LINE PER EPCOR 1/4 SEC.20-43 | | |
| ---G--- | GAS BLUESTAKE | | |
| R/W | RIGHT OF WAY | | |
| B.S.L. | BUILDING SETBACK LINE | | |
| M.C.R. | MARICOPA COUNTY RECORDER | | |
| M.C.A. | MARICOPA COUNTY ASSESSOR | | |
| CMU | CONCRETE MASONRY UNIT | | |
| P.U.E. | PUBLIC UTILITY EASEMENT | | |
| --- | SETBACK LINE | | |
| --- | MONUMENT LINE | | |
| --- | PROPERTY LINE | | |
| --- | ADJOINING LOT LINE | | |
| --- | P.U.E. EASEMENT LINE | | |

UTILITY LINE FOLLOWS PROPERTY LINE
PER DKT. 1110, PG. 355 MCR
WIDTH UNKNOWN

UTILITY LINE FOLLOWS
PROPERTY LINE
PER DKT. 1110,
PG. 355 MCR
WIDTH UNKNOWN

OLEKSII
5615 NORTH INVERGORDON ROAD
APN 173-10-004A

TORREST
5615 NORTH INVERGORDON ROAD
APN 173-10-004B

KUTCHER
5020 NORTH WILKINSON ROAD
APN 173-10-005C

WARD
5627 NORTH INVERGORDON ROAD
APN 173-10-005B

NOTES

THIS SURVEY WAS ACCOMPLISHED WITHOUT BENEFIT OF A TITLE REPORT.
ONLY THE EASEMENTS SHOWN ON THE PLAT ARE SHOWN HEREON.
NO OTHER DOCUMENTS WERE REVIEWED OR CONSIDERED.

IF THE LOCATION OF ANY VEGETATION ON THIS PROPERTY BECOMES
CRITICAL IT SHOULD BE VERIFIED PRIOR TO DESIGN OR CONSTRUCTION.

THIS SURVEY REFLECTS ABOVE-GROUND INDICATIONS OF UTILITIES.
AN UNDERGROUND SURVEY WAS NOT PERFORMED. DESIGN PROFESSIONALS ARE
RESPONSIBLE FOR PUBLIC RECORD RESEARCH. ARIZONA SURVEYORS, INC. TAKES
NO RESPONSIBILITY IN THIS MATTER.

ALL BEARINGS AND DISTANCES SHOWN ARE MEASURED FROM MONUMENT TO
MONUMENT UNLESS OTHERWISE NOTED.

SETBACKS SHOWN HEREON ARE THIS SURVEYOR'S INTERPRETATION OF
THE INFORMATION PROVIDED BY THE TOWN OF PARADISE VALLEY PLANNING &
ZONING DEPARTMENT. ZONED R-43, SETBACKS ARE: FRONT=40', REAR=40' &
SIDE=20' AND ARE SUBJECT TO CHANGE DEPENDENT UPON INDIVIDUAL LOT
SPECIFICATION. ALL ZONING AND SETBACKS MUST BE VERIFIED WITH THE
PROPER GOVERNING AGENCY PRIOR TO DESIGN OR CONSTRUCTION. DUE TO
POSSIBLE ZONING CHANGES AND VARIANCES IN SETBACKS, ARIZONA SURVEYORS,
INC., TAKES NO RESPONSIBILITIES IN THIS MATTER.

SITE INFORMATION

OWNER: MONKEY INVESTMENTS, LLC & ROBERT BINGHAM

SITE ADDRESS: 5602 NORTH WILKINSON ROAD &
6430 EAST LUKE AVENUE
PARADISE VALLEY, ARIZONA 85253

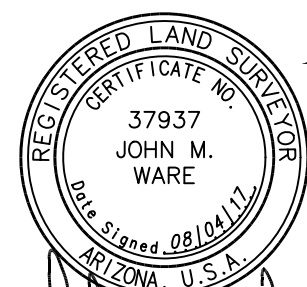
APN'S: 173-10-001A & 173-10-001B

ZONING: R-43

PROPERTY DESCRIPTION

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF
THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 2 NORTH, RANGE 4 EAST OF THE GILA
AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;
EXCEPT THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST
QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 15;
THENCE WESTERLY ALONG THE SOUTH LINE THEREOF, A DISTANCE OF 163.15 FEET;
THENCE NORTHERLY TO A POINT ON THE NORTH LINE THEREOF;
THENCE EASTERLY ALONG SAID NORTH LINE A DISTANCE OF 180.00 FEET TO THE
NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 15;
THENCE SOUTHERLY ALONG THE EAST LINE THEREOF, TO THE POINT OF BEGINNING.
EXCEPT THE SOUTH 15 FEET FOR ROADWAY
APN: 173-10-001A

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 2 NORTH,
RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY,
ARIZONA, DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST
QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15;
THENCE WESTERLY ALONG THE SOUTH LINE THEREOF 163.15 FEET;
THENCE NORTHERLY TO A POINT ON THE NORTH LINE THEREOF;
THENCE EASTERLY ALONG SAID NORTH LINE 180 FEET TO THE NORTHEAST CORNER OF THE
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 15;
THENCE SOUTHERLY ALONG THE EAST LINE THEREOF TO THE POINT OF BEGINNING.



ARIZONA SURVEYORS, INC.

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E-MAIL:
jwazrls@gmail.com
WEBSITE:
www.arizonasurveyors.com

EXPIRES 09/30/2020

TOPOGRAPHIC SURVEY

DRAWN: JMW	JOB NO: 17753-CHAVEZ	DATE: 06/19/2017
CHECK: JMW	SURVEYOR: JMW	
SCALE: 1" = 20'	SHEET: 1 OF 1	

**SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL AND SIGNATURE OF SURVEYOR.

Arizona Flow Testing LLC

HYDRANT FLOW TEST REPORT

Project Name:	Paradise Valley Lot re-orientation
Project Address:	5602 N Wilkinson & 6430 E Luke, Paradise Valley, AZ 85253
Client Project No.:	Not Provided
Arizona Flow Testing Project No.:	17217
Date and Time flow test conducted:	October 3, 2017 at 8:30 AM
Data is current and reliable until:	April 3, 2018
Conducted by:	Floyd Vaughan – Arizona Flow Testing, LLC (480-250-8154)
Coordinated by:	Eric Coppinger – EPCOR Water (602-309-1164)

Raw Test Data

Static Pressure: **72.0 PSI**
(Measured in pounds per square inch)

Residual Pressure: **65.0 PSI**
(Measured in pounds per square inch)

Pitot Pressure: **55.0 PSI**
(Measured in pounds per square inch)

Diffuser Orifice Diameter: One (2 ½ inch)
(Measured in inches)

Coefficient of Diffuser: 0.9

Flowing GPM: **1,245 GPM**
(Measured in gallons per minute)

GPM @ 20 PSI: **3,676GPM**

Data with 10 % Safety Factor

Static Pressure: **64.8 PSI**
(Measured in pounds per square inch)

Residual Pressure: **57.8 PSI**
(Measured in pounds per square inch)

Distance between hydrants: 500 Feet

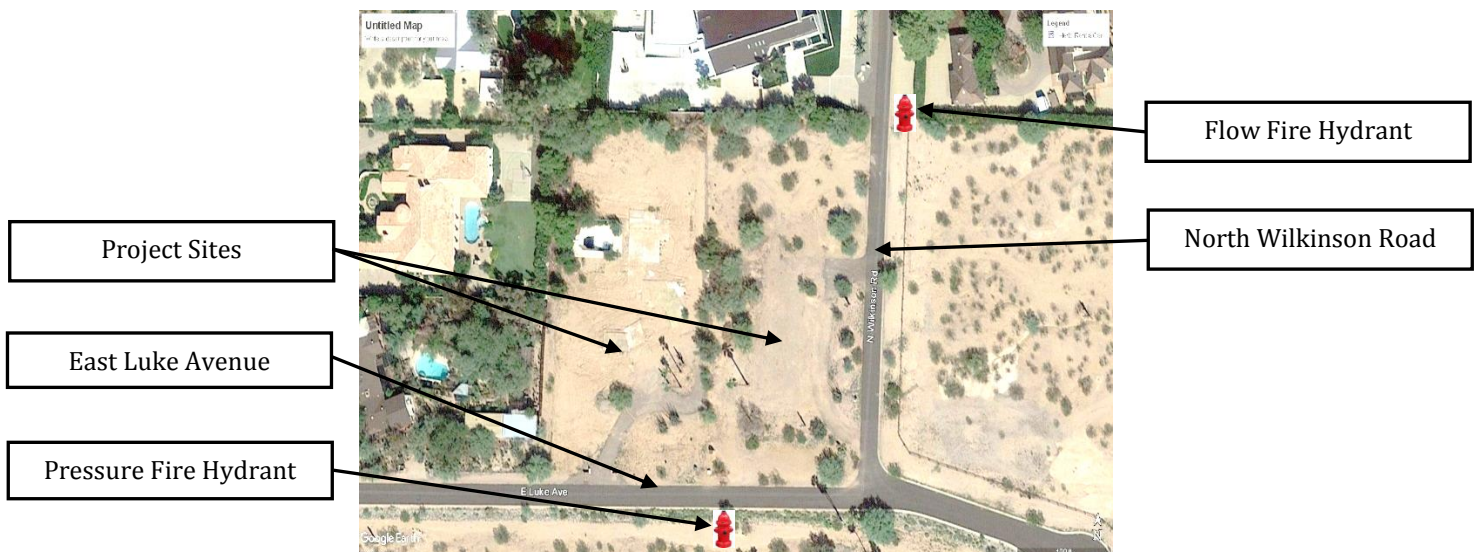
Main size: Not Provided

Flowing GPM: **1,245GPM**

GPM @ 20 PSI: **3,392 GPM**

Flow Test Location

North ↑



TOWN OF PARADISE VALLEY

Luke/Wilkinson Lot Line Adjustment/ Re-Orientation (LS-17-06)

Town Council
Work Session
January 11, 2018

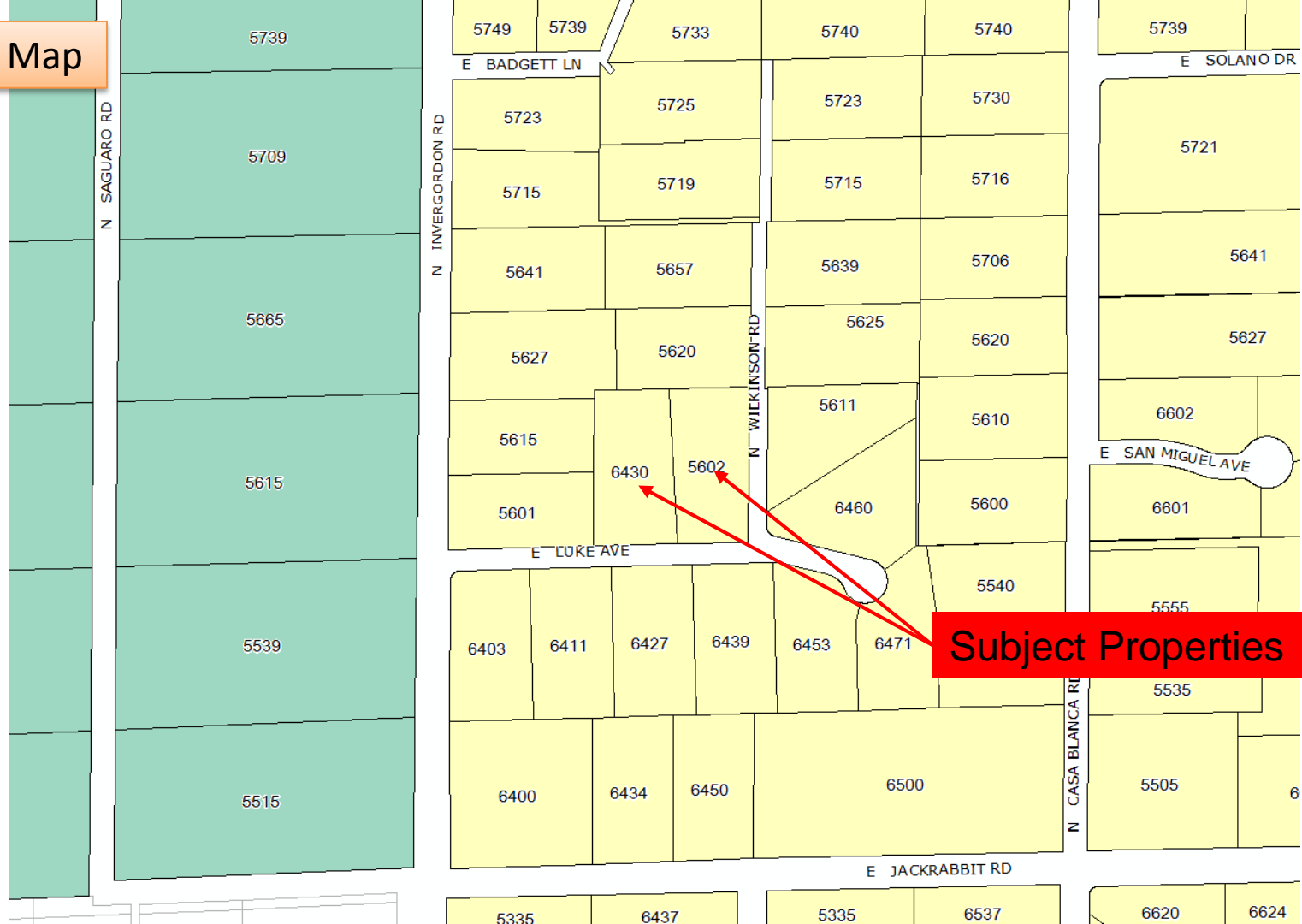


LOT LINE ADJUSTMENT REQUEST

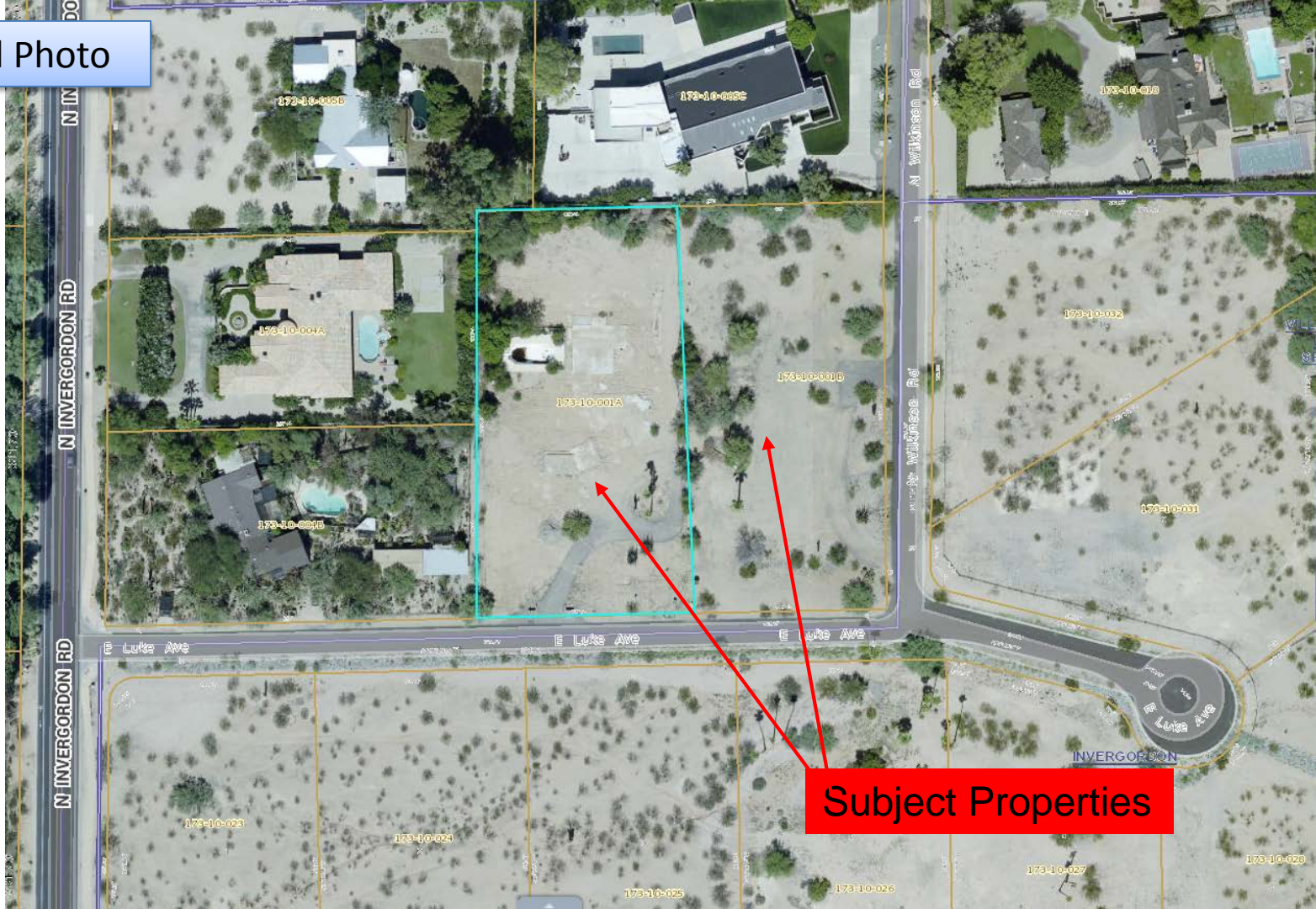
- Lot line adjustment to re-orientate two lots
(6430 E Luke Ave & 5602 N Wilkinson Rd)
- 12/19 – PC Recommendation of Approval



Vicinity Map



Aerial Photo



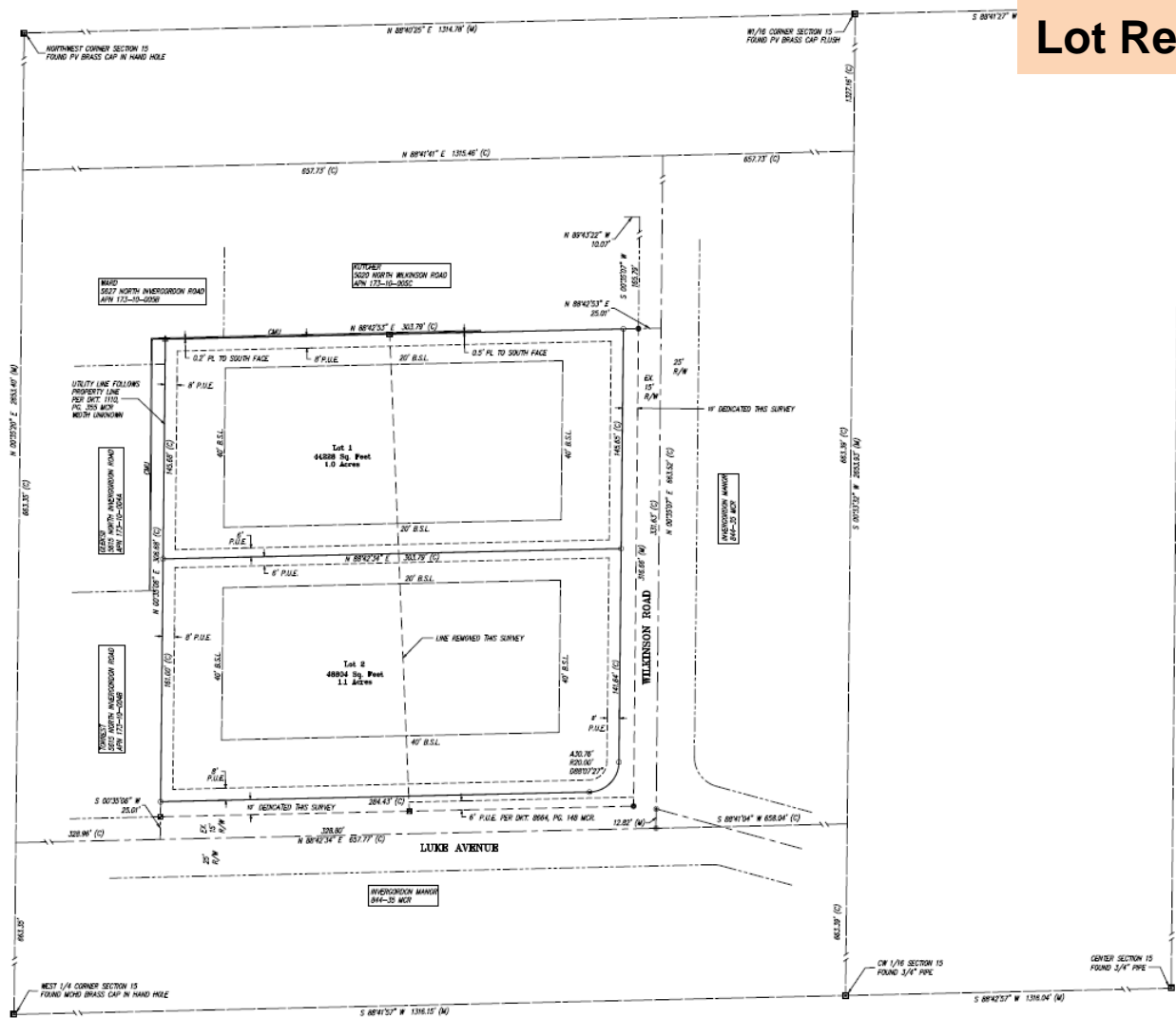
Subject Properties

SCOPE OF REQUEST

- Existing:
 - N/S Orientation
 - 5602 E Wilkinson Rd - 1.11 acres & 145' wide
 - 6430 E. Luke Ave - 1.18 acres & 165' wide
- Proposed:
 - E/W Orientation
 - Lot 1 – 1.02 acres & 145' wide
 - Lot 2 – 1.12 acres & 141' wide



Lot Re-Orientation



Lot Re-Orientation



LUKE AVE LLA

- Right-of-Way (ROW):
 - Existing - 15' ROW from Center Line
 - 10' ROW Dedication Required
 - Luke Ave & Wilkinson Rd to comply with code:
 - 25' from Center Line



LUKE AVE LLA

- Lot Configuration:
 - Meet R-43 area requirements – Except Width:
 - Size (1 net acre +)
 - Width (141' & 145' wide – Instead of 165' wide)
 - Access (public roadway)
 - Setbacks (40' front/rear and 20' sides)



LUKE AVE LLA

- Lot Configuration:
 - Staff supportive of lot re-orientation & lot width:
 - ROW dedication/roadway improvement adjoining site is Public Benefit
 - New orientation more in character with neighborhood
 - Town Code still require ROW dedication/road improvements with building permits - resulting in existing lots having width of less than 165' wide





LUKE AVE LLA

- Drainage:
 - On site retention and grading at building permit
- Fire Protection:
 - Access via public roadway
 - New homes will have fire sprinklers
 - Fire hydrant installation not required (2 hydrants in area)
 - Fire flow rate exceeds minimum:
 - 1,500 gpm needed
 - 3,392 gpm for this area



PUBLIC COMMENT

- Neighbors within 500' radius notified of public meeting
- No comment received
- Title Report:
 - Lots cannot be used for commercial purposes
 - No more than two dwellings on each two and a half acres
- Town does not enforce private deed restrictions - only Town Codes



NEXT STEPS

- January 25th – Public Meeting







Action Report

File #: 18-020

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Dawn Marie, Deputy Town Manager
Jeremy Knapp, Engineering Services Analyst

DATE: January 11, 2018

DEPARTMENT: Town Manager

AGENDA TITLE:

Identification of Budget Goals for the Fiscal Year 2019 Budget; Review of the Capital Improvement Program process and the background on the Doubletree Street Improvement Project

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☒ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

This is the start of the FY19 Budget. As such, how the Town spends the public's money reflects the values of this community.

Council Goals or Statutory Requirements:

Responsiveness to Residents - Identify and consider resident concerns in a timely manner and seek solutions to the best of the Town's ability.

Infrastructure - For efficient and effective execution, review and seeks improvement for the planning, timing, and coordination of infrastructure maintenance and enhancement.

RECOMMENDATION:

Receive information and provide direction to staff.

SUMMARY STATEMENT:

The first step in assembling the annual operating budget for the Town is to look at the economic forecast for the next period and determine both financial and policy goals to be accomplished. This

study session item will do just that. It will start with a review of economic information from the Joint Legislative Budget Committee, private economist Elliot D. Pollack, and data from the Smith Travel Accommodation Report (STR). These sources provide a foundation for forecasting revenue for the Town of Paradise Valley in the next fiscal year. From there, staff will walk through established and possible financial and policy goals. Mayor and Council will be asked to add, delete or modify these goals. This will set a foundation for building a recommended budget for July 1, 2018 through June 30 2019.

Further, staff will review with Council the Capital Improvement Program (CIP) process that has been used for the last five year. The purpose is to better acquaint Council with the process, scoring criteria and timelines.

Lastly, staff will review the process associated with the Doubletree Street Improvement Project as there have were questions at the December 7 Council meeting related to its history and associated procurement. It was not staff's understanding that this was a new decision point, but rather a review of previous decisions and process. Therefore, the material was prepared accordingly.

BUDGETARY IMPACT:

1. The discussion has no budgetary impact.

ATTACHMENT(S):

PowerPoint Presentation

2018-2022 Capital Improvement Program as of April 2017

TOWN OF PARADISE VALLEY

Budget Goals/CIP Process/
Double Tree Project



Budget

- Purpose – Review economic conditions and establish FY18/19 Budget Goals
- Purpose – Review the CIP Process and answer questions.
- Purpose – Review how Doubletree project went through CIP Process and next step.



Budget

- What type of year is coming?
 - Expansion
 - Retraction
 - Status Quo
- What does the Mayor & Council want to accomplish?



Economic Outlook

- Elliot D. Pollack & Co
 - Full employment
 - Consumer Confidence = Highest since Jan 2000
 - National and International Politics Less Stable
 - Tax Cuts – General boost, but PV could hurt w/ reduction in deductible mortgage interest from \$1M to \$750K
 - Likely higher interest rates
 - OK for PV since not borrowing, but may hit housing



Economic Outlook

- Elliot D. Pollack & Co (cont.)
 - Inflation on Const. Material (Hurricanes/Demand)
 - Otherwise CPI in check
 - Population Growth mild = 1.7%, 3.5% in past booms
 - Housing not great outlook
 - Less population
 - Higher student debt
 - Millennial culture



Economic Outlook

- JLBC
 - Jobs and wages increasing
 - State Retail Sales Tax = Up 4.8% YTD
 - State Sales Restaurants and Bars = Up 5.1% YTD
 - State Sales Contracting = Up 11.4% YTD
 - Income Tax Collections = Up 6.1% YTD
 - HURF = Up 2.6% YTD



Economic Outlook

- STR Report - Hospitality
 - Occupancy -4.9% (Running 12 mo)
 - Supply of Rooms = Up 19.2% (ANdAZ, MTS, Hermosa)
 - ADR \$217.79 = up 4.2%
 - RevPAR \$141.02 = down 0.9%
 - Revenue \$102M = up 18.1%



Economic Outlook

- Staff Extrapolations
 - 3 legged revenue stool
 - Hospitality – Up Solidly – But in long term projections
 - Construction – Up Substantially – but weakness on horizon. MRRA change could boost.
 - State Shared Revenue – Up Solidly. Above Anticipated
 - Watch for State tax cuts that affect sharing



Economic Outlook

- Staff Extrapolations
 - Budget for low/moderate revenue growth
 - Keep Construction & HURF Revenue in 1x expenditures (CIP/Tatum/Lincoln/Pavement)
 - Time is right for pension paydown
 - Reserves still at 122% after \$5 M paydown
 - Interest rates/returns rising for PSPRS



Budget Goals

- 10 Year Financial Plan
 - Pension Paydown - \$5M + Required
 - Flat Fire Fee, Despite Increase in Cost
 - Mill and Overlay Lincoln
 - Continue Funding Vehicle Replacement Fund
 - Continue Funding Facility Repair Fund



Budget Goal

- Possible Goals (based upon Council Initiatives)
 - Long Term Plan (10 Year) for Alarm Monitoring
 - False Alarm Management
 - Possible Cell Service Assistance
 - Possible Neighborhood Mediation Program
 - Evaluate CIP Priorities
 - Possible Legal Assistance for Hillside Goals
 - Evaluate Traffic and Intersection Conditions



Budget Goal

- Possible Goals (Staff Recommendations)
 - Address staffing relative to service demand
 - Address facility needs for service and staffing
 - Determine Flood Control Decisions Around Ritz
 - Grow Ongoing CIP Funding from \$4M +
 - Start Planning for Sewer CIP



Budget Goals

- Question – Does Council have any other financial or policy goals it wants to advance or accomplish during the FY19 Budget?



CIP Process

- Mayor & Council Initiatives
 - Evaluate CIP Priorities
 - Done April 27, 2017 for FY18 Budget
 - Reviewed and modified list of projects into priority yrs
- Concern at December 7, 2017 Council Meeting
 - Review Process for Selecting CIP Projects
 - Review Process After Selecting CIP Projects
 - Specific Questions about Doubletree



WHAT IS A CIP?

- Multi-year plan identifying and prioritizing capital needs
- Includes projects greater than \$100,000 and a useful life of at least two years
- Typically a 5 year planning period
- Presented and adopted as a separate section of the budget

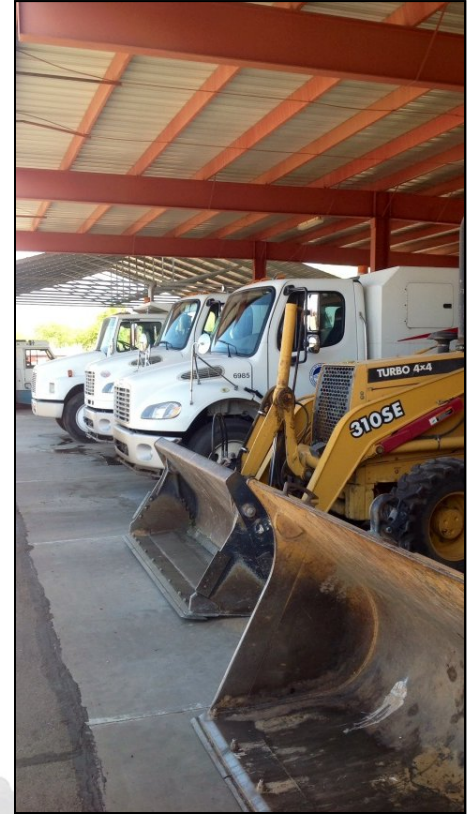


January 11, 2018

WHAT IS A CIP?

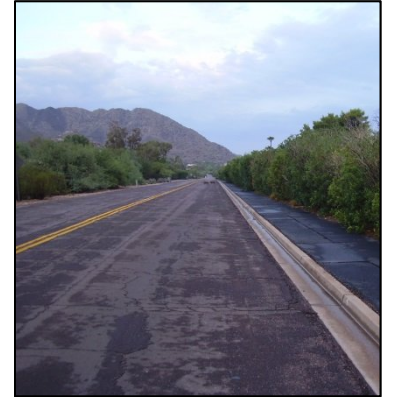
Exclusions

- Vehicle Replacement
- Operations and Maintenance
 - Street resurfacing
 - Small facility improvements
- Furniture, Fixtures, and Equipment
 - Computers, desks, chairs, etc.



January 11, 2018

WHAT IS A CIP?



January 11, 2018

PROJECT IDENTIFICATION

1. Input from Citizens, Council and Staff

- Berneil Ditch, 32nd Street Sidewalks, Denton Lane cul-de-sac

2. Implementation of General Plan

- Replacement of asphalt sidewalks

3. Identified in Strategic / Master Plans

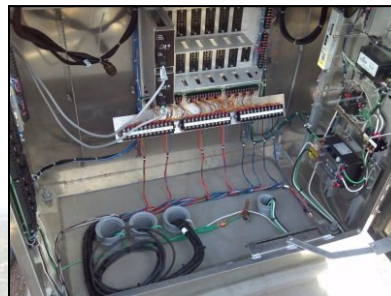
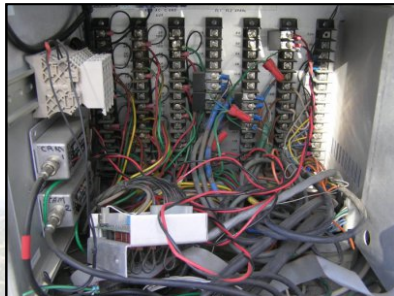
- VSC Study, Bike/Ped Study

4. Stem from other projects

- Roadway improvements to 52nd Street north of Mockingbird

5. Operational improvements

- Traffic Signal Upgrades



January 11, 2018

PROJECT SCOPING

Determine:

- Extent of project
- Cost estimates
 - Current dollars
 - Updated annually
- Possible outside funding sources

Capital Improvement Plan		2018 thru 2022	Department: Sidewalks																																																								
Town of Paradise Valley, Arizona			Contact: Jeremy Knapp																																																								
Project #	2017-05		Type: Improvement																																																								
Project Name	Lincoln Drive Sidewalks		Useful Life																																																								
Priority Score	2	Account # 30-40-979	Category: Sidewalks																																																								
			Total Project Cost: \$835,000																																																								
Description Location: Various locations along Lincoln Drive from western town limits to eastern town limits. Installation of 6' wide colored concrete sidewalks to complete a sidewalk connection to Scottsdale and Phoenix city limits. This project will install 6' wide meandering colored concrete sidewalks which will complete a safe pedestrian connection along Lincoln Drive between the town's western boundary with the City of Phoenix and the eastern boundary with the City of Scottsdale linking housing to public transportation, places of worship, parks, medical offices and other services. Currently there are significant gaps in the existing sidewalk network along this corridor, requiring pedestrians to either walk on the shoulder or cross a major arterial to stay on the sidewalk. The town has requested and received approval for both ADOT funds for design assistance and CMAQ funds for construction assistance. The cost includes design, land acquisition, utility relocation and construction.																																																											
Justification General Plan Implementation Measures: 4.5-1.6 / 4.5-1.7																																																											
<table border="1"> <thead> <tr> <th>Expenditures:</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Planning/Design</td> <td>90,000</td> <td></td> <td></td> <td></td> <td></td> <td>90,000</td> </tr> <tr> <td>Land Acquisition</td> <td>350,000</td> <td></td> <td></td> <td></td> <td></td> <td>350,000</td> </tr> <tr> <td>Construction/Maintenance</td> <td></td> <td>75,000</td> <td>120,000</td> <td></td> <td></td> <td>195,000</td> </tr> <tr> <td>Total</td> <td>440,000</td> <td>75,000</td> <td>120,000</td> <td></td> <td></td> <td>635,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Funding Sources:</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Town of Paradise Valley</td> <td>440,000</td> <td>75,000</td> <td>120,000</td> <td></td> <td></td> <td>635,000</td> </tr> <tr> <td>Total</td> <td>440,000</td> <td>75,000</td> <td>120,000</td> <td></td> <td></td> <td>635,000</td> </tr> </tbody> </table>				Expenditures:	2018	2019	2020	2021	2022	Total	Planning/Design	90,000					90,000	Land Acquisition	350,000					350,000	Construction/Maintenance		75,000	120,000			195,000	Total	440,000	75,000	120,000			635,000	Funding Sources:	2018	2019	2020	2021	2022	Total	Town of Paradise Valley	440,000	75,000	120,000			635,000	Total	440,000	75,000	120,000			635,000
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Produced Using the Plan-B Capital Planning Software



January 11, 2018

PROJECT SCORING AND RANKING

☐ Town's Critical Objectives (40%)

1. Increase in public health
2. Increase in public safety
3. Identified in General Plan
4. Consistent with vision statement
5. Consistent with annual work plan
6. Specific request of the Town Council

☐ Community / Citizen Benefits, Environmental and Aesthetics (20%)

1. Stabilize or improve neighborhoods
2. Improve quality of life for residents
3. Improves community appearance
4. Improves recreational / cultural opportunities
5. Improve environmental protection effort
6. Assists in elimination of slum and blight conditions

☐ Costs (30%)

1. Cost sharing / grant / outside funding
2. Source of higher revenue
3. Maintain, replace or expand an existing asset
4. Lower operating cost
5. Lower future capital cost
6. Implication of deferring the project

☐ Distributional Effects (10%)

1. Town wide improvement
2. Benefits large portion of Town
3. Investment made by the Town in the last five years
4. Investment made by the Town to meet legal obligation
5. Project that has the support of another community of agency
6. Inter-jurisdictional benefit will be achieved



PROJECT SCORING AND RANKING

- All identified projects are scored and ranked
- Current CIP has 43 projects totaling \$55 Million
- All scored and ranked projects are assigned to categories
- Balance budget and prioritize annually
- Prioritize projects based on score and available funding



January 11, 2018

PROJECT SCORING AND RANKING

Town of Paradise Valley Capital Improvement Plan Project Priority																										
		Cal Wt	Weight	Public Safety Communications Tower Equipment	Lincoln Drive Roundabouts	Pedestrian / Bicycle Improvements	32nd Street Sidewalks (Standard to Lincoln)	FCD LBNV Cherry Improvements A1.1	FCD LBNV Cherry Improvements A1.2	FCD LBNV PV West A1.3	Sewer System Assessment	Indian Bend Limits to Mockingbird Lane - 182' Right-of-Way	CAD Enterprise Upgrade	Traffic Signal Upgrade - 12 Intersections	Union Dr. (Limits to Mockingbird) - 182' Right-of-Way	Telecommunications System Upgrade	SFP 44th Street & North Convention	SFP Denton Lane Conversion	SFP 48th Street & Lincoln Drive Conversion	SFP 38th Place & Battery Home Conversion	Mockingbird Lane Medians - 102' Right-of-Way	Tatum Boulevard Retaining Walls	North Tatum (Southeast to Mountain View) (Exclusive to Mountain View)	Police and Fire Dept Backup Power	Police Department Remodel	Highlands Drive Cul De Sac
Town's Critical Objectives (8)	40	100	344	354	376	324	288	288	288	336	234	320	216	210	276	296	296	296	296	194	268	268	232	240	246	
Increase in public health		20	3	3	10	3	0	0	0	0	0	5	0	0	0	1	0	0	0	0	0	0	3	0	0	
Increase in public safety		20	10	10	7	10	6	6	6	10	2	7	10	10	10	5	10	10	10	10	10	10	4	10	10	
Identified in General Plan		20	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Consistent with vision statement		15	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Consistent with Council goals		15	10	10	6	10	8	10	10	10	10	3	10	8	8	3	10	10	10	10	10	10	4	8	10	
Specific request of the Town Council		10	10	10	6	10	8	10	10	10	10	3	10	8	8	3	10	10	10	10	10	10	3	10	10	
Costs (8)	30	100	234	160	63	94	174	174	174	80	129	80	150	129	109.5	57	57	57	57	129	54.5	36	17	111	90	
Cost sharing / grant / outside funding		20	0	10	2	10	10	10	10	0	0	0	0	4	10	0	0	0	0	0	10	0	3	3	0	
Source of higher revenue		20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Maintain, replace or expand an existing asset		20	10	10	7	4	10	10	10	10	0	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Lower operating cost		15	5	0	0	0	0	0	0	0	0	0	0	5	5	5	0	0	0	0	0	0	2	5	0	
Lower future capital cost		15	7	0	0	0	0	0	0	0	0	0	0	7	7	7	2	2	2	2	2	0	0	0	0	
Implication of deferring the project		10	10	10	3	0	0	0	0	10	10	10	10	10	10	10	9	6	6	6	6	0	10	2	10	
Community/Citizen Benefits, Environmental and Aesthetics (8)	20	100	60	160	142	165	103	103	103	62	151	80	95	152	79	131	131	131	131	140	137	128	96	94	116	
Stabilize or improve neighborhoods		20	3	10	9	10	10	10	10	2	9	10	4	9	2	10	10	10	10	10	9	7	10	10	2	
Improve quality of life for residents		20	6	10	10	10	5	5	5	4	9	10	8	9	4	10	10	10	10	10	9	7	10	10	7	
Improves community appearance		20	4	10	7	10	5	5	5	2	10	0	2	10	4	10	10	10	10	10	10	7	0	10	10	
Improves recreational/cultural opportunities		20	0	10	10	10	0	0	0	7	0	0	0	0	6	4	0	0	0	0	4	8	7	0	10	
Improve environmental protection effort		15	0	0	0	0	0	0	0	10	0	0	0	3	5	2	2	2	2	2	3	6	0	2	0	
Assists in elimination of slum and blight conditions		5	0	0	2	5	2	2	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Distributional Effects (8)	10	100	100	55	55	36	42	42	42	94	46	60	90	50	57	30	30	30	30	45	49	52	16	26	16	
Town wide improvement		20	10	6	6	3	3	3	3	6	4	10	10	8	3	3	3	3	3	3	4	6	6	4	4	
Benefits large portion of Town		20	10	7	8	3	3	3	3	6	4	10	10	8	3	3	3	3	3	4	6	6	4	4		
Investment made by the Town in the last five years		20	10	9	7	5	10	10	10	10	5	10	10	5	6	3	3	3	3	5	10	5	2	4		
Investment made by the Town to meet legal obligation		20	10	0	0	0	0	0	0	10	10	0	10	10	6	0	0	0	0	10	0	0	0	0	4	
Project that has the support of another community or agency		10	10	3	3	0	10	10	10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Inter-jurisdictional benefit will be achieved		10	10	10	10	10	10	10	10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total		100	79.8	67.9	63.8	60.9	60.7	60.7	60.7	67.2	66.6	66.0	64.2	64.1	62.2	61.4	61.4	61.4	61.4	61.4	60.9	60.9	48.4	47.1	47.1	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	

SRP Undergrounding Projects

Facility Improvement Projects

Leisure/Sports Projects

Street Projects

Sidewalk Projects

Stormwater Projects

Wastewater Projects

Traffic Signal Projects

Total Score

100

90

80

70

60

50

40

30

20

10

0

Project

Public Safety Communications Tower Equipment

Lincoln Drive Roundabouts

Pedestrian / Bicycle Improvements

32nd Street Sidewalks (Standard to Lincoln)

FCD LBNV Cherry Improvements A1.1

FCD LBNV Cherry Improvements A1.2

FCD LBNV PV West A1.3

Sewer System Assessment

Indian Bend Limits to Mockingbird Lane - 182' Right-of-Way

CAD Enterprise Upgrade

Traffic Signal Upgrade - 12 Intersections

Union Dr. (Limits to Mockingbird) - 182' Right-of-Way

Telecommunications System Upgrade

SFP 44th Street & North Convention

SFP Denton Lane Conversion

SFP 48th Street & Lincoln Drive Conversion

SFP 38th Place & Battery Home Conversion

Mockingbird Lane Medians - 102' Right-of-Way

Tatum Boulevard Retaining Walls

North Tatum (Southeast to Mountain View) (Exclusive to Mountain View)

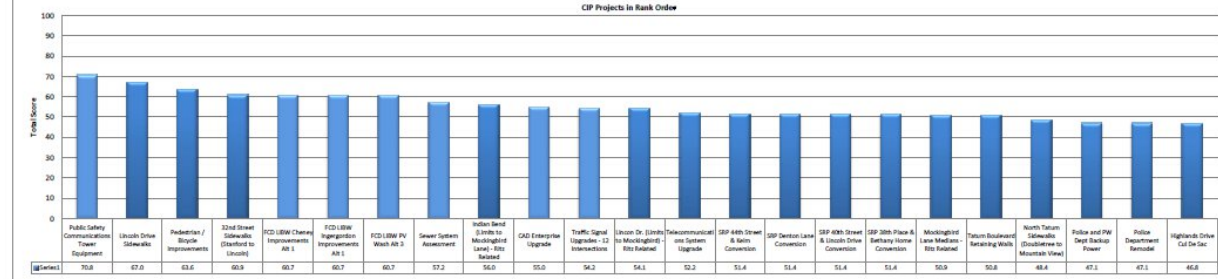
Police and Fire Dept Backup Power

Police Department Remodel

Highlands Drive Cul De Sac

Project	Public Safety Communications Tower Equipment	Lincoln Drive Roundabouts	Pedestrian / Bicycle Improvements	32nd Street Sidewalks (Standard to Lincoln)	FCD LBNV Cherry Improvements A1.1	FCD LBNV Cherry Improvements A1.2	FCD LBNV PV West A1.3	Sewer System Assessment	Indian Bend Limits to Mockingbird Lane - 182' Right-of-Way	CAD Enterprise Upgrade	Traffic Signal Upgrade - 12 Intersections	Union Dr. (Limits to Mockingbird) - 182' Right-of-Way	Telecommunications System Upgrade	SFP 44th Street & North Convention	SFP Denton Lane Conversion	SFP 48th Street & Lincoln Drive Conversion	SFP 38th Place & Battery Home Conversion	Mockingbird Lane Medians - 102' Right-of-Way	Tatum Boulevard Retaining Walls	North Tatum (Southeast to Mountain View) (Exclusive to Mountain View)	Police and Fire Dept Backup Power	Police Department Remodel	Highlands Drive Cul De Sac
Total Score	79.8	67.9	63.8	60.9	60.7	60.7	60.7	67.2	66.6	66.0	64.2	64.1	62.2	61.4	61.4	61.4	61.4	60.9	60.9	48.4	47.1	47.1	46.8

SRP Undergrounding Projects
Facility Improvement Projects
Technology Projects
Street Projects
General Projects
Stormwater Projects
Wastewater Projects
Traffic Signal Projects



PLAN ADOPTION

- Adopted as part of the Overall Budget
 - Add/delay/remove per Council's Direction
- Brought before Council during the budget process
 - Temporary Budget Approval in May includes CIP
 - Final Budget Approval in June includes CIP
- Once budget is approved, staff begins to implement the CIP, selecting designer/contractor, designing, constructing, etc.



January 11, 2018

PLAN IMPLEMENTATION

- Staff Responsibility
- Projects are prioritized annually based on:
 - Procurement requirements
 - Seasonality
 - Readiness of project
 - Relationship to other projects
 - Utility coordination



January 11, 2018

DOUBLETREE PROCUREMENT

History

- First identified in FY12/13 CIP, scheduled for FY17/18
- Scoring of project against criteria
 - Scored High in general plan, vision statement, stabilize or improve neighborhoods, improves quality of life for residences and improves community appearance
- Doubletree Project Would Have Been Before Council for a CIP Vote in FY14, FY15, FY16, FY17, and FY18
- Design Budget Reviewed April 2017, Final Vote June 2017
- Staff Next Step is Procurement



January 11, 2018

DOUBLETREE PROCUREMENT

Generally Two Types of Procurements for CIP Projects



Professional Services

- Engineers
- Architects
- Landscape Architects
- Surveyors



Construction Services

- Design - Bid - Build aka Low Bid
- Design Build
- CMAR
- JOC



January 11, 2018

DOUBLETREE PROCUREMENT

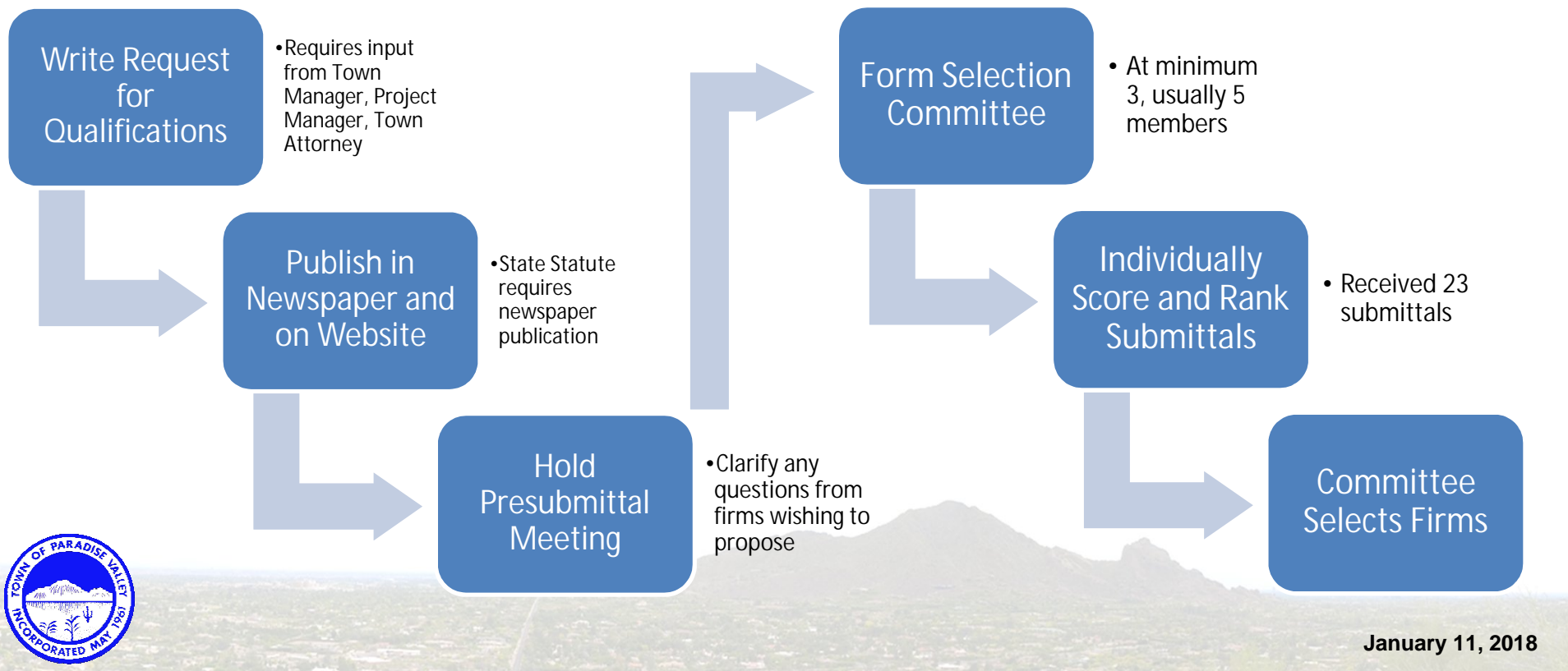
- When hiring professional services, per State Statute, no such thing as “low bid”
- Title 34 requires professional services to be selected based on their qualifications only, then negotiate scope and fee
- Engineering On-Call List for 2017/18
 - Selected 5 firms on the list
- How did we pick the 5 firms?



January 11, 2018

DOUBLETREE PROCUREMENT

Professional Services Selection Process (3-4 months)



DOUBLETREE PROCUREMENT

Why Kimley-Horn?

- Have specific experience on similar roadway projects
- Have more in house specialties, better control over quality and timing of work versus a firm that has to sub out some work
- Current workload
- Current staffing levels



January 11, 2018

DOUBLETREE PROCUREMENT

Questions on CIP Process Generally and Doubletree Process Specifically?



January 11, 2018

Developing Our Capital Improvement Plan (CIP)

What is a Capital Improvement Plan (CIP)?

A multi-year plan which identifies and prioritizes the Town's anticipated capital needs. The Town Council is responsible for identifying the policy objectives of the CIP and adopting it. Town staff is responsible for its preparation and administration.

The CIP identifies which projects will be constructed over the next five years, their impact to the community and quality of life, and how they will be funded. It is adopted as a part of the budget resolution and presented as a separate section of the budget document.

What types of projects are included in the CIP?

The Town decides the cost threshold and types of projects. At this time, staff recommends projects greater than \$100,000 and a useful life of at least two years (excluding vehicles and other rolling stock) which would result in the following types of projects:

- Renewal and Replacement of Existing Infrastructure
- Streets/Sidewalks/Paths (Pedestrian and Bicycle)
- Electric Utility Undergrounding
- Stormwater/Drainage
- Technology
- Sustainability
- Wastewater Utility

How are the projects determined?

The process of creating the CIP is a 4 step process:

1. Identify Needs/Projects.
2. Determine Costs
3. Prioritize Projects
4. Develop Financing Strategies

STEP 1: Identify Needs/Projects

The objective of this step is to compile a "laundry list" of all possible projects that will later be prioritized. Department Directors prepare and submit capital improvement requests along with detailed project descriptions for projects, asset inventory and replacement schedules, supporting studies and strategic planning documents. The projects come from many sources of information including:

- Citizens
- Town Council
- Strategic Plan
- General Plan
- Master Plans
- Staff

STEP 2: Determine Costs

For each project identified in Step #1, detailed information about the project will be gathered and will include:

- Purpose/Objective
- A description of the project
- Its relationship to the General Plan (e.g. sustainability)
- Timeline
- Operating Impacts (Cost or Savings)
- Map/Location of Project
- Project Scope broken down into land, design, construction, and contingency

STEP 3: Prioritize Projects

At this point, the CIP Committee is now able to recommend which projects should be funded. The Committee is comprised of the Public Works Director/Town Engineer, Community Development Director, and Finance Director. The Capital Improvement program is based on an extensive prioritization process. Projects are prioritized based on the Town's critical objectives and strategies, the Town's 2012 General Plan, special studies and reports, Town Council and department priorities, and anticipated funding sources. This evaluation process is very much an iterative process using a numeric rating system based on the following evaluation criteria. Projects are then evaluated on the following project prioritization matrix.

Town's Critical Objectives – 40% - (2012 General Plan) If a capital project directly addresses a Town's critical objective or includes health-related environmental impacts like reductions in traffic accidents, injuries, deaths, or health hazards due to poor water quality, the relative attractiveness of that project increases.

- Increase in public health
- Increase in public safety
- Identified in General Plan
- Consistent with vision statement
- Consistent with Council goals
- Specific request of the Town Council

Costs – 30% - This represents the annual total costs, including future year capital costs. Also to be considered is whether the proposed project will reduce future capital costs, for example, a rehabilitation project that averts a more expensive, subsequent replacement, and the extent of such savings. Operating departments provide year-by-year estimates of the additional costs or reductions likely in the operating budget because of the new project. Also to be considered is changes in revenues or funding from outside participants, such as grants or cost sharing, which may be affected by a project. Deferring capital projects is tempting for hard-pressed governments, but an estimate of the possible effects, such as higher future costs and inconvenience to the public, provides valuable guidance in proposal assessment.

- Cost sharing / grant / outside funding
- Source of higher revenue
- Maintain, replace or expand an existing asset
- Lower operating cost
- Lower future capital cost
- Implication of deferring the project

Community/Citizen Benefits, Environmental and aesthetics – 20% - Economic impacts such as property values, the future tax base, and the stabilization (or revitalization) of neighborhoods. A criterion for other significant quality-of-life related impacts; this includes community appearance, noise, air and water pollution effects, damage to home, etc. Such impacts may apply more to capital projects related to new development than to infrastructure maintenance though deteriorating structures can adversely affect the community.

- Stabilize or Improve neighborhood(s)
- Improve quality of life for residents
- Improves community appearance
- Improves recreational/cultural opportunities
- Improve environmental protection effort
- Assists in elimination of slum and blight conditions

Distributional Effects – 10% - Estimates of the number and type of persons likely to be affected by the project and nature of the impact – for instance, explicit examination of project impact on various geographical areas; on low-moderate income areas; and on specific target groups. Equity issues are central here – who pays, who benefits. Has the Town made a significant investment in this project within the last five years?

- Town wide improvement
- Benefits large portion of Town
- Investment made by the Town in the last five years
- Investment made by the Town to meet legal obligation
- Project that has the support of another community or agency
- Inter-jurisdictional benefit will be achieved

After all proposed projects are prioritized using these four criteria and 24 factors, the list will be reviewed from two more viewpoints: 1) does the list stand an “intuitive check”? Do projects fall in the priority order that was “anticipated”? And (2) are there any linkages between projects? Are any projects related to each other geographically, or otherwise, such that having them accomplished concurrently would be advantageous? What about sequencing or timing? Are any projects dependent on the completion of other projects? Adjustments to the priority list may be necessary dependent on this final review.

STEP 4: Develop Funding Strategies

Under the assumption that the projects identified by the Committee will exceed existing resources, funding strategies will determine the final list of recommended projects.

This step involves policy input from the Town Council and will result in modifying or creating new financial policies. Because the CIP is funded from the Operating Budget, two key questions must be addressed:

1. How should existing operating revenues be allocated?
2. Are existing operating revenues enough?

Addressing these two issues will result in sufficient funding for the CIP to be included in the operating budget.

Town of Paradise Valley, Arizona

Capital Improvement Plan

2018 thru 2022

PROJECTS BY DEPARTMENT

Department	Project #	2018	2019	2020	2021	2022	Total
Facility Improvement							
Town Hall Remodel	2017-01	210,000	775,000	775,000			1,760,000
Police and PW Dept Backup Power	2017-02	300,000					300,000
Town Hall Chiller Replacement	2019-02			100,000			100,000
Police Department Remodel	2019-10	110,000	300,000	590,000			1,000,000
Public Works Remodel	2020-08	50,000	400,000				450,000
Town Hall Backup Power	2021-04				200,000		200,000
Facility Improvement Total		670,000	1,475,000	1,465,000	200,000		3,810,000
Master Plans/Studies							
Watershed Studies	2016-06		450,000				450,000
Iconic Visually Significant Corridors, etc.	2016-08	43,000					43,000
Master Plans/Studies Total		43,000	450,000				493,000
Sidewalks							
Lincoln Drive Sidewalks	2017-05	440,000	75,000	120,000			635,000
56th St. Sidewalks (Mockingbird to Doubletree)	2018-06	100,000					100,000
N. Tatum Rd. Sidewalks (Doubletree-Mountain View)	2020-06			150,000			150,000
32nd St. Sidewalks (Stanford to Lincoln)	2021-02				300,000	2,850,000	3,150,000
Sidewalks Total		540,000	75,000	270,000	300,000	2,850,000	4,035,000
SRP Undergrounding							
SRP 44th Street & Keim Conversion	2016-01	1,224,385					1,224,385
SRP Denton Lane Conversion	2020-01			50,000	527,100		577,100
SRP 40th Street & Lincoln Drive Conversion	2022-01					300,000	300,000
SRP Undergrounding Total		1,224,385		50,000	527,100	300,000	2,101,485
Stormwater							
52nd Street Stormwater Improvements	2018-20	100,000					100,000
FCD LIBW Cheney Improvements Alt 1	2019-12		1,500,000	6,000,000			7,500,000
FCD LIBW Invergordon Improvements Alt 1	2021-05				1,300,000	5,200,000	6,500,000
Stormwater Total		100,000	1,500,000	6,000,000	1,300,000	5,200,000	14,100,000
Streets							
Lincoln Dr. (Limits to Mockingbird) - Ritz Related	2016-14.1	2,941,750					2,941,750
Indian Bend (Limits to Mockingbird) - Ritz Related	2016-14.2	1,700,000					1,700,000
Mockingbird Lane Medians - Ritz Related	2016-14.3	5,320,000					5,320,000
Mockingbird Lane Improvements (S. of Lincoln Rd.)	2018-03	200,000					200,000
Doubletree (64th St. to Scottsdale)	2018-04	300,000	3,000,000				3,300,000
Pedestrian / Bicycle Improvements	2018-07	100,000	100,000	100,000	100,000	100,000	500,000
McDonald Drive Wash Culvert Extension	2018-10	205,000					205,000
Lincoln@64th St. (Invergordon) Intersect. Realign	2019-03		150,000				150,000

Department	Project #	2018	2019	2020	2021	2022	Total
64th St. Medians (McDonald to Chaparral Rd.)	2019-04			270,000	2,430,000		2,700,000
Denton Lane Cul De Sac	2019-05			150,000			150,000
Highlands Drive Cul De Sac	2019-06		250,000				250,000
45th Street Curbs (McDonald to Valley Vista)	2020-02			100,000			100,000
Tatum Boulevard Retaining Walls	2020-03			400,000			400,000
Mockingbird Lane (56th St. to Invergordon Rd.)	2020-04				300,000	3,000,000	3,300,000
Mountain View Road Improvements (Tatum - 52nd St.)	2020-05			100,000	1,000,000		1,100,000
Streets Total		10,766,750	3,500,000	1,120,000	3,830,000	3,100,000	22,316,750
Technology							
Public Safety Communications Tower	2013-02	850,000					850,000
Network Switch Upgrade	2016-10	12,000					12,000
Implement Town-Wide Geographic Info. System (GIS)	2017-04	125,000					125,000
Telecommunications System Update	2018-01		320,000				320,000
CAD Enterprise Upgrade	2018-08	221,000					221,000
Town Hall Complex Fiber Connections	2022-05	150,000					150,000
Technology Total		1,358,000	320,000				1,678,000
Traffic Signals							
Traffic Signal (Video Detection) Upgrades	2018-05	250,000					250,000
Traffic Signals Total		250,000					250,000
Wastewater							
Sewer System Assesment	2017-06	234,200	234,200	234,200	234,200		936,800
Wastewater Total		234,200	234,200	234,200	234,200		936,800
GRAND TOTAL		15,186,335	7,554,200	9,139,200	6,391,300	11,450,000	49,721,035

Town of Paradise Valley, Arizona

Capital Improvement Plan

2018 thru 2022

PROJECTS BY FUNDING SOURCE

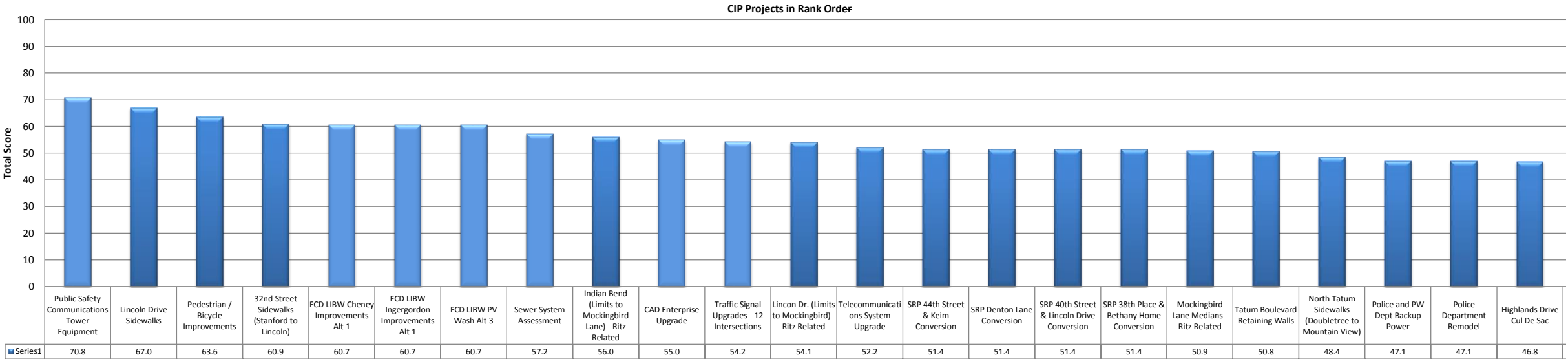
Source	Project #	2018	2019	2020	2021	2022	Total
Flood Control District							
FCD LIBW Cheney Improvements Alt 1	2019-12		750,000	3,000,000			3,750,000
FCD LIBW Invergordon Improvements Alt 1	2021-05				650,000	2,600,000	3,250,000
Flood Control District Total			750,000	3,000,000	650,000	2,600,000	7,000,000
Residents of Paradise Valley							
SRP 44th Street & Keim Conversion	2016-01	259,840					259,840
SRP Denton Lane Conversion	2020-01			16,650	129,570		146,220
Residents of Paradise Valley Total		259,840		16,650	129,570		406,060
Ritz Carlton							
Lincoln Dr. (Limits to Mockingbird) - Ritz Related	2016-14.1	1,875,000					1,875,000
Indian Bend (Limits to Mockingbird) - Ritz Related	2016-14.2	1,700,000					1,700,000
Mockingbird Lane Medians - Ritz Related	2016-14.3	1,760,000					1,760,000
Ritz Carlton Total		5,335,000					5,335,000
SRP Aesthetics							
SRP 44th Street & Keim Conversion	2016-01	352,400					352,400
SRP Denton Lane Conversion	2020-01				88,000		88,000
SRP Aesthetics Total		352,400			88,000		440,400
Town of Paradise Valley							
Public Safety Communications Tower	2013-02	850,000					850,000
SRP 44th Street & Keim Conversion	2016-01	612,145					612,145
Watershed Studies	2016-06		450,000				450,000
Iconic Visually Significant Corridors, etc.	2016-08	43,000					43,000
Network Switch Upgrade	2016-10	12,000					12,000
Lincoln Dr. (Limits to Mockingbird) - Ritz Related	2016-14.1	1,066,750					1,066,750
Mockingbird Lane Medians - Ritz Related	2016-14.3	3,560,000					3,560,000
Town Hall Remodel	2017-01	210,000	775,000	775,000			1,760,000
Police and PW Dept Backup Power	2017-02	300,000					300,000
Implement Town-Wide Geographic Info. System (GIS)	2017-04	125,000					125,000
Lincoln Drive Sidewalks	2017-05	440,000	75,000	120,000			635,000
Sewer System Assesment	2017-06	234,200	234,200	234,200	234,200		936,800
Telecommunications System Update	2018-01		320,000				320,000
Mockingbird Lane Improvements (S. of Lincoln Rd.)	2018-03	200,000					200,000
Doubletree (64th St. to Scottsdale)	2018-04	300,000	3,000,000				3,300,000
Traffic Signal (Video Detection) Upgrades	2018-05	250,000					250,000
56th St. Sidewalks (Mockingbird to Doubletree)	2018-06	100,000					100,000

Source	Project #	2018	2019	2020	2021	2022	Total
Pedestrian / Bicycle Improvements	2018-07	100,000	100,000	100,000	100,000	100,000	500,000
CAD Enterprise Upgrade	2018-08	221,000					221,000
McDonald Drive Wash Culvert Extension	2018-10	205,000					205,000
52nd Street Stormwater Improvements	2018-20	100,000					100,000
Town Hall Chiller Replacement	2019-02			100,000			100,000
Lincoln@64th St. (Invergordon) Intersect. Realign	2019-03		150,000				150,000
64th St. Medians (McDonald to Chaparral Rd.)	2019-04			270,000	2,430,000		2,700,000
Denton Lane Cul De Sac	2019-05			150,000			150,000
Highlands Drive Cul De Sac	2019-06		250,000				250,000
Police Department Remodel	2019-10	110,000	300,000	590,000			1,000,000
FCD LIBW Cheney Improvements Alt 1	2019-12		750,000	3,000,000			3,750,000
SRP Denton Lane Conversion	2020-01			33,350	309,530		342,880
45th Street Curbs (McDonald to Valley Vista)	2020-02			100,000			100,000
Tatum Boulevard Retaining Walls	2020-03			400,000			400,000
Mockingbird Lane (56th St. to Invergordon Rd.)	2020-04				300,000	3,000,000	3,300,000
Mountain View Road Improvements (Tatum - 52nd St.)	2020-05			100,000	1,000,000		1,100,000
N. Tatum Rd. Sidewalks (Doubletree-Mountain View)	2020-06			150,000			150,000
Public Works Remodel	2020-08	50,000	400,000				450,000
32nd St. Sidewalks (Stanford to Lincoln)	2021-02				300,000	2,850,000	3,150,000
Town Hall Backup Power	2021-04				200,000		200,000
FCD LIBW Invergordon Improvements Alt 1	2021-05				650,000	2,600,000	3,250,000
SRP 40th Street & Lincoln Drive Conversion	2022-01					300,000	300,000
Town Hall Complex Fiber Connections	2022-05	150,000					150,000
Town of Paradise Valley Total		9,239,095	6,804,200	6,122,550	5,523,730	8,850,000	36,539,575
GRAND TOTAL		15,186,335	7,554,200	9,139,200	6,391,300	11,450,000	49,721,035

Town of Paradise Valley Capital Improvement Plan Project Priority

	Cat Wt	Weight	Public Safety Communications Tower Equipment	Lincoln Drive Sidewalks	Pedestrian / Bicycle Improvements	32nd Street Sidewalks (Stanford to Lincoln)	FCD LIBW Cheney Improvements Alt 1	FCD LIBW Ingergordon Improvements Alt 1	FCD LIBW PV Wash Alt 3	Sewer System Assessment	Indian Bend (Limits to Mockingbird Lane) - Ritz Related	CAD Enterprise Upgrade	Traffic Signal Upgrades - 12 Intersections	Lincon Dr. (Limits to Mockingbird) - Ritz Related	Telecommunications System Upgrade	SRP 44th Street & Keim Conversion	SRP Denton Lane Conversion	SRP 40th Street & Lincoln Drive Conversion	SRP 38th Place & Bethany Home Conversion	Mockingbird Lane Medians - Ritz Related	Tatum Boulevard Retaining Walls	North Tatum Sidewalks (Doubletree to Mountain View)	Police and PW Dept Backup Power	Police Department Remodel	Highlands Drive Cul De Sac	
Town's Critical Objectives (6)	40	100	344	304	376	324	288	288	288	336	234	320	216	210	276	296	296	296	296	194	258	268	232	240	246	
Increase in public health		20	3	3	10	3	0	0	0	10	5	0	0	0	1	0	0	0	0	0	0	3	0	0	0	
Increase in public safety		20	10	10	7	10	10	10	10	2	5	10	10	6	10	7	7	7	7	5	7	10	10	5	7	
Identified in General Plan		20	10	10	10	10	6	6	6	10	7	10	5	8	5	10	10	10	10	7	10	10	4	5	6	
Consistent with vision statement		15	10	10	10	10	10	10	10	10	8	10	8	8	10	10	10	10	10	8	10	10	10	10	7	
Consistent with Council goals		15	10	6	10	8	10	10	10	10	3	10	8	3	10	10	10	10	10	3	7	4	8	10	10	
Specific request of the Town Council		10	10	6	10	8	10	10	10	10	8	10	0	8	7	10	10	10	10	8	5	0	3	10	10	
Costs (6)	30	100	204	150	63	84	174	174	174	90	129	90	180	129	109.5	57	57	57	57	129	64.5	36	117	111	90	
Cost sharing / grant / outside funding		20	10	10	2	10	10	10	10	0	10	0	6	10	0	5	5	5	5	5	10	0	3	3	0	0
Source of higher revenue		20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Maintain, replace or expand an existing asset		20	10	10	7	4	10	10	10	10	5	10	10	5	10	0	0	0	0	5	7	3	10	10	10	
Lower operating cost		15	5	0	0	0	8	8	8	0	0	0	5	0	5	0	0	0	0	0	5	0	2	5	0	
Lower future capital cost		15	7	0	0	0	0	0	0	0	2	0	7	2	0	2	2	2	2	2	0	0	0	5	0	
Implication of deferring the project		10	10	10	3	0	6	6	6	10	10	10	10	10	9	6	6	6	6	10	0	0	10	2	10	
Community/Citizen Benefits, Environmental and Aesthetics (6)	20	100	60	160	142	165	103	103	103	62	151	80	56	152	79	131	131	131	131	140	137	128	86	94	116	
Stabilize or Improve neighborhoods		20	3	10	8	10	10	10	10	2	9	10	4	9	2	10	10	10	10	9	7	10	10	2	10	
Improve quality of life for residents		20	8	10	10	10	5	5	5	4	9	10	8	9	6	10	10	10	10	9	7	8	10	10	7	
Improves community appearance		20	4	10	7	10	5	5	5	2	10	0	2	10	4	10	10	10	10	10	10	7	0	10	10	
Improves recreational/cultural opportunities		20	0	10	10	10	0	0	0	0	7	0	0	6	4	0	0	0	0	4	8	7	0	0	0	
Improve environmental protection effort		15	0	0	0	0	7	7	7	10	3	0	0	3	5	2	2	2	2	3	0	0	2	2	0	
Assists in elimination of slum and blight conditions		5	0	0	2	5	2	2	2	0	2	0	0	7	0	5	5	5	5	3	9	0	0	0	8	
Distributional Effects (6)	10	100	100	56	55	36	42	42	42	84	46	60	90	50	57	30	30	30	30	46	48	52	36	26	16	
Town wide improvement		20	10	6	6	3	3	3	3	6	4	10	10	5	3	3	3	3	3	4	6	6	4	4	1	
Benefits large portion of Town		20	10	7	8	5	3	3	3	6	4	10	10	5	8	5	5	5	5	4	8	7	10	3	1	
Investment made by the Town in the last five years		20	10	5	7	5	10	10	10	10	5	10	10	5	6	3	3	3	3	5	10	5	2	4	2	
Investment made by the Town to meet legal obligation		20	10	0	0	0	0	0	0	10	10	0	10	10	5	0	0	0	0	10	0	0	0	0	4	
Project that has the support of another community or agency		10	10	10	3	0	10	10	10	10	0	0	5	0	5	8	8	8	8	0	0	8	0	4	0	
Inter-jurisdictional benefit will be achieved		10	10	10	10	10	0	0	0	10	0	0	5	0	8	0	0	0	0	0	0	8	4	0	0	

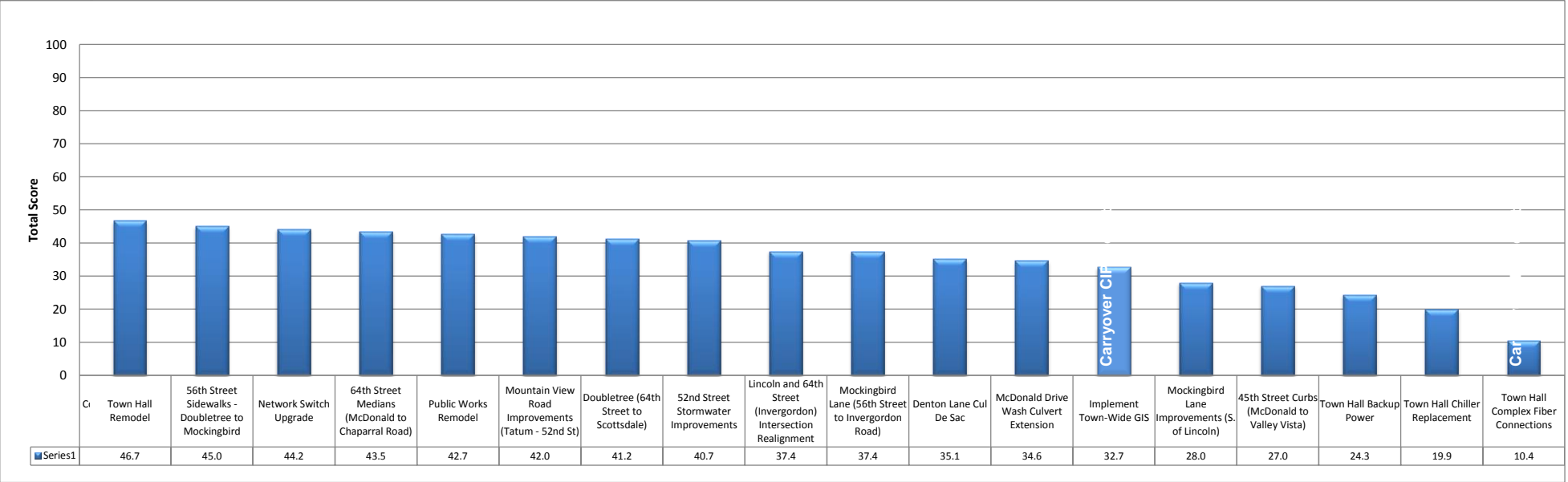
SRP Undergrounding Projects
Facility Improvement Projects
Technology Projects
Street Projects
Sidewalk Projects
Stormwater Projects
Wastewater Projects
Traffic Signal Projects



Town of Paradise Valley Capital Improvement Plan Project Priority

	Cat	Wt	Town Hall Remodel	56th Street Sidewalks - Doubletree to Mockingbird	Network Switch Upgrade	64th Street Medians (McDonald to Chaparral Road)	Public Works Remodel	Mountain View Road Improvements (Tatum - 52nd St)	Doubletree (64th Street to Scottsdale)	52nd Street Stormwater Improvements	Lincoln and 64th Street (Invergordon) Intersection Realignment	Mockingbird Lane (56th Street to Invergordon Road)	Denton Lane Cul De Sac	McDonald Drive Wash Culvert Extension	Implement Town-Wide GIS	Mockingbird Lane Improvements (S. of Lincoln)	45th Street Curbs (McDonald to Valley Vista)	Town Hall Backup Power	Town Hall Chiller Replacement	Town Hall Complex Fiber Connections	
Town's Critical Objectives (6)	40	100	200	268	216	214	200	230	198	132	192	170	154	152	224	166	108	144	64	0	
Increase in public health		20	0	3	1	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	
Increase in public safety		20	0	10	8	8	0	5	5	10	8	5	2	10	3	3	5	5	0	0	
Identified in General Plan		20	5	10	5	7	5	10	8	2	7	7	3	0	5	6	4	4	3	0	
Consistent with vision statement		15	10	10	8	8	10	10	8	4	9	8	7	6	10	6	4	10	3	0	
Consistent with Council goals		15	10	4	8	3	10	5	3	2	3	3	10	6	10	5	2	2	3	0	
Specific request of the Town Council		10	10	0	2	7	10	5	7	0	0	2	3	0	10	3	0	0	1	0	
Costs (6)	30	100	111	18	114	48	111	60	48	157.5	54	48	75	90	45	49.5	54	69	94.5	72	
Cost sharing / grant / outside funding		20	0	0	0	0	0	0	0	10	0	0	0	0	0	0	0	3	0	0	
Source of higher revenue		20	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Maintain, replace or expand an existing asset		20	10	3	10	5	10	10	5	10	6	5	10	10	5	5	5	7	8	7	
Lower operating cost		15	5	0	0	0	5	0	0	5	0	0	0	4	0	3	0	0	5	0	
Lower future capital cost		15	5	0	0	2	5	0	2	0	2	2	0	0	0	0	2	0	0	0	
Implication of deferring the project		10	2	0	8	3	2	0	3	5	3	3	5	4	5	2	5	3	8	10	
Community/Citizen Benefits, Environmental and Aesthetics (6)	20	100	134	128	26	152	94	108	148	89	116	144	111	82	28	58	100	12	20	20	
Stabilize or Improve neighborhoods		20	2	10	0	9	2	8	9	10	9	8	10	3	0	5	8	0	0	0	
Improve quality of life for residents		20	10	8	3	9	10	9	9	2	5	9	7	0	7	4	6	3	5	5	
Improves community appearance		20	10	7	1	10	10	10	10	6	10	10	10	10	0	5	8	0	0	0	
Improves recreational/cultural opportunities		20	10	7	1	7	0	0	6	0	2	6	0	7	0	0	2	0	0	0	
Improve environmental protection effort		15	2	0	2	3	2	0	3	5	2	3	0	0	0	0	0	0	0	0	
Assists in elimination of slum and blight conditions		5	0	0	0	3	0	0	3	2	6	3	3	2	0	2	4	0	0	0	
Distributional Effects (6)	10	100	22	36	86	21	22	22	18	28	12	12	11	22	30	6	8	18	20	12	
Town wide improvement		20	4	6	6	2	4	2	2	1	2	2	1	1	0	2	2	4	3	0	
Benefits large portion of Town		20	3	7	10	4	3	4	4	1	4	4	1	3	2	1	2	4	3	0	
Investment made by the Town in the last five years		20	4	5	7	0	4	0	0	2	0	0	0	7	10	0	0	0	3	6	
Investment made by the Town to meet legal obligation		20	0	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Project that has the support of another community or agency		10	0	0	10	3	0	0	3	10	0	0	7	0	0	0	0	0	0	0	
Inter-jurisdictional benefit will be achieved		10	0	0	10	6	0	10	3	10	0	0	0	0	6	0	0	2	2	0	
Total		100		46.7 24	45.0 25	44.2 26	43.5 27	42.7 28	42.0 29	41.2 30	40.7 31	37.4 32	37.4 33	35.1 34	34.6 35	32.7 36	28.0 37	27.0 38	24.3 39	19.9 40	10.4 41

SRP Undergrounding Projects
Facility Improvement Projects
Technology Projects
Street Projects
Sidewalk Projects
Stormwater Projects
Wastewater Projects
Traffic Signal Projects



Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Facility Improvement
 Contact Kevin Burke
 Type Improvement
 Useful Life
 Category Facility Improvement

Project # 2017-01
 Project Name Town Hall Remodel

Priority Score 24

Account # 30-40-942

Total Project Cost: \$1,860,000

Description

Location: Town Hall Complex

This project consist of a study of space utilization, design of recommended improvements, and remodel of Town Hall.

Currently staff is spread out in different areas of the building and storage is limited and inadequate. This project will first study the utilization and identify areas for improvement. Secondly, the town will hire an architecture firm to incorporate the recommended improvements into a design. In FY18 the budget reflects improvements to the town hall electrical room, new panels, lighting and switches. FY19 is a remodel of the Community room. FY20 is a remodel to the remaining portions of Town Hall

Justification

General Plan Implementation Measures: 8.7-1.1

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	210,000					210,000
Construction/Maintenance		775,000	775,000			1,550,000
Total	210,000	775,000	775,000			1,760,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	210,000	775,000	775,000			1,760,000
Total	210,000	775,000	775,000			1,760,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Facility Improvement
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Facility Improvement

Project # 2017-02
 Project Name Police and PW Dept Backup Power

Priority Score 21 Account # 30-40-942

Total Project Cost: \$300,000

Description

Location: Police Department and Public Works Department

Installation of a new backup generator for the Police / Public Works Department.

This would provide for backup power during a power outage so both the Police Department and the Public Works Department can operate during a power outage, providing services to town residents when they may need it most during an emergency. The entire Public Works Building and select panels in the Police Department are currently on back up power. This project includes a load study, electrical design, and the purchase and installation of the existing generator. Police Department staff will be responsible for determining if the existing back up power setup is adequate or if additional items need to be added (i.e. work stations, phones, etc.). The cost identified is for a worst case scenario in terms of generator size.

Justification

General Plan Implementation Measures: 8.7-1.1

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	50,000					50,000
Construction/Maintenance	250,000					250,000
Total	300,000					300,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	300,000					300,000
Total	300,000					300,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Facility Improvement
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Facility Improvement

Project # 2019-02
 Project Name Town Hall Chiller Replacement

Priority Score 40 Account # 30-40-942

Total Project Cost: \$100,000

Description

Location: Town Hall Complex

The replacement of the chiller at Town Hall due to age. The chiller at Town Hall is 12 years old, and is approaching the end of its useful life, and is due for replacement. The chiller provides cold water to the air handlers which cool Town Hall. Due to its age, the parts to maintain this piece of equipment are becoming harder to find and are more expensive. Without an operational chiller during the summer months, Town Hall operations may have to cease for multiple days, depending on the failure. This project has been reprogrammed to align with the Town Hall remodel.

Justification

General Plan Implementation Measures: 8.7-1.1

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance			100,000			100,000
Total			100,000			100,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley			100,000			100,000
Total			100,000			100,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Facility Improvement
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Facility Improvement

Project # 2019-10
 Project Name Police Department Remodel

Priority Score 22 Account # 30-40-942

Total Project Cost: \$1,000,000

Description
Location: Police Department Work includes the design and construction of an interior remodel of the existing Police Department Building including carpet and HVAC upgrades. Two additions are also proposed including a new defensive tactics room and a range.

Justification

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	110,000					110,000
Construction/Maintenance		300,000	590,000			890,000
Total	110,000	300,000	590,000			1,000,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	110,000	300,000	590,000			1,000,000
Total	110,000	300,000	590,000			1,000,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Facility Improvement
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Facility Improvement

Project # 2020-08
Project Name Public Works Remodel

Priority Score 28 Account # 30-40-942

Total Project Cost: \$450,000

Description

Location: Public Works Department

Project includes the design and construction of improvements to the Public Works Building. Improvements include a larger foyer and public reception area at the entrance, the addition of a conference room, and interior space reorganization to better utilize the existing layout. In addition, a new sign shop addition and parts storage improvements are proposed to meet the growing storage needs of the department.

Justification

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	50,000					50,000
Construction/Maintenance		400,000				400,000
Total	50,000	400,000				450,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	50,000	400,000				450,000
Total	50,000	400,000				450,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Facility Improvement
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Facility Improvement

Project #	2021-04
Project Name	Town Hall Backup Power

Priority Score 39

Account # 30-40-942

Total Project Cost: \$200,000

Description
The addition of a backup generator for Town Hall only. To determine an the size of the generator necessary a load study will need to be completed for the building and staff will be responsible for identifying what items will be on backup power (i.e. work stations, phones, chiller, etc.). The cost identified is for a worst case scenario in terms of generator size.
In addition to the generator, it is recommend to also replace the power run from the existing service meter as the line is 20 years old and has failed in the recent years, causing a power failure.

Justification

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design				20,000		20,000
Construction/Maintenance				180,000		180,000
Total				200,000		200,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley				200,000		200,000
Total				200,000		200,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Master Plans/Studies
 Contact Jeremy Knapp
 Type Unassigned
 Useful Life
 Category Master Plan/Study

Project # 2016-06
 Project Name Watershed Studies

Priority Score Unknown

Account # 30-40-330

Total Project Cost: \$550,000

Description

Location: Townwide

The project will combine modeling efforts from the Flood Control District of Maricopa County's on-going and future Area Drainage Master Plans/Studies. The studies that encompass the Town of Paradise Valley are anticipated to be completed by FY19, at which time the town will hire an outside consultant to combine all of the town overlapping models, creating one town wide model. Additionally, the town will review the modeling in detail and ensure it reflects actual conditions on the ground.

Justification

General Plan Implementation Measures: 6.3-1.16 / 7.4-1.1 & 2
 Council Goals
 Resolution 2017-08

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design		450,000				450,000
Total		450,000				450,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley		450,000				450,000
Total		450,000				450,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Master Plans/Studies
Contact Eva Cutro
Type Unassigned
Useful Life
Category Master Plan/Study

Project # 2016-08
Project Name Iconic Visually Significant Corridors, etc.

Priority Score Unknown Account # 30-40-330

Total Project Cost: \$153,000

Description

Location: Townwide

A townwide master plan identifying a program to improve and maintain rights-of-way corridors to represent the positive character and image of the town, through consistent right-of-way design as well as creating key gateways that differentiates the Town from surrounding communities. Also included in this master plan would be areas throughout the town where residents and visitors alike may passively recreate or gather together thereby promoting individual physical development, creativity and interaction among residents.

Justification

General Plan Implementation Measures: 3.3-1.7 / 4.5-1.10

See General Plan goals 3.3-1.5, 3.3-1.6, 3.3-1.7, 4.5-1.10. This plan will identify future CIP projects to accomplish these goals.

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	43,000					43,000
Total	43,000					43,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	43,000					43,000
Total	43,000					43,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Sidewalks
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Sidewalks

Project # 2017-05
 Project Name Lincoln Drive Sidewalks

Priority Score 2

Account # 30-40-979

Total Project Cost: \$835,000

Description

Location: Various locations along Lincoln Drive from western town limits to eastern town limits.

Installation of 6' wide colored concrete sidewalks to complete a sidewalk connection to Scottsdale and Phoenix city limits.

This project will install 6' wide meandering colored concrete sidewalks which will complete a safe pedestrian connection along Lincoln Drive between the town's western boundary with the City of Phoenix and the eastern boundary with the City of Scottsdale linking housing to public transportation, places of worship, parks, medical offices and other services. Currently there are significant gaps in the existing sidewalk network along this corridor, requiring pedestrians to either walk on the shoulder or cross a major arterial to stay on the sidewalk. The town has requested and received approval for both ADOT funds for design assistance and CMAQ funds for construction assistance. The cost includes design, land acquisition, utility relocation and construction.

Justification

General Plan Implementation Measures: 4.5-1.6 / 4.5-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	90,000					90,000
Land Acquisition	350,000					350,000
Construction/Maintenance		75,000	120,000			195,000
Total	440,000	75,000	120,000			635,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	440,000	75,000	120,000			635,000
Total	440,000	75,000	120,000			635,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Sidewalks
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Sidewalks

Project # 2018-06
 Project Name 56th St. Sidewalks (Mockingbird to Doubletree)

Priority Score 25 Account # 30-40-979

Total Project Cost: \$100,000

Description

Location: West side of 56th Street - Mockingbird to Doubletree

Complete a sidewalk connection infilling gaps between existing sidewalks along the west side of 56th Street between Mockingbird Lane and Doubletree Ranch Road.

There is already a sidewalk on the east side of 56th Street. This project would complete the sidewalk on the west side and is necessary due to the amount of foot traffic at Cherokee Elementary School. There are existing pieces of concrete sidewalk along this corridor.

Justification

General Plan Implementation Measures: 4.5-1.6 / 4.5-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	10,000					10,000
Construction/Maintenance	90,000					90,000
Total	100,000					100,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	100,000					100,000
Total	100,000					100,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Sidewalks
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Sidewalks

Project # 2020-06
Project Name N. Tatum Rd. Sidewalks (Doubletree-Mountain View)

Priority Score 20 Account # 30-40-979

Total Project Cost: \$150,000

Description

Location: East side of Tatum - Doubletree to Mountain View

This project includes the installation of a new 6' wide colored concrete sidewalk on the east side of Tatum Road completing a connection to existing sidewalks at Doubletree Ranch Road to Mountain View.

This connection is in the eastern half of Tatum Road, which is within the City of Phoenix right-of-way, but provides service to the town's residents.

Justification

General Plan Implementation Measures: 4.5-1.6 / 4.5-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design			10,000			10,000
Construction/Maintenance			140,000			140,000
Total			150,000			150,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley			150,000			150,000
Total			150,000			150,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Sidewalks
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Sidewalks

Project # 2021-02
 Project Name 32nd St. Sidewalks (Stanford to Lincoln)

Priority Score 4 Account # 30-40-979

Total Project Cost: \$3,150,000

Description

Location: East side of 32nd Street between Stanford Drive and Lincoln Drive

Installation of a one mile stretch of 6' wide colored concrete sidewalk from Stanford Drive to Lincoln Drive to complete a sidewalk connection to the City of Phoenix city limits and neighboring commercial and recreational uses.

This project connects existing pedestrian facilities at the town's boundary with the City of Phoenix at Lincoln Drive and 32nd Street to Stanford Drive and 32nd. At the north end of the project commercial uses exist as well as a trailhead within the Phoenix Mountain Preserve. On the south side of this project there is the SRP Arizona Canal which is heavily utilized by pedestrians. Resident requests for this specific project have been received. Challenges include both cut and fill at certain points along this route as well as possible extensions of box culverts which may limit the ability to detach or meander. Town staff will reach out to the City of Phoenix to gauge interest and the possibility of participation.

Justification

General Plan Implementation Measures: 4.5-1.6 / 4.5-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design				300,000		300,000
Land Acquisition					150,000	150,000
Construction/Maintenance					2,700,000	2,700,000
Total				300,000	2,850,000	3,150,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley				300,000	2,850,000	3,150,000
Total				300,000	2,850,000	3,150,000

Capital Improvement Plan

2018 *thru* 2022

Town of Paradise Valley, Arizona

Department SRP Undergrounding

Contact Jeremy Knapp

Type Improvement

Useful Life

Category SRP Undergrounding

Project # 2016-01

Project Name SRP 44th Street & Keim Conversion

Priority Score 14

Account # 30-40-938

Total Project Cost: \$1,224,385

Description

Location: In rear easement area between Keim Drive and Rose Lane from 44th Street north to Hogan Drive.

SRP Underground Conversion Project Keim Drive District is located in rear easement area between Keim Drive and Rose Lane from 44th Street north to Hogan Drive.

Underground scope includes construction of approximately 968 feet of trench, approximately 2,000 feet of 2.5" conduit and primary conductor, one (1) fuse cabinet, and as many as sever (7) pad-mounted transformers to serve the number of homes involved. As much as 400 feet of exist various types of service wire will need to be removed and re-installed as well. Overhead scope includes removal of eleven (11) poles, two (2) sets of guys and anchors, approximately 1,936 feet of exist overhead primary conductor, and 968 feet of neutral conductor, along with five (5) pole-mounted transformers currently in place. Two (2) primary risers will need to be removed along with approximately 300 feet of existing overhead service conductors. Resolution #813 states the Town can contribute up to 66.7% of the total cost to underground SRP utility lines. Design Cost = \$55,000 x 66.7% = \$36,685, Construction Cost = \$545,100-\$189,100 (SRP Aesthetics) x 66.7% = \$237,452 + \$55,000 (Century Link Costs) = \$292,452. Town of Paradise Valley cost = \$292,452 + \$36,685 = \$329,137, Residents = \$136,863 (is 33.3% of total design + construction less the Aesthetics funds of \$189,100). Town has \$417,166 in Aesthetics Funds from SRP as of September 2012 we will use \$119,000 for Stanford project leaving a balance of \$298,166. Then use \$189,100 for this project and then use remainder and future funding for Homestead. 2016 Update: A new cost estimate was provided by SRP subsequent to a job site walk and their realizing the terrain issues. The new cost breakdown is as follows: Design Cost = \$55,000 x 66.7% = \$36,685, Construction Cost = \$1,132,700-\$352,400 (SRP Aesthetics) x 66.7% = \$520,460 + \$55,000 (Century Link Costs) = \$575,460. Town of Paradise Valley cost = \$575,460 + \$36,685 = \$612,145, Residents = \$259,840 (is 33.3% of total design + construction less the Aesthetics funds of \$352,400). Town has \$391,866 in Aesthetics Funds from SRP as of February 2016.

Justification

General Plan Implementation Measures: 8.7-1.13/2.3-1.12/3.3-1.13

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	55,000					55,000
Construction/Maintenance	1,169,385					1,169,385
Total	1,224,385					1,224,385

Funding Sources	2018	2019	2020	2021	2022	Total
Residents of Paradise Valley	259,840					259,840
SRP Aesthetics	352,400					352,400
Town of Paradise Valley	612,145					612,145
Total	1,224,385					1,224,385

Capital Improvement Plan

2018 *thru* 2022

Town of Paradise Valley, Arizona

Department SRP Undergrounding

Contact Jeremy Knapp

Type Improvement

Useful Life

Category SRP Undergrounding

Project # 2020-01

Project Name SRP Denton Lane Conversion

Priority Score 15

Account # 30-40-938

Total Project Cost: \$577,100

Description

Location: Back of lots of houses on south side of Denton Lane east of Palo Cristi Road

SRP Underground Conversion Project Denton Lane District is located along the back of lots of houses on south side of Denton Lane east of Palo Cristi Road.

KJ2-00721 - Underground scope includes converting existing overhead facilities along back of lots of houses on south side of Denton Lane east of Palo Christi Rd. Project will require construction of approximately 969 feet of trench, 2,907 feet of conduit and conductor, placement of five (5) pad-mounted transformers, one (1) switch, and one (1) fuse cabinet. JJ2-00198 – Overhead scope includes removal of four (4) poles, one (1) 2-phase riser, four (4) secondary/service risers, approximately 1,737 feet of overhead conductor along with 332 feet of overhead neutral conductor, and several pole guys and anchors. Resolution #813 states the Town can contribute up to 66.7% of the total cost to underground SRP utility lines. Design Cost = \$50,000 x 66.7% = \$33,350, Construction Cost = \$477,100-\$88,000 (SRP Aesthetics) x 66.7% = \$259,530 + \$50,000 (Century Link Costs) = \$309,530. Town of Paradise Valley cost = \$309,530 + \$33,350 = \$342,880, Residents = \$146,220 (is 66.7% of total design + construction less the Aesthetics funds of \$88,000). Town has \$417,166 in Aesthetics Funds from SRP as of September 2012 we will use \$119,000 for the Stanford project leaving a balance of \$298,166. Then use \$189,100 for 44th Street and Keim leaving a balance of \$109,066. Then use \$133,100 for Homestead and then use \$88,000 for this project. This assumes utilizing the future SRP allocations.

2016 Update: The town has requested an updated cost estimate from SRP for this project.

Justification

General Plan Implementation Measures: 8.7-1.13/2.3-1.12/3.3-1.13

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design			50,000			50,000
Construction/Maintenance				527,100		527,100
Total			50,000	527,100		577,100

Funding Sources	2018	2019	2020	2021	2022	Total
Residents of Paradise Valley			16,650	129,570		146,220
SRP Aesthetics				88,000		88,000
Town of Paradise Valley			33,350	309,530		342,880
Total			50,000	527,100		577,100

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department SRP Undergrounding
Contact Jeremy Knapp
Type Improvement
Useful Life
Category SRP Undergrounding

Project # 2022-01
Project Name SRP 40th Street & Lincoln Drive Conversion

Priority Score 16

Account # 30-40-938

Total Project Cost: \$300,000

Description

Location: Indian Bend to Lincoln and 40th Street to 44th Street

SRP Underground Conversion Project 40th Street & Lincoln Drive District is located from Indian Bend to Lincoln Drive and from 40th Street to 44th Street.

These conceptual estimates provide for most of these facilities to be relocated to the front easements, and that precise equipment locations and trench routes would need to be determined. It also provides for an overall scope of the number and types of cabinets that would need to be installed. It accounts for replacement of the items currently OH and provides the 3ph service that is still needed by certain homes. Exist conduit and cabinets were used where possible, but in some cases new trench and conduit will be necessary. Resolution #813 states the Town can contribute up to 66.7% of the total cost to underground SRP utility lines. Design Cost = \$300,000 x 66.7% = \$200,100, Construction Cost = \$2,969,669-\$695,188 (SRP Aesthetics) x 66.7% = \$1,517,079 + \$300,000 (Century Link Costs) = \$1,817,079. Town of Paradise Valley cost = \$1,817,079 + \$200,100 = \$2,017,179, Residents = \$857,303 (is 66.7% of total design + construction less the Aesthetics funds of \$695,188). Town has \$417,166 in Aesthetics Funds from SRP as of September 2012 we will use \$119,000 for the Stanford project leaving a balance of \$298,166. Then use \$189,100 for 44th Street and Keim leaving a balance of \$109,066. Then use \$133,100 for Homestead and then use \$88,000 for Denton then us \$695,188 for this project. This assumes utilizing the future SRP allocations

2016 Update: The town has requested an updated cost estimate from SRP for this project.

Justification

General Plan Implementation Measures: 8.7-1.13/2.3-1.12/3.3-1.13

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design					300,000	300,000
Total					300,000	300,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley					300,000	300,000
Total					300,000	300,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Stormwater
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Stormwater

Project # 2018-20
Project Name 52nd Street Stormwater Improvements

Priority Score 31 Account # 30-40-967

Total Project Cost: \$100,000

Description

This project is being led by the City of Phoenix as it was initiated by a Phoenix resident request due to multiple events where structures flooded in Phoenix. The City of Phoenix applied for and received grant funding from the Flood Control District of Maricopa County. The town limits are down the centerline of 52nd Street and our residents are along the western ROW line along this area, but the town is responsible to maintain the entire roadway width per and IGA with the City of Phoenix.

The project includes design and construction of multiple improvements near 52nd Street north of Mountain View. Improvements include:

1. A sedimentation basin on the west side of the roadway where the was meets 52nd Street
2. Roadway regrading to relieve a high spot on 52nd Street
3. Removal of a chicane
4. Curb and gutter improvements

Justification

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	100,000					100,000
Total	100,000					100,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	100,000					100,000
Total	100,000					100,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Stormwater
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Stormwater

Project # 2019-12
Project Name FCD LIBW Cheney Improvements Alt 1

Priority Score 5

Account # 30-40-967

Total Project Cost: \$7,500,000

Description

Implementation of the Flood Control Districts Lower Indian Bend Wash Area Drainage Master Study Cheney Drive Alternative 1 which includes the following improvements designed for a 10 year storm event, funded by the town and the Flood Control District of Maricopa County.

1. Sedimentation basin along Cheney Drive
2. Storm drain from sedimentation basin east along Cheney Drive to Mockingbird Lane
3. Storm drain from Cheney Drive and Mockingbird Lane north to Northern
4. Storm drain Mockingbird Lane and Northern east to the Indian Bend Wash

Justification

General Plan Implementation Measures: 7.4-1.1 / 6.3-1.17

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design		1,500,000				1,500,000
Construction/Maintenance			6,000,000			6,000,000
Total		1,500,000	6,000,000			7,500,000

Funding Sources	2018	2019	2020	2021	2022	Total
Flood Control District		750,000	3,000,000			3,750,000
Town of Paradise Valley		750,000	3,000,000			3,750,000
Total		1,500,000	6,000,000			7,500,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Stormwater
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Stormwater

Project # 2021-05
Project Name FCD LIBW Invergordon Improvements Alt 1

Priority Score 6

Account # 30-40-967

Total Project Cost: \$6,500,000

Description

Implementation of the Flood Control Districts Lower Indian Bend Wash Area Drainage Master Study Invergordon Alternative 1 which includes the following improvements designed for a 10 year storm event, funded by the town and the Flood Control District of Maricopa County.

1. Sedimentation basins on Northern as well as Maverick
2. Storm drain from sedimentation basins east to Invergordon and north to the Indian Bend Wash

Justification

General Plan Implementation Measures: 7.4-1.1 / 6.3-1.17

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design				1,300,000		1,300,000
Construction/Maintenance					5,200,000	5,200,000
Total				1,300,000	5,200,000	6,500,000

Funding Sources	2018	2019	2020	2021	2022	Total
Flood Control District				650,000	2,600,000	3,250,000
Town of Paradise Valley				650,000	2,600,000	3,250,000
Total				1,300,000	5,200,000	6,500,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Streets

Project # 2016-14.1
 Project Name Lincoln Dr. (Limits to Mockingbird) - Ritz Related

Priority Score 12 Account # 30-40-968

Total Project Cost: \$3,521,750

Description

Location: Lincoln Drive from Town Limits to Mockingbird lane
 Reconstruction road to match the General Plan, SUP and DA of Ritz Carlton Five Star Development
 DA Exhibit E Items 2, 3, 4, 9, 10, 11, and 12

Justification

General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	275,000					275,000
Land Acquisition	160,000					160,000
Construction/Maintenance	2,131,750					2,131,750
Construction Admin	375,000					375,000
Total	2,941,750					2,941,750

Funding Sources	2018	2019	2020	2021	2022	Total
Ritz Carlton	1,875,000					1,875,000
Town of Paradise Valley	1,066,750					1,066,750
Total	2,941,750					2,941,750

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Streets

Project #2016-14.2

Project NameIndian Bend (Limits to Mockingbird) - Ritz Related

Priority Score9

Account #30-40-968

Total Project Cost: \$1,700,000

Description

Location: Indian Bend from Town Limits to Mockingbird Lane.

Reconstruction road to match the General Plan, SUP and DA of Ritz Carlton Five Star Development.

This project anticipated cost is \$1.7M and totally funded by the Developer.

DA Exhibit E Items 1, 5, and 6

Justification

General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	135,000					135,000
Construction/Maintenance	1,430,000					1,430,000
Construction Admin	135,000					135,000
Total	1,700,000					1,700,000

Funding Sources	2018	2019	2020	2021	2022	Total
Ritz Carlton	1,700,000					1,700,000
Total	1,700,000					1,700,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Streets

Project # 2016-14.3
 Project Name Mockingbird Lane Medians - Ritz Related

Priority Score 18 Account # 30-40-968

Total Project Cost: \$5,520,000

Description

Location: Mockingbird Lane from Lincoln to Northern
 Install medians to match the General Plan.
 DA Exhibit E Items 7 and 8.

Justification

General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	140,000					140,000
Construction/Maintenance	4,840,000					4,840,000
Construction Admin	340,000					340,000
Total	5,320,000					5,320,000

Funding Sources	2018	2019	2020	2021	2022	Total
Ritz Carlton	1,760,000					1,760,000
Town of Paradise Valley	3,560,000					3,560,000
Total	5,320,000					5,320,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project # 2018-03
Project Name Mockingbird Lane Improvements (S. of Lincoln Rd.)

Priority Score 37 Account # 30-40-968

Total Project Cost: \$200,000

Description

This project includes the addition of vertical curb and gutter as well as sidewalk adjustments to complete the roadway cross section.

Justification

General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	200,000					200,000
Total	200,000					200,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	200,000					200,000
Total	200,000					200,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project #2018-04

Project NameDoubletree (64th St. to Scottsdale)

Priority Score 30Account # 30-40-968

Total Project Cost: \$3,300,000

Description

Location: Doubletree - 64th Street (Invergordon) to Scottsdale

Reconstruction Doubletree to match General Plan cross section for a Minor Arterial. This cross section includes bike lanes, medians, sidewalks, roundabouts, landscaping and full curb and gutter.

Doubletree Road was reconstruction approximately 5 years ago to the General Plan cross section for a Minor Arterial. This project would continue that cross section from 64th Street to Scottsdale Road.

Justification

General Plan Implementation Measures: 3.3-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	300,000					300,000
Construction/Maintenance		3,000,000				3,000,000
Total	300,000	3,000,000				3,300,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	300,000	3,000,000				3,300,000
Total	300,000	3,000,000				3,300,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project #2018-07

Project NamePedestrian / Bicycle Improvements

Priority Score 3Account # 30-40-968

Total Project Cost: \$500,000

Description

Design and implementation of projects identified in the Pedestrian / Bicycle Master Plan.

Justification

General Plan Implementation Measures: 4.5-1.6 / 4.5-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project # 2018-10
Project Name McDonald Drive Wash Culvert Extension

Priority Score 35 Account # 30-40-968

Total Project Cost: \$205,000

Description

Location: McDonald west of Marston Lane

The existing north end of the box culvert on McDonald west of Marston has a constricting width, which does not accommodate a sidewalk and roadway lane without the use of a guardrail. This project includes the extension of the box culvert and other necessary improvements at the entrance of the culvert to safely accommodate a full width sidewalk separated from the roadway and eliminate the guardrail.

Justification

General Plan Implementation Measures: 7.4-1.1 / 6.3-1.17

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	40,000					40,000
Construction/Maintenance	165,000					165,000
Total	205,000					205,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	205,000					205,000
Total	205,000					205,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project #	2019-03
Project Name	Lincoln @ 64th St. (Invergordon) Intersect. Realign
Priority Score	32
Account #	30-40-968

Total Project Cost: \$150,000

Description
Location: North side of Lincoln & 64th Street (Invergordon)
Realign 64th Street south bound as it approaches Lincoln Drive to align the lanes to match with 64th Street south of Lincoln.

Justification
General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design		15,000				15,000
Construction/Maintenance		135,000				135,000
Total		150,000				150,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley		150,000				150,000
Total		150,000				150,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project # 2019-04
Project Name 64th St. Medians (McDonald to Chaparral Rd.)

Priority Score 27 Account # 30-40-968

Total Project Cost: \$2,700,000

Description

Location: 64th Street - McDonald to Chaparral

Install medians to match the General Plan

The General Plan identifies 64th Street between McDonald and Chaparral as a Minor Arterial which has a cross section that includes 12' medians with bike lanes on both sides.

Justification

General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design			270,000			270,000
Construction/Maintenance				2,430,000		2,430,000
Total			270,000	2,430,000		2,700,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley			270,000	2,430,000		2,700,000
Total			270,000	2,430,000		2,700,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project #	2019-05
Project Name	Denton Lane Cul De Sac

Priority Score 34 Account # 30-40-968

Total Project Cost: \$150,000

Description
Construction of a cul-de-sac at the termination of Denton Lane.

Justification
General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance			150,000			150,000
Total			150,000			150,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley			150,000			150,000
Total			150,000			150,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project #	2019-06
Project Name	Highlands Drive Cul De Sac

Priority Score 23 Account # 30-40-968

Total Project Cost: \$250,000

Description
Construction of a cul-de-sac at the termination of Highlands Drive.

Justification
General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance		250,000				250,000
Total		250,000				250,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley		250,000				250,000
Total		250,000				250,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project #	2020-02
Project Name	45th Street Curbs (McDonald to Valley Vista)
Priority Score	38
Account #	30-40-968

Total Project Cost: \$100,000

Description
Location: 45th Street - McDonald Drive to Valley Vista Lane
This would include the removal and replacement of existing asphalt curbs and construction of new concrete curbs.

Justification
General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance			100,000			100,000
Total			100,000			100,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley			100,000			100,000
Total			100,000			100,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Streets

Project # 2020-03
 Project Name Tatum Boulevard Retaining Walls

Priority Score 19 Account # 30-40-968

Total Project Cost: \$400,000

Description

Location: Tatum Boulevard between Lincoln and Desert Jewel

The design and construction of retaining walls adjacent to the sidewalk at various locations along Tatum Boulevard

Justification

General Plan Implementation Measures: 3.3-1.7 / 4.5-1.10

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design			40,000			40,000
Construction/Maintenance			360,000			360,000
Total			400,000			400,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley			400,000			400,000
Total			400,000			400,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Streets

Project # 2020-04
 Project Name Mockingbird Lane (56th St. to Invergordon Rd.)

Priority Score 33 Account # 30-40-968

Total Project Cost: \$3,300,000

Description

Location: Mockingbird Lane - 56th Street to Invergordon Road

A continuation of the FY2012-13 Mockingbird Lane project from 52nd Street to 56th Street which includes a curvilinear alignment, new curb a gutter, medians, bike lanes, sidewalk on one side and pavers.

Mockingbird (a collector street) will be reconstructed to the General Plan cross section for a Minor Arterial. This project would continue that cross section from 52nd Street to 56th Street.

Justification

General Plan Implementation Measures: 4.5-1.1 / 4.5-1.11 & 12

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design				300,000		300,000
Construction/Maintenance					3,000,000	3,000,000
Total				300,000	3,000,000	3,300,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley				300,000	3,000,000	3,300,000
Total				300,000	3,000,000	3,300,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Streets
Contact Jeremy Knapp
Type Improvement
Useful Life
Category Streets

Project #	2020-05
Project Name	Mountain View Road Improvements (Tatum - 52nd St.)
Priority Score	29
Account #	30-40-968

Total Project Cost: \$1,100,000

Description
Install medians to match the General Plan as well as intersection improvements at Mountain View and Tatum to include separate north and south bound turn lanes for westbound traffic.

Justification
General Plan Implementation Measures: 4.5-1.11

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design			100,000			100,000
Construction/Maintenance				1,000,000		1,000,000
Total			100,000	1,000,000		1,100,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley			100,000	1,000,000		1,100,000
Total			100,000	1,000,000		1,100,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Technology
 Contact Jeremy Knapp
 Type Improvement
 Useful Life
 Category Technology

Project # 2013-02
 Project Name Public Safety Communications Tower

Priority Score 1 Account # 30-40-990

Total Project Cost: \$4,000,000

Description

Location: Highlands Drive

These upgrades will provide for reliable radio communication for both fire and police. This includes all elements of the project such as the tower and the related equipment.

This includes the actual electronic equipment purchase or installation. The budgeted amount is based on a cost estimate from Motorola dated October 10, 2012. The estimate is based upon the negotiated City of Phoenix / Motorola Solutions Infrastructure contract. Site design and construction = \$1,251,951, Equipment and Services = \$2,134,369.00 for a total of \$3,386,320 plus \$150,000 for the purchase of land / easements.

Justification

General Plan Implementation Measures: 8.7-1.3

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	850,000					850,000
Total	850,000					850,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	850,000					850,000
Total	850,000					850,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Technology
Contact Joseph Curtis
Type Equipment
Useful Life
Category Technology

Project #	2016-10
Project Name	Network Switch Upgrade

Priority Score 26 Account # 30-40-990

Total Project Cost: \$131,000

Description
Location: Town Hall Complex
This replacement cycle will provide reliable and expandable networking capabilities to the Town's computer network infrastructure. Existing equipment does not have replaceable or serviceable parts if there is a failure. This equipment will also allow the Town to comply with Federal and State network security standards.

Justification
General Plan Implementation Measures: 8.5

Expenditures	2018	2019	2020	2021	2022	Total
Other	12,000					12,000
Total	12,000					12,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	12,000					12,000
Total	12,000					12,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Technology
 Contact Robert Kornovich
 Type Equipment
 Useful Life
 Category Technology

Project # 2017-04
 Project Name Implement Town-Wide Geographic Info. System (GIS)

Priority Score 36 Account # 30-40-990

Total Project Cost: \$250,000

Description

Town Hall Complex

This project will provide consistent GIS information and capabilities for Police, Public Works, Community Development, Utility Billing, and other Town functions.

GIS provides not only maps, but also geographic correlation of data and information. Municipalities with fully functioning GIS are able to make more informed decisions, often recognize genuine cost savings from greater efficiency, improve communication throughout the organization and the community, enhance geographic information recordkeeping, and are able to manage public services more effectively. In FY 2016, the Town undertook a GIS strategic planning effort to identify key short, medium, and long term prioritized objectives.

Justification

General Plan Implementation Measures: 8.7-1.5, 8.7-1.6, 8.7-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Other	125,000					125,000
Total	125,000					125,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	125,000					125,000
Total	125,000					125,000

Capital Improvement Plan
Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Technology
Contact Robert Kornovich
Type Equipment
Useful Life
Category Technology

Project #	2018-01
Project Name	Telecommunications System Update

Priority Score 13 Account # 30-40-990

Total Project Cost: \$320,000

Description
Location: Town Hall Complex
This phone system upgrade will replace the antiquated telephone system currently in place since 1997. Many technological advances since the original installation will facilitate easier integration in to existing systems and restore reliability. The Town has outgrown the limited functionality of the existing system.

Justification
General Plan Implementation Measures: 8.5

Expenditures	2018	2019	2020	2021	2022	Total
Other		320,000				320,000
Total		320,000				320,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley		320,000				320,000
Total		320,000				320,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Technology
 Contact Robert Kornovich
 Type Equipment
 Useful Life
 Category Technology

Project # 2018-08
 Project Name CAD Enterprise Upgrade

Priority Score 10 Account # 30-40-990

Total Project Cost: \$221,000

Description

The current platform utilized is 17 years old, has limited GIS capabilities and has reached its end of life. The updated Computer Aided Dispatch adds robust tools to that include:

1. Exploration of ASAP to PSAP, reducing latency in response to alarms as vendors can send calls directly to first responders
2. Enhanced routing and on-scene information available for first responders
3. Enhanced data sharing across platforms, agencies, and external data services
4. Expandable as additional public safety technology functionality evolves
5. Expansions of data report and analytics
6. Platform is Next Generation 9-1-1 ready

Justification

General Plan Implementation Measures: 8.7-1.5, 8.7-1.6, 8.7-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Other	221,000					221,000
Total	221,000					221,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	221,000					221,000
Total	221,000					221,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Technology
 Contact Robert Kornovich
 Type Improvement
 Useful Life
 Category Technology

Project # 2022-05
 Project Name Town Hall Complex Fiber Connections

Priority Score 41 Account # 30-40-990

Total Project Cost: \$150,000

Description

Creation of fiber rings at the town hall complex to increase speeds from 1gbps to 10gbps. This includes a run from Town Hall to Public Works replacing current failed line assuming conduit is vaible. The second run is from Public Works to the Police Department. The third run is from Town Hall to Police Department.

Justification

General Plan Implementation Measures: 8.7-1.5, 8.7-1.6, 8.7-1.7

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	150,000					150,000
Total	150,000					150,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	150,000					150,000
Total	150,000					150,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Traffic Signals
 Contact Jeremy Knapp
 Type Equipment
 Useful Life 10 Years
 Category Traffic Signals

Project # 2018-05
 Project Name Traffic Signal (Video Detection) Upgrades

Priority Score 11 Account # 30-40-963

Total Project Cost: \$250,000

Description

Location: 12 existing signal locations along Tatum and Lincoln

Upgrading the existing traffic video detection cameras and cards.

Video detection systems identify vehicles as they approach intersections. The town's video detection equipment is aging and needs to be updated to continue efficiently serving vehicle calls. Aging video detection systems require extensive maintenance and trouble shooting which costs the town money. New systems will lower that operational cost.

Justification

General Plan Implementation Measures: 8.7-1.3

Expenditures	2018	2019	2020	2021	2022	Total
Construction/Maintenance	250,000					250,000
Total	250,000					250,000

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	250,000					250,000
Total	250,000					250,000

Capital Improvement Plan

Town of Paradise Valley, Arizona

2018 *thru* 2022

Department Wastewater
 Contact Jeremy Knapp
 Type Maintenance
 Useful Life
 Category Wastewater

Project # 2017-06
 Project Name Sewer System Assesment

Priority Score 8 Account # 30-40-943

Total Project Cost: \$1,171,000

Description

Location: Town wide

This project involves the annual on-going assesment of the town owned sewer system.

Per the updated IGA with the City of Scottsdale, the twenty percent of the system will be assessed annually for the first five years. The assessment will identify issues such as roots, aging pipe, dips, etc.

Justification

General Plan Implementation Measures: 6.3-1.15

Expenditures	2018	2019	2020	2021	2022	Total
Planning/Design	234,200	234,200	234,200	234,200		936,800
Total	234,200	234,200	234,200	234,200		936,800

Funding Sources	2018	2019	2020	2021	2022	Total
Town of Paradise Valley	234,200	234,200	234,200	234,200		936,800
Total	234,200	234,200	234,200	234,200		936,800



Action Report

File #: 18-035

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Andrew Miller, Town Attorney

DATE: January 11, 2018

DEPARTMENT: Town Manager

AGENDA TITLE:

Discussion of Amendments to Small Cell Ordinance

Town Value(s):

- ☒ Primarily one-acre, residential community
- ☐ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Paradise Valley is primarily a one-acre residential community. Enabling cell service while preserving that residential feel is a core value of the Town.

Council Goals or Statutory Requirements:

Responsiveness to Residents - Identify and consider resident concerns in a timely manner and seek solutions to the best of the Town's ability. Cell Service

RECOMMENDATION:

Staff recommends adopting several amendment to Ordinance 2017-05 that was adopted in August of 2017.

SUMMARY STATEMENT:

In 2017, the Arizona State Legislature adopted a new statute governing the placement of small cell antenna facilities in public rights-of-ways (ROW). The Town heavily lobbied against this bill from inception right up until final adoption. At final adoption the Town gained concessions that made the statute workable within Town Values. Council, Planning Commission and staff worked diligently from adoption until the effective date in early August to revise the Town's ordinance governing these

facilities. This process included seven different public meetings. Unfortunately, industry lobbyists and attorneys (excluding Cox) did not participate until the final public meeting. At which time they expressed numerous concerns about the Town's ordinance and asserted that it was not compliant with the new State Statute. Staff fervently disagrees, but acknowledges some changes that are inconsequential to the Town's approach and others that makes the ordinance more resilient under the 2017 State law governing these facilities.

These changes include, treating the faux cactus and 56th and Lincoln objective design standards as "either/or" rather than a first and second preference. Both Planning Commission and Council expressed that either design standard was satisfactory during the development of this ordinance. Staff originally prioritized the faux cactus to reflect the historical emphasis on camouflaged utility infrastructure. The 56th and Lincoln design criteria is applicable only when a carrier seeks to place the antenna on an existing traffic or light pole. Therefore, the two design standards are not in competition and serve different circumstances. Further, there is clarifying language regarding the placement of the faux cactus. These amendments are inconsequential to the Town but important to industry.

Second, the current ordinance requires an illustration depicting the RF on a small cell antenna. While industry has always maintained that they are not required to provide them under federal and now state law, they have generally done so voluntarily. This removes that requirement from the ordinance with the exception of plans associated with the safe maintenance of facilities on third party utility poles.

Lastly, the current ordinance re-states noise and environmental laws that may be applicable to the placement of a small cell facility. This amendment simply makes these a cross-reference to avoid confusion that the language in this ordinance is new or additionally imposed conditions. This further provides the benefit of not having to make sure this ordinance is updated when those noise and environmental regulations are updated independently.

This ordinance amendment will be reviewed in study session on January 11 with anticipation of action either on January 25 or February 8.

BUDGETARY IMPACT:

No budgetary impact from the proposed changes.

ATTACHMENT(S):

Proposed Ordinance 2018-01

ORDINANCE NUMBER 2018-01

**AN ORDINANCE OF THE TOWN OF PARADISE
VALLEY, ARIZONA, AMENDING ARTICLE 2, MAYOR
AND COUNCIL; SECTION 2-5-2(I), SMALL WIRELESS
FACILITIES LOCATED IN THE RIGHTS-OF-WAY**

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

Section 1. The Town of Paradise Valley's Code is hereby amended by amending subsection I to Section 2-5-2, as follows, showing text to be added in **bold** and deleting the text shown by ~~strikeout~~.

Section 2-5-2 Planning Commission

I. SMALL WIRELESS SERVICE FACILITIES LOCATED IN THE RIGHTS-OF-WAY

- I-1 Purpose
- I-2 Definitions
- I-3 General Requirements
- I-4 Siting Standards
- I-5 Design Standards
- I-6 Alternative Design Standards
- I-7 Radiofrequency (RF) Performance and Interference Standards and
Monitoring
- I-8 Noise and Environmental Standards
- I-9 Co-Location and Limitations
- I-10 Submittal Requirements
- I-11 Permit Limitations and General Conditions
- I-12 Applicability

1. Purpose.

The purpose of this ordinance is to establish appropriate locations, site development standards, and permit requirements to allow for Small Wireless Facilities to be located in the rights-of-way as required by A.R.S. § 9-591 et. seq., subject to such small wireless facilities meeting the objective design standards and stealth and concealment requirements provided in this section. The approval and installation of Small Wireless Facilities are intended to be done in a manner which has been a successful design standard in place since 2010. The nature of residences, their scale (height and mass),

their proximity to each other and the street, and the extensive natural, informal landscaping all contribute to this distinctive character and require design standards and stealth and concealment requirements that will preserve the residential character of the Town while also providing design alternatives that will permit a quick and timely review of Small Wireless Facility applications consistent with the intent of A.R.S. § 9-592. Minimizing the adverse visual impact of these Small Wireless Facilities within the predominately residential areas of the Town is one of the primary objectives of this ordinance. The Town, its residents and some providing utilities have made significant investment in eliminating overhead utility lines in Paradise Valley. Protecting that investment is also consistent with this ordinance. Limitations on the height of antennas are intended to conform the antennas to the existing limitations on height of residential buildings in the Town. The ordinance is also intended to allow Small Wireless Facilities which are sufficient in location choices and height to provide adequate personal wireless service to citizens, resort guests, the traveling public, and others within the Town.

2. Definitions.

For the purpose of this Section, the following terms shall have the meanings prescribed herein unless the context clearly requires otherwise:

- a) "Administrative Small Wireless Facility Permit" means the administrative permit approved by the Town for a Small Wireless Facility site.
- b) "Antenna" means communication equipment that transmits or receives electromagnetic radio frequency signals and that is used as part of a Small Wireless Facility;
- c) "Applicant" means a person or other entity who submits an application to the Town for an Administrative Small Wireless Facility Permit for a Small Wireless Facility in the Town rights-of-way. A Permittee and the owner of the subject property (which may be through a master license agreement), and/or utility pole shall be an Applicant(s) or co-Applicant(s) on such application;
- d) "Application" means a complete submittal for an Administrative Small Wireless Facility Permit on a form or set of forms prescribed by the Town that is deemed complete by the Town staff and contains all of the required submittals, studies, diagrams, photo simulations, and other documentation required pursuant to the checklists on the prescribed form(s) or in this Section.
- e) "Co-location" means the use of a single mount and/or site by more than one small wireless service provider;
- f) "Design" means the appearance of a Small Wireless Facility, including but not limited to its material, color or shape;
- g) "Equipment cabinet" means an enclosed box that is either located in a vault at or near the base of the SWF which contains, among other things, batteries and electrical equipment (hereinafter referred to as "equipment"). This equipment is connected to the antenna by underground cables.

- h) "Location" means property(ies) or site(s) where Small Wireless Facilities are located or could be located;
- i) "Modification" means any physical or operational change, alteration, or other modification of any of the following as they relate to a Small Wireless Facility or the subject property upon which it is located, including but not limited to:
 - i. The site plan;
 - ii. The sight line representation;
 - iii. The design submittal as required in this Section;

The conversion of a single-use Small Wireless Facility to a co-location is also considered a modification;

- j) "Monopole" means a type of mount that is self-supporting with a single shaft of steel or concrete or other acceptable material that is not more than forty inches in diameter at ground level and that has all of the small wireless facilities mounted on the pole or contained inside the pole;
- k) "Permittee" means an Applicant who has an approved Administrative Small Wireless Facility Permit;
- l) "Small Wireless Facility" or "SWF" means any of several technologies using radio signals at various frequencies to send and receive voice, data or video to and from mobile transceivers; which are composed of two (2) or more of the following components:
 - i. Antennas that are no more than six cubic feet in volume;
 - ii. Faux Cactus or replacement Utility Pole;
 - iii. Equipment cabinet less than twenty-eight cubic feet in volume;
 - iv. Underground vault for equipment;
 - v. Electric meter (where required by law);
 - vi. Grounding Equipment and a power transfer switch
- m) "Small Wireless Services" means commercial mobile radio services, unlicensed wireless services and common carrier wireless exchange access services as defined in the Telecommunications Act of 1996, and any amendments thereto, and any services that are provided to the public and that use licensed or unlicensed spectrum, whether at a fixed location or mobile and that use small wireless facilities;
- n) "Sight Line Representation" means a drawing in which a sight line is drawn from a street level view (viewpoint shall be approximately 4 feet above grade) within five hundred (500) feet of the SWF to the highest point (visible point) of the SWF. Each sight line shall be depicted in profile, drawn at one inch equals forty (40) feet unless otherwise specified by the Town. The profiles shall show all intervening trees and structures;

- o) "Site" means the subject property where a small wireless facility is located or proposed to be located.
- p) "Siting" means the method and form of placement of a small wireless facility on a specific area of a subject property pursuant to the provisions of this Section;
- q) "Subject Property" means all the specific rights-of-way upon which a small wireless facility is either proposed to be, or already is, developed, located, constructed or operated; and
- r) "Utility Pole" means a pole or similar structure that is used in whole or in part for communications services, electric distribution, lighting or traffic signals, but excludes a monopole.

3. General Requirements.

- a) In order to locate a SWF in the Town's rights-of-way, a Permittee must obtain or hold a Master License Agreement.
- b) No SWF may be developed, located, constructed or operated without an Administrative Small Wireless Facility Permit. An Administrative Small Wireless Facility Permit is also required for any modification to a SWF. The requirements to obtain an Administrative Small Wireless Facility Permit are more fully described in subsection 10 below.
- c) The process for an Administrative Small Wireless Facility Permit shall be:
 - i. Determination of a complete application by the Town Manager or designee. An application on a form prescribed by the Town shall be submitted (and the fee set forth in the Town of Paradise Valley Fee Schedule, as such may be amended from time to time, shall be paid) by the applicant at the time of submission of the application.
 - ii. Review of the proposed site by staff with a staff recommendation to Planning Commission regarding the proposed site or an alternate site within one hundred (100) feet that maintains the technical needs of the Applicant and blends with the existing built and natural environment.
 - iii. Review of the application by the staff to determine if the applicant is applying for compliance with the objective design standard, the alternate objective design standard or neither. An Applicant who chooses not to comply with the objective design and concealment standards or the alternative provided for herein shall follow the requirements for a special use permit for a new utility pole under the provisions of Article XI of the Town Zoning Ordinance which shall be processed within one hundred eighty (180) days after the filing of a complete application for a special use permit. All applications for monopoles within the Town rights-of-way shall be excluded from the Application process for SWFs and shall instead be subject to Article XI of the Town Zoning Ordinance.
 - iv. The Administrative Small Wireless Facility Permit application shall be forwarded to the Planning Commission for a review of the siting and the site specific design; the Commission shall then hold a public meeting to take

input from **interested parties, including the notified** property owners within five hundred feet of the selected site on matters pertaining to view-sheds, sightlines, blending of the site with existing built or natural environment, and compliance with the objective design standards or alternative objective design standard and any aesthetic concerns not otherwise addressed in the site specific design.

- v. The Commission shall either approve or deny an application within seventy-five (75) days of an Applicant having submitted a complete Application for a specific site; with any denials to specify the basis for the denial and specific parts of the Application that do not comply with the provisions of this Section. The Applicant may then seek to cure the deficiencies in the Application and resubmit the Application within thirty days of the denial. The Commission shall then meet and review the resubmittal within thirty days after having received the resubmittal to determine whether the deficiencies have been cured or not. If cured, the Commission shall approve the Application.
- d) The objective design standards for the Town that achieve reasonable stealth and concealment are:
 - i. Generally described as a twenty-four foot faux cactus; **or**
 - ii. ~~If an Applicant can demonstrate a technical reason why the specified faux cactus SWF will not provide coverage/capacity consistent with small wireless facility industry standards, an Applicant may request to locate on an alternate site of an~~ existing or replaced traffic signal pole or street light pole consistent with the ~~specifications~~ **specifications** noted below;
 - iii. If no existing or replacement utility pole exists, the Applicant may request a new SWF through the Town's Special Use Permit process outlined in Article XI of the Town's Zoning Ordinance.
- 4. Siting Standards. The following siting criteria apply to consideration of an Administrative Small Wireless Facility Permit for a SWF:
 - a) After an Applicant identifies an area to site a Small Wireless Facility, Town staff shall evaluate the area near the site with the Applicant to find the optimal location for the small wireless facility (said area to include the total area within a one hundred foot radius of the Applicant's preferred site, **provided that any staff-proposed alternate location does not substantially compromise the coverage and capacity of the proposed antenna**), with initial siting to be objectively chosen based on the following criteria:
 - i. Safety.
 - A. Sites should not be located within the Town's corner vision view triangle near street or driveway intersections so as to not be in areas where car accidents are more frequent, that is, near the intersection of streets;

- B. Sites should be spaced as far back from the sidewalk or street curb so as to not pose a hazard to bicyclists, pedestrians or vehicular traffic; and
 - C. In order to maintain a safe “fall zone” a SWF shall, **to the extent possible**, be set back from existing habitable structures on private property by a distance equal to the height of the top of the antenna structure, plus an additional ten feet.
- ii. Appearance.
- A. New SWFs shall be located in areas where they can blend into the existing built and natural environment, that is, in areas where existing trees and shrubs of size similar to the antenna height already exist and where the addition of the antenna to the built environment will least affect the view sheds from neighboring properties.
 - B. Depending upon the degree to which the SWF "blends with" or "disturbs" the setting, the subject property and its character and use, or neighboring properties and their character and use, the Commission may request that additional landscaping be installed as part of the approval. The SWF landscaping may include trees, mature vegetation, natural features or hardscaping within the rights-of-way area surrounding the SWF.
 - C. All equipment shall be located within the faux cactus structure to the greatest extent possible, and all other equipment shall be located underground or within a faux rock to the greatest extent possible. At no time is the “other equipment” to extend beyond the rights-of-way area.
 - D. No signage shall be placed on a faux cactus.
 - E. If equipment cabinets are deemed necessary by the Town, they shall be completely screened from view by a compatible wall, fence or landscaping consistent with the Town landscaping guidelines and consistent with this ordinance. Any utility meter associated with the SWF shall face away from the street or shall be camouflaged in some manner.
 - F. **To the extent allowed by law, the Commission shall consider the cumulative visual effects of SWFs and any mount, specifically their appearance or domination of the skyline, natural and structural features or terrain, in determining whether to approve an Administrative Small Wireless Facility Permit, provided that in no case does this subsection allow the complete rejection of a site within the fifty (50) foot radius of the preferred site.**
- iii. Form. The degree to which the shape of the SWF and any equipment shall relate to its surroundings.
- iv. Color. A SWF shall be in natural tones and a non-reflective color or color scheme appropriate to the background against which the SWF would be

viewed from a majority of points within its viewshed. "Natural" tones are those reflected in the natural features and structural background against which the SWF is viewed from a majority of points within its viewshed. Final colors and color scheme must be approved by the Planning Commission.

- ✓ Strength. Any SWF shall be designed to withstand the requirements related to wind loads in the most current building code adopted by the Town.
 - vi. ~~Cumulative Visual Effect. To the extent allowed by law, the Commission shall consider the cumulative visual effects of SWFs and any mount, specifically their appearance or domination of the skyline, natural and structural features or terrain, in determining whether to approve an Administrative Small Wireless Facility Permit.~~
 - b) Subsequent to staff review and recommendation of a selected site, said site, along with the original proposed site by the Applicant if said site differs from staff recommendation, shall be forwarded to Planning Commission as part of the Commission's review of the Administrative Small Wireless Facility Permit.
5. Design Standards and Aesthetics Mandate the Use of "Faux Cactus" SWFs. To maximize the concealment of SWFs, the first type of antenna and support structure to be considered shall be a faux cactus installation designed as follows:
- a) Shall utilize the Larson Camouflage model LCA-0-24-24 fiberglass antenna structure or equivalent, maximum twenty four foot tall from the ground or base;
 - b) Shall contain standard details, such as dimensions, colors and materials, the same as those used for the existing faux cactus installation throughout the Town (please refer to standard details provided in the application);
 - c) Shall be designed to the greatest extent possible to look like part of the natural environment, thus they shall not be placed in existing concrete such as a sidewalk nor shall concrete be placed around the base of the facility except as needed to anchor and support the structural elements of the SWF, with such concrete anchor to be hidden by earth, rocks, decomposed granite and the planting of two (2) trees and three (3) shrubs near the base or alternate landscape as approved by the Town.
 - d) All ground mounted equipment and connections shall be buried with the exception of the utility meter which shall face away from the street and the disconnect switch;
6. Alternative Design Standards Utilizing an Existing Utility Pole. ~~If an Applicant can demonstrate a technical reason why the specified faux cactus SWF will not provide coverage/capacity consistent with Small Wireless Facility industry standards, an~~ **An** Applicant may propose the use of **an existing** Utility Pole SWF installation, for which the following design and concealment criteria shall be used:

- a) If the selected Utility Pole is a traffic signal or street light, the existing traffic signal or street light shall be replaced with a new engineered street light or traffic signal pole design that has the appropriate structural support strength including any footing modifications to accommodate the height and weight of the antenna and equipment located within the replacement pole;
- b) The maximum height of the replacement pole shall not be more than six feet above the pre-existing height of the street light vertical pole or traffic signal vertical pole that it replaced (not including the mast arm);
- c) All antennas and “pole-mounted” equipment shall be within a cylinder or container (or within the replacement pole) that is within two (2) inches of the width or diameter of the adjoining utility pole, with said container width or diameter not to exceed twenty inches. The only protrusions or extensions from the pole shall be those that existed before the replacement pole, that is, in the case of street lights and traffic signals the mast arms or other supports for street lights, street name signs, and traffic signals;
- d) All wiring associated with the SWF shall be contained within the replacement pole or underground;
- e) All ground mounted equipment and connections shall be buried with the exception of the utility meter and the disconnect switch;
- f) Shall contain standard details, such as dimensions, colors and materials, the same as those used for the existing 56th Street and Lincoln traffic signal installation that is consistent with the standard details in the application.

7. Radiofrequency (RF) Performance and Interference Standards and Monitoring.

- a) To the extent allowed by law, the following radiofrequency (RF) maximum permissible exposure standards apply to consideration of an Administrative Small Wireless Facility Permit for a SWF, in addition to monitoring requirements as required in this Article:
 - i. All equipment proposed for a SWF shall meet the current FCC RF Guidelines and any amendments thereto (hereafter "FCC Guidelines");
 - ii. **Applicant shall provide graphics to illustrate RF radiation level in terms of percent of FCC Public and Occupational limits. For SWFs attached to utility poles or any other structures not owned by the Applicant, graphically shall illustrate in three dimensions the worst case exposure levels that exceed FCC limits for service personnel accessing the area near the SWF exposure zones. If the graphic illustration exceeds the FCC exposure limit in any area accessible to workers who would work on maintenance or repair to the traffic signals, lights, or utility wiring on the utility pole, a narrative must be supplied containing all the information required to provide an RF Safety plan to protect workers from RF exposure above the FCC limits.**

~~A. For all applications, a graphic shall illustrate RF exposure levels that may exceed the FCC limits in all areas that are readily accessible to~~

~~the public, including habitable structures. For SWFs attached to utility poles or any other structures not owned by the Applicant, graphically shall illustrate in three dimensions the worst case exposure levels that exceed FCC limits for service personnel accessing the area near the SWF exposure zones. If the graphic illustration exceeds the FCC exposure limit in any area accessible to workers who would work on maintenance or repair to the traffic signals, lights, or utility wiring on the utility pole, a narrative must be supplied containing all the information required to provide an RF Safety plan to protect workers from RF exposure above the FCC limits.~~

~~B. For SWFs attached to utility poles or any other structures not owned by the Applicant, graphically shall illustrate in three dimensions the worst case exposure levels that exceed FCC limits for service personnel accessing the area near the SWF exposure zones. If the graphic illustration exceeds the FCC exposure limit in any area accessible to workers who would work on maintenance or repair to the traffic signals, lights, or utility wiring on the utility pole, a narrative must be supplied containing all the information required to provide an RF Safety plan to protect workers from RF exposure above the FCC limits.~~

- b) Within ninety (90) days after FCC issuance of an operational permit for the SWF the Permittee shall submit a written report providing existing measurements and worst case predictions of RF power density levels from the SWF for:
 - i. Existing SWF: Report the maximum RF power density levels (spatially averaged per FCC Guidelines) measured in the areas identified as readily accessible to the public or workers;
 - ii. Existing SWF plus cumulative: Maximum estimate of RF power density levels (spatially averaged per FCC Guidelines) measured in the SWF RF environment to be inclusive of any other significant contributors to the RF environment (i.e. co-located SWF). Definition of “Significant Contributors” to be any contributor >5% of the FCC Public limit at any measurement location;
 - iii. Certification signed by a competent person stating that RF radiation measurements are performed with properly calibrated test equipment and meet FCC Guidelines.
- c) If FCC Guidelines are changed during the period of any Administrative Small Wireless Facility Permit for a SWF use, then the SWF shall be brought into compliance with such revised guidelines within the time period provided by the FCC; or if no time period is stated, then within sixty (60) days of the effective date of such guidelines.

- d) If at any time during the term of the permit the Town has reasonable evidence that the Permittee is not in compliance with FCC Guidelines, and the Town provides notice of such, the Permittee so notified shall provide to the Town, within thirty (30) days after such notice, an analysis and determination of its compliance with FCC guidelines showing the data collected and status pursuant to FCC Guidelines. If on review, the Town finds that the SWF does not meet FCC Guidelines, the Permittee shall immediately turn off the SWF and shall have sixty (60) days from the date of the Town's finding of noncompliance to bring the SWF into compliance. If compliance is not achieved in the sixty-day period, the Administrative Small Wireless Facility Permit may be revoked or modified by the Town.
- e) The Permittee shall ensure that the SWF does not cause localized interference with the reception of other FCC licensed services. If on review the Town finds that the SWF interferes with such reception, and if such interference is not cured by the Permittee within sixty (60) days after notice from the Town, the Town may revoke or modify the Administrative Small Wireless Facility Permit.

8. Noise and Environmental Standards.

- a) To the extent allowed by law, the following noise and environmental standards apply to consideration of an Administrative Small Wireless Facility Permit for a SWF in addition to the monitoring requirements of this Article:
 - i. A SWF shall not generate noise in excess of **the noise limits specified in Article 10-7 of the Town Code measured fifty (50) decibels (dba)** at ground level at the base of the facility closest to the antenna;
 - ii. ~~An~~**If an** environmental assessment is required by the National Environmental Policy Act (NEPA) for any SWF prior to commencing operations ~~where any~~**the Applicant shall specify which** of the following exist:
 - A. Wilderness area;
 - B. Wildlife preserve;
 - C. Endangered species;
 - D. Historical site;
 - E. Indian religious site;
 - F. FEMA designated flood plain;
 - G. **Other**
 - iii. **Where any of the above conditions exist, an**~~An~~ environmental assessment which, at a minimum, conforms to FCC requirements shall be submitted to the Town for each SWF where any of the above exists, and when the FCC requires such an environmental assessment to be submitted to the FCC. If the Applicant has determined that an environmental assessment is not

required pursuant to FCC rules, this Article and applicable state law and Town Code, a written certification to that effect must be submitted to the Town. ~~If an Applicant has not included an environmental assessment that the Town Manager finds to be necessary under the National Environmental Policy Act, the Town may prepare, or cause to be prepared, such an environmental assessment or reject the application as incomplete. The environmental assessment shall be amended or revised by the Applicant within thirty (30) days after notice to do so from the Town when modifications are made or occur on the SWF. Failure to amend or revise shall constitute grounds for revocation of the Administrative Small Wireless Facility Permit.~~

b) ~~Within ninety (90) days from the date of approval of the permit, the Permittee shall submit existing and maximum future projected measurements of noise from the SWF for the following:~~

- ~~i. Existing SWF: Maximum noise level from the SWF. These measurements shall be for the type of mounts specified in Subsection A of this section;~~
- ~~ii. Existing SWF plus cumulative: Maximum estimate of noise level from the existing SWF plus the maximum estimate of noise level from the total addition of co-located SWFs;~~
- ~~iii. Certification signed by an acoustical engineer stating that noise measurements are accurate and meet Subsection (b) of this section.~~

9. Co-Location and Limitations. Co-location of antennas and equipment is permitted and encouraged on approved SWFs. All proposed co-locators must also receive an Administrative Small Wireless Facility Permit for the use at such site from the Town.

10. Submittal Requirements.

- a) In addition to the information requested in the Town's Administrative Small Wireless Facility Permit application, the following items shall be required for a SWF application:
 - i. A master site plan showing the subject property and adjoining properties within one hundred (100) feet of the proposed SWF site including existing SWF, roads, sidewalks and driveways; all existing and proposed structures on the subject property and their purpose; the specific placement of the SWF antenna and equipment; fall zone; and all proposed changes to the existing site;
 - ii. A landscape plan showing the location of existing and proposed vegetation, trees and shrubs, identified by species and size of specimen in accordance with Town Landscape Guidelines. Said landscape plan shall be approved by the Planning Commission to ensure appropriate blending with the site;
 - iii. Photographs(or digital images), diagrams, photo simulations and sight line representations as listed below:
 - A. Aerial photograph showing SWF location;

- B. Elevations of antenna and associated equipment;
 - C. Sight line representation;
 - D. Existing (before condition) photographs of what can currently be seen from any adjacent residential buildings or properties, private roads and rights-of-way adjacent to the site;
 - E. Photo simulations of the proposed facility from each adjacent residential properties or buildings, private roads and public rights-of-way adjacent to the site (after condition photographs). Such photo simulations shall include, but not be limited to, each of the existing condition photographs with the proposed SWF superimposed on it to show what will be seen from residential buildings, properties, private roads and rights-of-way adjacent to the site **at the adjacent properties' property line**;
- iv. Design submittals as follows:
- A. Equipment brochures for the SWF such as manufacturer's specifications or trade journal reprints;
 - B. Materials of the SWF and faux cacti, replacement pole, faux rock, and camouflaged equipment shelter, if any, specified by generic type and specific treatment, such as painted fiberglass, anodized aluminum, stained wood, etc.;
 - C. Colors represented by samples or a color board showing actual colors proposed;
 - D. Dimensions of all equipment specified for all three dimensions: height, width and breadth;
- v. Evidence of permission to use utility pole by owner if SWF is to be located on an existing or replacement utility pole;
- ~~vi. To the extent allowed by law, radiofrequency (RF) radiation performance submittals shall include reports and graphics as required by Subsection 7, Radiofrequency (RF) Performance and Interference Standards and Monitoring;~~
- ~~vii. To the extent allowed by law, noise performance submittals shall include a statement of the existing and maximum future projected measurements of noise from the proposed SWF measured in decibels (logarithmic scale, accounting for greater sensitivity at night) for the following:~~
- ~~A. Existing or ambient: the measurement of existing noise at the proposed site;~~
 - ~~B. Existing plus proposed SWF: maximum estimate of noise from the proposed SWF plus the existing noise environment;~~
 - ~~C. Existing plus proposed SWF plus cumulative: maximum estimate of noise from the proposed SWF plus the maximum estimate of noise from the total addition of co-located SWFs plus the existing noise environment;~~

~~D. Certification signed by an acoustical engineer stating that noise measurements are accurate and meet the noise performance standards section of this Article;~~

viii. **If the Applicant determines that an environmental assessment is not required, certification to that effect shall be provided.** To the extent allowed by law, environmental submittals shall include an environmental assessment if required in the environmental standards section of this ordinance. ~~If the Applicant determines that the environmental assessment is not required, certification to that effect shall be provided.~~

b) The Town shall have twenty (20) days to deem the application complete. A complete application will have all submittals listed in this subsection and each submittal shall fulfill the stated requirements.

11. Permit Limitations and General Conditions.

a) An Administrative Small Wireless Facility Permit shall expire ten (10) years after the date of approval. A Permittee desiring to continue the use at the end of the ten-year period must apply for a renewal at least six months prior to its expiration. In ruling on the renewal the Planning Commission shall apply all then-existing regulations affecting the application.

b) The Administrative Small Wireless Facility Permit shall become null, void and non-renewable if the permitted facility is not constructed and placed into use within one hundred eighty days after the issuance date unless extended by agreement of the Town and the Applicant or a delay is caused by a lack of commercial power at the Site.

c) The permit shall expire and the Permittee must remove the SWF and all associated equipment and wiring and restore the site to its original condition leaving the approved landscaping if the license agreement with the Town expires or is void due to breach or other cause. A Permittee shall notify the Town in writing at least thirty (30) days prior to abandonment or discontinuance of operation of the SWF.

d) If the Administrative Small Wireless Facility Permit expires, terminates, is abandoned or revoked for any reason pursuant to this Article or the Town Code, if removal of the SWF is required in this Article, or if the use is discontinued pursuant to this Article, the SWF shall be removed as required by the terms of the License agreement between the Town and the Permittee. For purposes of this subsection, abandoned shall mean not in use for SWF functions for ninety (90) days.

e) The Permittee shall maintain the SWF to standards that are imposed by the Town at the time of granting of a permit. Such maintenance shall include, but shall not be limited to, maintenance of the paint, structural integrity and landscaping. If the Permittee fails to maintain the facility, the Town may undertake the maintenance at the expense of the Permittee or terminate or revoke the permit, at its sole option. If such maintenance expense is not paid by

the Permittee within thirty (30) days of notice by the Town, the Permittee agrees that the Town's costs shall constitute a lien upon any personal property of the Permittee installed with the Town's rights-of-way.

- f) An Administrative Small Wireless Facility Permit granted to a Permittee is specific to the Permittee and may not be assigned, provided, however, that the Permittee may assign its interest in the permit to any subsidiary or other affiliate of the Permittee. In the event of such assignment, the assignee shall re-execute through Town Manager or designee the Administrative Small Wireless Facility Permit and Master License Agreement within ninety (90) days of the effective date of the assignment or the permit shall automatically expire.
- g) Any violation of the terms of this Article or the Administrative Small Wireless Facility Permit may result in revocation by the Town of the Administrative Small Wireless Facility Permit. Acceptance of any portion of the Administrative Small Wireless Facility Permit is acceptance of the entire Administrative Small Wireless Facility Permit and the terms of this Article.
- h) Within ninety (90) days after issuance of the FCC operational permit, the Permittee shall provide a copy of such permit to the Town and register the SWF, providing information and data as may be requested by the Town. Any change in the permit or registration data shall be filed with the Town within thirty (30) days after the change is made. The Permittee shall submit to the Town a copy of all current applicable FCC licenses by call sign prior to the Town's approval of final inspection of a building permit for the SWF or portion thereof.

12. Applicability. The requirements of this ordinance apply to all new SWFs in the rights-of-way and modification of any existing SWFs.

Section 2. If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the Town 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 3. This ordinance shall become effective in the manner provided by law.

PASSED AND ADOPTED by the Mayor and Council of the Town of Paradise Valley, Arizona, this ____ day of February 2018.

Michael Collins, Mayor

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew M. Miller, Town Attorney



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 18-028



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 18-029



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 18-027



Action Report

File #: 18-031

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager

DATE: January 11, 2018

DEPARTMENT: Town Manager

AGENDA TITLE:

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

RECOMMENDATION:

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

SUMMARY STATEMENT:

Each year the Town of Paradise Valley hosts a vintage car show benefiting Arizona's military families. This year approximately \$9,616 was raised. Representatives from the Car Show committee and the Sentinels of Freedom and the Military Assistance Mission will be present at the January 11, 2017 meeting for the presentation of the checks.

BUDGETARY IMPACT:

None.



Action Report

File #: 18-010

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager

DATE: January 11, 2017

DEPARTMENT: Town Manager

AGENDA TITLE:
Speak Up, Stand Up, Save a Life Month

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☒ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Council Goals or Statutory Requirements:

RECOMMENDATION:

Staff recommends that the proclamation is approved

SUMMARY STATEMENT:

This Proclamation is for the Speak Up, Stand Up, Save a Life Month

ATTACHMENT(S):

Proclamation Speak Up, Stand Up, Save a Life Month

Proclamation

***WHEREAS,** the Speak Up, Stand Up, Save a Life movement presents an ideal opportunity to help bridge the gap between our local community, government, and law enforcement in a positive way; and*

***WHEREAS,** our local schools are facing unnecessary tragedies where warning signs are placed on social media or observed in person, but are not being reported as serious threats or cries for help; and*

***WHEREAS,** our youth need to be empowered to report concerning posts or comments to law enforcement or school representatives, and to help spread the message that it is okay to care enough to speak up, stand up and save a life; and*

***WHEREAS,** more than 3,000 students from 300 Arizona schools will learn the message and create communication programs in their schools and communities.*

***NOW, THEREFORE,** I, Michael Collins, Mayor of the Town of Paradise Valley, do hereby recognize January 2018 as*

Speak Up, Stand Up, Save a Life Month

and ask all residents to join me in encouraging youth to take action when their peers are in need and partnering with local leaders in simple, life-changing interventions.

***IN WITNESS WHEREOF,** I have set my hand and caused to be affixed the seal of the Town of Paradise Valley this 11th day of January, 2018.*

Michael Collins, Mayor

Attest:

Duncan Miller, Town Clerk



Action Report

File #: 18-016

TO: Mayor Collins and Town Council Members

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

DATE: January 11, 2018

DEPARTMENT: Town Manager

AGENDA TITLE:
Mummy Mountain Preserve Trust Annual Update

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☒ Preserving natural open space

Council Goals or Statutory Requirements:
Preserving Natural Open Space

RECOMMENDATION:
Receive and file the Mummy Mountain Trust Annual Update

SUMMARY STATEMENT:

Mummy Mountain Preserve Trust Chair Joan Levinson will provide an update on the Trust's activities.

BUDGETARY IMPACT:
No budgetary impact.

ATTACHMENT(S):
PowerPoint Presentation

TOWN OF PARADISE VALLEY

Mummy Mountain Preserve Trust Update Our 20th Year!

**Joan Levinson, Chair
January 11, 2018**



Mummy Mountain

“To preserve what cannot be replaced by man.”



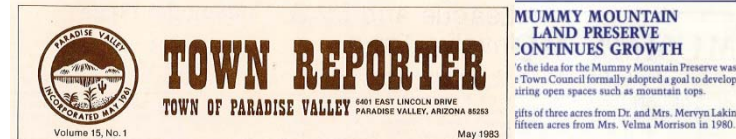
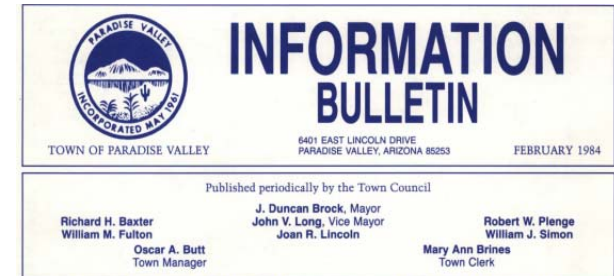
In 1997 Resolution #923 established the Mummy Mountain Preserve Trust to continue the 1976 goal of acquiring open space on Mummy Mountain...

THE FAMILY CIRCUS, By Bil Keane



History

- In 1976 Town formally adopted a goal to acquire open space on Mummy Mountain, the only mountain entirely located in Paradise Valley
- First donation made in 1978
- In 1983 Council was told it would cost \$15 million to acquire 300 acres on top of the mountain (\$50,000/acre)
- In 1997 the Mummy Mountain Preserve Trust was created



Mummy Mountain Preserve

On March 24 Mr. Foorman Mueller presented to Mayor Brock the deed to 33 acres on the top of Mummy Mountain donated to the Town by Burns Investment Opportunities, Inc. The land is to be maintained in a natural and wilderness state forever with no access, usage or trespass allowed.

With the acquisition of this parcel there are now a total of 84 acres in the Mummy Mountain Preserve. Initially a 33 acre parcel was donated to Maricopa County as a bird sanctuary by G.B. McKinley. Then the Town was given 3 acres by Dr. and Mrs.

Mervyn Lakin in September 1978, and Mrs. Velma Morrison donated 15 acres on December 4, 1980.

Last September Mr. Mueller was appointed by Mayor Brock to study the feasibility of acquiring land on Mummy Mountain for a mountain preserve. At that time the Council placed a six month moratorium on the recordation of any new subdivisions on the mountain, and Mr. Mueller was charged with completing his study and reporting to the Council before the moratorium ended. At the conclusion of his assignment Mr. Mueller reported to the Council

that the approximate value of the 300 acres on the top of Mummy Mountain was \$15,000,000. In addition to the 33 acres from Burns, Mr. Mueller has received a letter from Philip F. Schneider, Jr. and W.A. Franke, the owners of approximately 36 acres on Mummy Mountain, which includes a portion of the mountain top, stating that they are seriously considering the possibility of donating a portion of their property, including the mountain top, to the Town. Mr. Mueller suggested the program be expanded beyond gifts of property on the mountain itself to gifts of property any place within the Town. Burns Investment has also given the Town an option to purchase 12 of the uppermost lots in La Place du Sommet at their fair market value until January 13, 1984. Mr. Mueller suggested that a property gift without restrictions which the Town could subsequently sell, as well as cash donations, would provide funds to purchase one or more of the 12 lots.

Mr. Mueller also advised the Council that he had received assurance of private funding by neighbors to repair the scarring on the south side of Mummy Mountain at Glen Drive. He will move along as quickly as all of the details can be put together. The Town of Paradise Valley is very proud of Foorman Mueller, and all citizens owe him a great debt of gratitude.

MUMMY MOUNTAIN LAND PRESERVE CONTINUES GROWTH

The idea for the Mummy Mountain Preserve was the Town Council formally adopted a goal to develop existing open spaces such as mountain tops.

Gifts of three acres from Dr. and Mrs. Mervyn Lakin fifteen acres from Mrs. Velma Morrison in 1980.

3-acre parcel was donated to Maricopa County by Dr. and Mrs. Mervyn Lakin in 1978. That land, designated as a bird sanctuary, was annexed to the Town.

1983 Burns Investment Opportunities, Inc. gave 33 acres of Mummy Mountain to the Town, making the total 84 acres in the Mountain Preserve. Negotiations underway to obtain additional acreage through

the Town Council would like to acquire the entire top of the mountain, approximately 300 acres in all, including the 84 mentioned above. That land will have to be donated to or purchased by the Town. A Bank has been established for this purpose.



Left to right: Joe Adams, Burns Investment; Mayor J. Duncan Brock, Town Manager; Oscar A. Butt, Foorman Mueller, Chairman Mountain Preservation Committee.

Purpose

Acquire, maintain, preserve and protect in perpetuity undeveloped and developed property that can be returned to its natural state, and conservation easements on and around the mountain areas in the Town of Paradise Valley.

Trust operates as 501©(3) charitable organization



Mummy Mountain Preserve Trust

Board of Directors

Name	Member Since
• G. Bernard Barry	• 2003
• Ron Clarke	• 2012
• Joan Levinson	• 2005
• Fred Pakis	• 2005
• Phil Schneider	• 2005
	• 2010

Historically, five Trustees appointed by the Mayor & confirmed by the Council serve three-year staggered terms



Powers and Duties

- Accept donations of land (not just on Mummy Mountain), cash, investments, and other assets
- Land maintained in its natural state in perpetuity
- Land may not be sold, traded, re-designated, leased, or subleased
- No access or use of Mountain Preserve land shall be permitted (police and utility exception)
- Trust may inspect, review, and monitor property
- May undertake cleanup of property



Mountain Preserve

- Of the 320 acres originally identified, approximately 235 acres are now in the Preserve
 - 195-acres in fee title
 - 40-acres conservation easement
- Trust is working to identify land on Camelback Mt & Phoenix Mountain Preserve for preservation

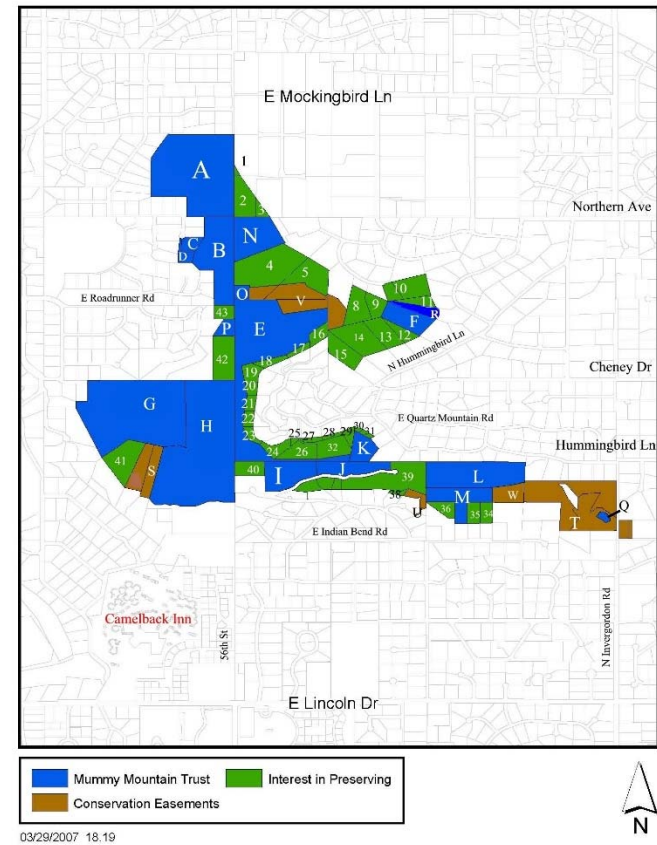


Donations

Year of Donation	Donor	Address	Acres Donated	Parcel	Map Key
2006	DC Paradise LLC	5800 E. Foothill Drive	10 Conservation Easement	169-04-030B	V
2005	Robert and Carole Griego	6134 E. Indian Bend Road	2.98 acre Conservation Easement	169-01-007T	W
2005	Anthony and Jeanne Pavio	7040 N 59 th Pl	1.02 acre Conservation Easement	169-55-040A	U
2003	Stewart Title and Trust	244 W. Osborn Rd, Phx	1.5	169-06-102	C
2003	Donahoe (settlement) Technically not in the Trust. The Town will control the easements until development issues are resolved.		.45 acres in title 19.67 in Conservation Easement plus additional easements	169-01-003F 169-01-003C, D, G	T
2002	Lyle and Nancy Campbell	7837 N. 54 th Place	1.21	169-06-073	D
2001	Curtis and Celeste Dickman	5526 E. Roadrunner Rd	1.5	169-54-030C	P
2000	Richard and Carole Kraemer	5843 E. Foothills Drive North	9.5	169-04-029B	N
1999	David and Jill Christenholz	5800 E. Foothill Drive	1.157	169-04-030A	O
1999	Maricopa County		31	168-76-001B	A
1997	Morris Gilburne (settlement)	5700 Glen Drive	11.5 (purchased through condemnation)	169-55-038A 169-55-038B	I & J
1993	Philip and Nancy Schneider		5.80	169-01-007W	M
1993	William Franke		13.92	169-01-007Q	L
1989	Camelback Inn		41.71	169-06-007F	H
1989	Francis Trecker Trust	7100 Mummy Mountain	6 Conservation Easement	169-06-008 L 169-06-008 M	S
1987	Jack and Diane Peterson		.25 Conservation Easement		
1986	Carl Yarbrough		.301	169-04-009	R
1984	Michael D. Greenbaum		28.36	169-06-003H	G
1983	La Place du Sommet LLC		32	169-02-022B	E
1978	Mervyn and Lorraine Lakin		3.10	169-02-004Q	K
	Steer		5.21	169-04-008A	F
	Morrison		15.09	169-06-004E	B



Mummy Mountain Preserve Trust



Current and Future Activities

- Trust Document – Organizational Changes
 - Rename and rebrand to Paradise Valley Mountain Preserve Trust
 - Increase members from 5 to 7
 - Amend terms of office to start April 1



Donation Outreach Efforts

- Update property interest & ownership lists
- Develop Donation Process Guide
 - Suggested Appraisers
 - Tax opinion letter
 - Information on future development rights after donation

POTENZA CPA, P.C.

JANE K. POTENZA, CPA

February 13, 2013

Mr. Frederick Palis
8115 N. Mohave Road
Paradise Valley, Arizona 85253

RE: Qualified Conservation Contribution Update

Dear Fred:

Considering the recent tax increases that have impacted high net worth individuals, we thought it would be appropriate to update you on the current status of the Mummy Mountain Preserve Trust. The Act of 2012 ("the 2012 Taxpayer Relief Act") extended the enhanced charitable contribution deduction (100% for qualified farmers, ranchers, and other charitable contributions with a 15-year carryover period) for two years to apply to such contributions made effective for tax years beginning before December 31, 2005, and revised limitation and enhanced carry forward rules encourage qualified conservation contributions.

The special income tax incentives extended by the 2012 Taxpayer Relief Act extended the enhanced charitable contribution deduction (100% for qualified farmers, ranchers, and other charitable contributions with a 15-year carryover period) for two years to apply to such contributions made effective for tax years beginning before December 31, 2005, and revised limitation and enhanced carry forward rules encourage qualified conservation contributions.

Generally, the total of all charitable contributions deducted in a year cannot exceed 30% of the individual's adjusted taxable income, computed without regard to the deduction or to any net operating loss carryback. However, in a limited number of cases, qualified conservation contributions are not subject to the 30% limitation. For example, in the case of a qualified conservation contribution above the 30% limitation, the deduction of up to 50% of adjusted taxable income. Qualified conservation contributions may be carried forward for 15 years.

1001 NORTH TOWN SQUARE
SUITE 1000
PHOENIX, ARIZONA 85008
TEL: 602.955.1234
FAX: 602.955.1234
WWW.POTENZA.CPA.PC

TOWN ATTORNEY LEGAL MEMORANDUM

TO: Mummy Mountain Preserve Trust (MMPT) Members
FROM: Andrew M. Miller, Town Attorney
SUBJECT: Different Impacts of Donating Fee Title as Compared to a Conservation Easement
DATE: April 1, 2016

Members of the MMPT, I was asked to provide a brief summary of the differences between a donation of property in fee title to the MMPT as compared to the donation of a conservation easement. I have listed those differences below. Please also note that the interpretations that rely on the Zoning Ordinance have been reviewed with the current Community Development Director/Zoning Administrator, Eva Cutro, who is in full accord with the items noted below.

Donation of Fee Title:

- May have a larger valuation for tax deduction purposes as all rights in the property being donated are now transferred to the MMPT
- Removes the donated area from the property tax rolls for the property; thereafter the MMPT will receive a property tax bill for that area (which I request a non-profit exemption for each year)
- The donated area cannot be used for certain "land use rights" on the remainder of the donating owner's property, that is, for FAR, setback, and disturbance area calculations (see the contrasting land use rights for conservation area donations noted below)

Donation of a Conservation Easement

- May have a lesser valuation for tax deduction purposes (appraisals are actually secured by the owner who donates the conservation easement, not the MMPT)
- Does not remove the part donated from the tax rolls but arguably has a reduced land value for the property as a whole; owner needs to raise with the Assessor
- The donated "conservation easement area" can be used for "land use rights" on the remainder of the donating owner's property, that is, for FAR calculations, setback measurements, disturbance area, and other uses, but cannot be occupied or "developed" by the owner of the remainder of the parcel
- Actual construction on, access to, or rights to occupy the conservation easement area would not be allowed on the conservation easement area

Please advise if you have additional questions or would like to see additional research or examples of the application of the land use rights noted above on a sample lot plan or other exhibit.



Recognition of Donors

THE FAMILY CIRCUS By Bil Keane



- Create an “art piece” on Town-owned property recognizing people and organizations for donations of land and money to the Trust

*Thank
you* 



Questions?





Action Report

File #: 18-009

TO: Mayor Collins and Town Council Members

FROM: Timothy Gomez, Executive Assistant

DATE: December 21, 2017

DEPARTMENT: Town Manager

AGENDA TITLE:
Kevin Burke's ICMA 25 Year Service Award

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☒ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

The Town of Paradise Valley hires professionals within their fields thus enabling effective limited governance, creating a sense of community and creating a brand.

Council Goals or Statutory Requirements:

RECOMMENDATION:

Staff recommends that the proclamation is approved

SUMMARY STATEMENT:

This Proclamation is Kevin Burke's ICMA 25 Year Service Award

ATTACHMENT(S):

Proclamation Kevin Burke's ICMA 25 Year Service Award

Proclamation

WHEREAS, *beginning in December 1992, Kevin Burke began as the Town Administrator in West Tawakoni, Texas; and*

WHEREAS, *from 1992 to 2008, Kevin Burke also served as City Manager of Wellington, Colorado, Director of Administration in Littleton, Colorado and Deputy City Manager of Boulder, Colorado; and*

WHEREAS, *from 2008 to 2015, Kevin Burke served as the City Manager of Flagstaff, Arizona; and*

WHEREAS, *from 2015 to present, Kevin Burke has served as the Town Manager for Paradise Valley; and*

WHEREAS, *Town Manager Burke has shown a dedication to the concepts of effective and democratic leadership in local government, and has affirmed the dignity and worth of the services rendered by government; and*

WHEREAS, *Town Manager Burke has demonstrated, by word and action, the highest standards of ethical conduct and integrity in his public, professional and personal relationships; and*

WHEREAS, *Town Manager Burke was recognized by the International City/County Manager's Association for his twenty five years of service.*

NOW, THEREFORE, I, Michael Collins, Mayor of the Town of Paradise Valley, do hereby recognize

Kevin Burke's Twenty Five Year Service Award

for his outstanding service to the residents of the Town of Paradise Valley as well as to the profession of municipal government management.

IN WITNESS WHEREOF, *I have set my hand and caused to be affixed the seal of the Town of Paradise Valley this 11th day of January, 2018.*

Michael Collins, Mayor

Attest:

Duncan Miller, Town Clerk



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Action Report

File #: 18-033



**TOWN COUNCIL MEETING
6401 E. LINCOLN DRIVE
PARADISE VALLEY, ARIZONA 85253
MINUTES
Thursday, December 7, 2017**

1. CALL TO ORDER / ROLL CALL

Mayor Collins called to order the Town Council Meeting for Thursday, December 7, 2017 at 4:15 p.m. in the Town Hall Boardroom.

COUNCIL MEMBERS PRESENT

Mayor Michael Collins
Vice Mayor Jerry Bien-Willner
Council Member Paul Dembow
Council Member Scott Moore
Council Member Julie Pace
Council Member David A. Sherf

Council Member Mark Stanton was not present

STAFF MEMBERS PRESENT

Town Manager Kevin Burke
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Police Chief Peter Wingert
Deputy Town Manager Dawn Marie Buckland
Public Works Director Brent Skoglund
Senior Planner Paul Michaud
Engineering Services Analyst Jeremy Knapp

2. STUDY SESSION ITEMS

17-426 Governance - Discussion #7 / Remaining Items

The Town Council continued its discussion of appointments to committees, commissions, and boards. Mayor Collins offered a proposal that would require the Mayor to submit a plan to Council at the beginning of each year detailing the recruitment, interview, and appointment process. It was hoped that this process would provide predictability and transparency while also giving the Council input and/or oversight regarding the annual appointment process.

Note: Minutes of Town Council meetings are prepared in accordance with the provisions of Arizona Revised Statutes. These minutes are intended to be an accurate reflection of action taken and direction given by the Town Council and are not verbatim transcripts. Video recordings of the meetings along with staff reports and presentations are available online and are on file in the Office of the Town Clerk.

There was Council consensus to proceed with the proposal for 2018 for both annual appointments and mid-term vacancies. There was further consensus to hold a special meeting on Tuesday, January 9, 2018 at 4:00 PM to review the Mayor's plan. The Council directed the Town Clerk to advertise for the two vacancies on ACOPS and one vacancy on the Planning Commission.

17-428 Review of Contract Proposal for a Single Trash Hauler

Town Manager Kevin Burke presented the proposed license agreement for a single trash hauler. The Council asked staff to obtain additional information regarding service rates, taxes, and fees; and quantify safety improvements that would result from having fewer trash trucks on Town streets.

There was Council consensus to hold a public meeting and possible vote on January 25, 2018. Staff was directed to take additional steps to advertise the meeting and solicit public input. Mr. Burke stated that the contract terms and conditions would be published on the Town's website, ½ page ads would be placed in the Town of Paradise Valley Independent Newspaper, notifications would be posted on the Town's various social media platforms, and emails would be sent to multiple distribution lists.

Mayor Collins recessed the meeting at 6:09 PM

3. EXECUTIVE SESSION

17-412 The Town Council may go into executive session at one or more times during the meeting as needed to confer with the Town Attorney for legal advice regarding any of the items listed on the agenda as authorized by A.R.S. §38-431.03(A)(3).

No action was taken on this item.

4. BREAK

5. RECONVENE FOR REGULAR MEETING

Mayor Collins reconvened the meeting at 6:17 PM

6. ROLL CALL**COUNCIL MEMBERS PRESENT**

Mayor Michael Collins
Vice Mayor Jerry Bien-Willner
Council Member Paul Dembow
Council Member Scott Moore
Council Member Julie Pace
Council Member David A. Sherf

Council Member Mark Stanton was not present

STAFF MEMBERS PRESENT

Town Manager Kevin Burke
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Police Chief Peter Wingert
Deputy Town Manager Dawn Marie Buckland
Public Works Director Brent Skoglund
Senior Planner Paul Michaud
Engineering Services Analyst Jeremy Knapp

7. PLEDGE OF ALLEGIANCE*

Mayor Collins led the Pledge of Allegiance.

8. PRESENTATIONS***17-431 Mummy Mountain Preserve Trust 20 Year Anniversary**

Mayor Collins presented a proclamation to Mummy Mountain Preserve Trust Boardmember Phil Schneider recognizing the Preserve Trust's 20th Anniversary. Mr. Schneider thanked the Council and made additional comments.

17-411 Planning Commission Update

Planning Commission Chair Daran Wastchak presented the annual update and accomplishments of the Commission. He responded to questions from the Council.

9. CALL TO THE PUBLIC

There were no public comments.

10. CONSENT AGENDA

Mr. Burke summarized the items on the Consent Agenda. Council Member Dembow requested to remove item 17-427.

17-414 Minutes of Town Council Meeting November 16, 2017

A motion was made to approve the Consent Agenda with the exception of item 17-427. The motion carried by the following vote:

Aye: 6 - Mayor Collins
Vice Mayor Bien-Willner
Council Member Dembow
Council Member Moore
Council Member Pace
Council Member Sherf

Absent: 1 - Council Member Stanton

17-427 Resolution 2017-23 Managerial and Minor Amendment Fees for Schools, Government Buildings, and Places of Worship

Recommendation: Adopt Resolution 2017-23 approving the reduction in fees for managerial and minor amendments for schools, government buildings, and places of worship

The Council requested an opportunity to revisit the policy decision to discount Special Use Permit fees for schools, churches, and government buildings.

A motion was made by Council Member Moore, seconded by Council Member Dembow, to continue Resolution 2017-23 to a future meeting. The motion carried by the following vote:

Aye: 6 - Mayor Collins
Vice Mayor Bien-Willner
Council Member Dembow
Council Member Moore
Council Member Pace
Council Member Sherf

Absent: 1 - Council Member Stanton

11. PUBLIC HEARINGS

There were no public hearings.

12. ACTION ITEMS**17-415 2018 Legislative Agenda**

Deputy Town Manager Dawn Marie Buckland reviewed the 2018 Legislative Agenda. There were no further amendments or public comment.

A motion was made by Council Member Sherf, seconded by Council Member Dembow, to adopt Resolution 2017- 22 approving the 2018 Legislative Agenda The motion carried by the following vote:

Aye: 6 - Mayor Collins
Vice Mayor Bien-Willner
Council Member Dembow
Council Member Moore
Council Member Pace
Council Member Sherf

Absent: 1 - Council Member Stanton

17-416 Cancellation of December 21, 2017 Council Meeting

The Council discussed cancelling the December 21, 2017 regular meeting. There was consensus to cancel the meeting so long as the governance discussion topic would be scheduled on the January 9th study session and the January 11th meeting, if necessary.

A motion was made by Council Member Pace, seconded by Vice Mayor Bien-Willner, to cancel the December 21, 2017 regular Council meeting. The motion carried by the following vote:

Aye: 6 - Mayor Collins
Vice Mayor Bien-Willner
Council Member Dembow
Council Member Moore
Council Member Pace
Council Member Sherf

Absent: 1 - Council Member Stanton

13. FUTURE AGENDA ITEMS

Mr. Burke summarized the items on the future agenda schedule. He stated that the Council had agreed to hold a special meeting on January 9, 2018 at 4:00 PM to discuss the recruitment and interview process for committees, commissions, and boards, and governance. He announced that the public meeting and possible vote on the single hauler trash collection agreement would be held on January 25, 2018.

Council Member Sherf departed the meeting at 7:20 PM.

The Council posed process questions about the identification and budget prioritization of capital projects in general, and the Doubletree Ranch Road improvement project between Invergordon Rd and Scottsdale Rd specifically. The Council suggested to the Town Manager that contracts approved by the Council not be executed until after the following Council meeting so that the Council could exercise its option to reconsider the contract without monetary penalties.

A motion was made by Council Member Pace, seconded by Council Member Moore, to discuss the capital improvement project prioritization and budgeting process in general, and the Doubletree Ranch Road improvement project specifically. The motion carried by the following vote:

Aye: 5 - Mayor Collins
Vice Mayor Bien-Willner
Council Member Dembow
Council Member Moore
Council Member Pace

Absent: 2 - Council Member Sherf
Council Member Stanton

14. MAYOR / COUNCIL / MANAGER COMMENTS

Council Member Pace announced that Chief Wingert and other officers and Police Volunteers would participate in the Special Olympics fundraiser "Over the Edge" this weekend.

Council Member Dembow announced that the Annual Car Show event raised approximately \$10,000 for charities benefitting Arizona military families.

Vice Mayor Bien-Willner reported that he attended the MAG Regional Council during which a 9th Circuit Court of Appeals ruling on Clean Air Regulations was discussed.

Mayor Collins recessed the meeting at 7:30 PM.

15. STUDY SESSION CONTINUED

17-426 Governance - Discussion #7 / Remaining Items

The Council discussed the following governance topics:

- Conflict of interest policy
- Ethics policy
- Training for members of land use committees
- Sequence regarding variances versus Hillside Building Committee

There was Council consensus to modify the Town's existing conflict of interest acknowledgement statement to include a preamble and explanatory scenarios. The document would be given to all elected and appointed officials and training would be provided every two years. It was agreed that the Town Attorney would continue to be responsible for rendering opinions on conflicts of interest. The Town Attorney would use his or her discretion to refer it to outside counsel.

The Town Attorney was tasked to work with Council Member Pace to amend the Town Council Ethics Policy. There was discussion about clarifying exactly what behavior was being regulated.

There was consensus to create a common curriculum of training materials for the land use committees. The Town Attorney and Council Member Moore agreed to work on a training manual. A full day training course would be required for committee members taught by an outside expert, such as the City Attorney for Marana.

Mayor Collins departed the meeting.

The Council discussed the sequence for hearing applications requiring decisions from both the Hillside Building Committee and the Board of Adjustment. It was agreed not to change the current process of requiring a variance first. The discussion focused on processes and tools to improve hillside building safety. Development of a safety check list was suggested that would allow staff and the developer to identify safety concerns at the outset. Staff was directed to develop recommendations and report back to Council.

16. ADJOURN

A motion was made by Council Member Dembow, seconded by Council Member Moore, to adjourn. The motion carried by the following vote:

Aye: 4 - Vice Mayor Bien-Willner
Council Member Dembow
Council Member Moore
Council Member Pace

Absent: 3 - Mayor Collins
Council Member Sherf
Council Member Stanton

Vice Mayor Bien-Willner adjourned the meeting at 8:56 p.m.

TOWN OF PARADISE VALLEY

SUBMITTED BY:

Duncan Miller, Town Clerk

STATE OF ARIZONA)
COUNTY OF MARICOPA) :ss.

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, December 7, 2017.

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 #: 18-018

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Dawn Marie Buckland, Deputy Town Manager

DATE: January 11, 2018

DEPARTMENT: Finance

AGENDA TITLE:

Adoption of Resolution Number 2018-01: Accepting the FY2017 Comprehensive Annual Financial Report (CAFR) and Associated Financial Reports a.k.a. the Annual Audit

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☒ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Ensures proper recording of Town revenues and expenditures

Council Goals or Statutory Requirements:

Long term balanced financial plan

RECOMMENDATION:

Adopt Resolution Number 2018-01: Accepting the FY2017 Comprehensive Annual Financial Report (CAFR) and Associated Financial Reports.

SUMMARY STATEMENT:

The accounting firm of CliftonLarsonAllen LLP conducted the annual financial audit and concluded the Town's financial statements present fairly in all material respects, the financial positions of the governmental activities, each major fund, and the aggregate remaining fund information for the Town of Paradise Valley. The Town received a clean audit report, except that the Town recorded the PSPRS unfunded pension liability as a prepaid expense in error. This was corrected, and the Town Council approved a budget adjustment to correlate with the updated recording of the expense.

As part of the scope of work, the auditor was to conduct an "Independent Accountants' Report on Applying Agreed-Upon Procedures" for the Paradise Valley Municipal Court. This triennial requirement of the Arizona Supreme Court reviews certain procedures of the Municipal Court for compliance with set standards. Attached please find a copy of that report and the Courts correspondence with the Supreme Court on measures taken to reconcile the non-compliance items. You will also find within the Auditor's letter a copy of the "Agreed-Upon Procedures." Please note the sample size for this audit is extremely small given the number of transactions that occur in the PV Municipal court.

BUDGETARY IMPACT:

Ensures proper recording of the Town revenues and expenditures

ATTACHMENT(S):

PowerPoint

Resolution 2018-01

Audit Results

Comprehensive Annual Financial Report (CAFR)



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Town Council and Senior Management
Town of Paradise Valley, Arizona
Paradise Valley, Arizona

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise Valley, Arizona (Town) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis.

Material weaknesses

We consider the following deficiency in the Town's internal control to be a material weakness.

During the course of our audit, we proposed a material audit adjustment to properly expense a contribution made to the Public Safety Personnel Retirement System pension plan that was recorded as a prepaid expense in error. On June 25, 2017 management wire transferred \$5.0 million to prefund the Public Safety Personnel Retirement System's unfunded pension liability with a settlement date of June 30, 2017. The Town intended to transfer the funds to PSPRS and record an expense in fiscal year 2017-18; however, because the payment was made prior to fiscal year end and was transferred to prefund an outstanding liability, the payments should have been recorded as a governmental fund expenditure in the year the transfer occurred.

We recommend the Town review its internal control policies and procedures to ensure that transactions at or near year-end are investigated and recorded in accordance with GAAP.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Town personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

* * *

This communication is intended solely for the information and use of management, Town Council, and others within the Town, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
November 28, 2017



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Town Council and Senior Management
Town of Paradise Valley, Arizona
Paradise Valley, Arizona

We have examined the Town of Paradise Valley, Arizona's (Town) compliance as to whether expenditures made during the fiscal year ended June 30, 2017, from Highway User Revenue Fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town were used solely for the authorized transportation purposes prescribed in Article IX, §14, of the Arizona Constitution. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town of Paradise Valley, Arizona complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2017.

This report is intended solely for the information and use of the Mayor, Town Council, management, and the Arizona Auditor General and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
November 28, 2017



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

Town Council and Senior Management
Town of Paradise Valley, Arizona
Paradise Valley, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise Valley, Arizona (the Town) as of and for the year ended June 30, 2017, and have issued our report thereon dated November 28, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Paradise Valley, Arizona are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2017.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the fair value of investments was based on quoted market prices provided by a third party. We evaluated the key factors and assumptions used to develop the fair value of investments in determining the reasonableness in relation to the financial statements taken as a whole.
- Management's estimate of the useful lives and remaining useful lives of capital assets is based on the Town's previous experience with similar assets and the current condition of those assets. We evaluated the key factors and assumptions used to develop the useful lives and estimated useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Accounting estimates (Continued)

- Management's estimate of the allowance for doubtful accounts is based on historical loss levels for court revenues, sewer, alarm and fire service revenues and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the unfunded pension liability related to the Arizona State Retirement System pension plan and Public Safety Personnel Retirement System benefits are based on actuarial reports prepared by other professionals. We reviewed the key assumptions used to estimate the liability in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the current and long-term portion of the compensated absences liability recorded in the governmental activities is based on those employees who have vested or are expected to vest. We evaluated the key factors and assumptions used to develop the compensated absence balances in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures:

The financial statement disclosures are neutral, consistent and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements. .

Corrected misstatements

The following material misstatement detected as a result of audit procedures were corrected by management:

- We proposed and the Town subsequently recorded an audit adjustment in the amount of \$5 million to properly record public safety expenditures and reduce prepaid expenses for the prefunding of the Public Safety Personnel Retirement System pension liability that was approved and settled prior to fiscal year end.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 28, 2017.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.


With respect to the combining statements and schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 28, 2017.

The introductory and statistical sections accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Town Council and management of the Town of Paradise Valley, Arizona and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
November 28, 2017

TOWN OF PARADISE VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2017

**TOWN OF PARADISE VALLEY, ARIZONA
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YEAR ENDED JUNE 30, 2017**

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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and the Town Council
Town of Paradise Valley, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Paradise Valley, Arizona (Town), for the year ended June 30, 2017, and the related notes to the report. The Town's management is responsible for presenting this report in accordance with the *Uniform Expenditure Reporting System* (UERS) as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the UERS in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of the Town of Paradise Valley, Arizona, referred to above is presented, in all material respects, in accordance with the uniform expenditure reporting system as described in Note 1.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
November 28, 2017

**TOWN OF PARADISE VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2017**

1. Economic Estimates Commission expenditure limitation	\$ 25,445,354	
2. Voter approved alternative expenditure limitation	-	
3. Enter applicable amount from Line 1 or Line 2		<u>\$ 25,445,354</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	25,445,354	
5. Board-authorized expenditures necessitated by a disaster the Governor declared	-	
6. Board-authorized expenditures necessitated by a disaster the Governor did not declare	-	
7. Prior-year voter approved expenditures to exceed the expenditure limitation for the reporting fiscal year	-	
8. Subtotal	<u>25,445,354</u>	
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	-	
10. Total adjusted amount subject to the expenditure limitation		<u>25,445,354</u>
11. Amount under (in excess of) the expenditure limitation		<u>\$ -</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _____

Dawn Marie Buckland

Name and Title: Dawn Marie Buckland
Director of Administration and Government Affairs

Telephone Number: (480) 348-3555

Date: November 28, 2017

See accompanying Notes to Report.

TOWN OF PARADISE VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2017

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 28,890,265	\$ 5,192,433	\$ 34,082,698
B. Less exclusions claimed:			
1 Debt proceeds	4,268	-	4,268
2 Debt service requirements	248,934	454,660	703,594
3 Dividends, interest and gains on sale or redemption of investment securities	-	-	-
4 Trustee or custodian	-	-	-
5 Grants and aid from the federal government	47,521	-	47,521
6 Grants, aid, contributions or gifts from private agency, organization or individual, except amounts received in lieu of taxes	12,220	-	12,220
7 Amounts received from the State of Arizona	218,979	-	218,979
8 Quasi-external interfund transactions	5,847	-	5,847
9 Amounts accumulated for purchase of land, purchase or construction of buildings or improvements	-	-	-
10 Highway user revenues in excess of those received in fiscal year 1979-80	725,592	-	725,592
11 Contracts with other political subdivisions	-	-	-
12 Refunds, reimbursements and other recoveries	-	-	-
13 Voter approved exclusions not identified above	-	-	-
14 Prior years carryforward	6,919,323	-	6,919,323
15 Qualifying capital improvement expenditure repaid in accordance with A.R.S. 41-1279.07			
16 Total exclusions claimed	<u>8,182,684</u>	<u>454,660</u>	<u>8,637,344</u>
C. Amounts subject to the expenditure limitation	<u>\$ 20,707,581</u>	<u>\$ 4,737,773</u>	<u>\$ 25,445,354</u>

See accompanying Notes to Report.

TOWN OF PARADISE VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2017

Description	Governmental Funds	Enterprise Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements.	\$ 29,890,062	\$ 5,290,679	\$ 35,180,741
B. Subtract:			
1 Items not requiring use of working capital			
Depreciation	-	517,708	517,708
Bad debt expense	-	2,543	2,543
Claims incurred but not reported (IBNR)	-	-	-
Pension Expense	-	-	-
2 Expenditures of separate legal entities established under ARS			
3 Required fees paid to the Arizona Department of Revenue	999,797	-	999,797
4 Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception	-	-	-
5 Involuntary court judgments	-	-	-
6 Total subtractions	999,797	520,251	1,520,048
C. Additions:			
1 Principal payments on long-term debt	-	422,005	422,005
2 Capital asset acquisitions	-	-	-
3 Amounts paid in the current year but reported as expenses in previous years:	-	-	-
OPEB	-	-	-
Claims previously recognized as IBNR	-	-	-
Landfill closure and postclosure care costs	-	-	-
4 Pension contributions paid in the current year	-	-	-
5 Total additions	-	422,005	422,005
D. Amounts reported on Part II Line A	\$ 28,890,265	\$ 5,192,433	\$ 34,082,698

See accompanying Notes to Report.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes §41-1279.07, which excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20 from the total expenditures, expenses or deductions reported in the fund-based financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund-based financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses, and Changes in Fund Net Position for the Enterprise Funds and the Statement of Cash Flows for the Enterprise Funds.

NOTE 2 ITEMS NOT REQUIRING THE USE OF WORKING CAPITAL

The subtraction for items not requiring the use of working capital includes the current year depreciation expense (\$533,127), less the amortization of the current year bond premium (\$15,419) recorded in the Enterprise Funds and bad debt expense (\$2,543) recorded in the Enterprise Funds.

NOTE 3 EXPENDITURES OF SEPARATE LEGAL ENTITIES ESTABLISHED UNDER ARS

The subtraction for expenditures of separate legal entities established under ARS includes expenditures of the Mummy Mountain Preserve Trust Fund (\$0) and principal and interest expenditures of the MPC Debt Service Fund (\$999,797) in the governmental funds.

NOTE 4 BOND PROCEEDS

The exclusion claimed for bond proceeds was for the use the Excise Tax Revenue Bond, Series 2016 for various capital projects (\$4,268) recorded in the capital projects governmental fund during the fiscal year ended June 30, 2017. The Town has a remaining unspent balance of \$5,466,357.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2017

NOTE 5 DEBT SERVICE REQUIREMENTS

The exclusion claimed for debt service requirements in the Governmental and Enterprise Funds consist of principal retirement and interest expense on revenue bonds, capital leases and interest paid on an advance from the General Fund in the governmental funds and enterprise funds as follows:

	Governmental Funds		
	Principal	Interest	Total
Capital Leases	\$ 94,603	\$ 4,720	\$ 99,323
Long-Term Advances to Other Funds	-	16,438	16,438
Excise Tax Revenue Bonds, Series 2016	-	133,173	133,173
Total	<u>\$ 94,603</u>	<u>\$ 154,331</u>	<u>\$ 248,934</u>

	Enterprise Funds		
	Principal	Interest	Total
Excise Tax Revenue Bonds, Series 2009	\$ 422,005	\$ 32,655	\$ 454,660
Note Payable to the City of Scottsdale	-	-	-
	<u>\$ 422,005</u>	<u>\$ 32,655</u>	<u>\$ 454,660</u>

NOTE 6 GRANTS, AID, CONTRIBUTIONS OR GIFTS FROM FEDERAL GOVERNMENT

Amounts received from Federal Government consist of the following:

FEMA Grant	<u>\$ 47,521</u>
------------	------------------

NOTE 7 GRANTS, AID, CONTRIBUTIONS OR GIFTS FROM A PRIVATE AGENCY, ORGANIZATION, OR INDIVIDUAL

Amounts received from contributions consist of the following:

Police Donations	\$ 1,905
Donations Fund	10,315
Total	<u>\$ 12,220</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2017

NOTE 8 AMOUNTS RECEIVED FROM STATE

Amounts received from the State consist of the following:

Miscellaneous Police Grants	\$ 63,296
LTAf II	41,203
ADOT Grant	73,440
Miscellaneous State Grants	41,040
Total	<u>\$ 218,979</u>

NOTE 9 QUASI-EXTERNAL INTERFUND TRANSACTIONS

The Town pays sewer charges to its Sewer System Enterprise Fund. Therefore, these expenditures are deducted from the Governmental Funds to avoid double counting and the related expenditures are reported in the Enterprise Fund.

NOTE 10 HIGHWAY USER REVENUE IN EXCESS OF 1979-80

Highway user revenues (HURF) in excess of fiscal year 1979-80 and LTAF revenues:

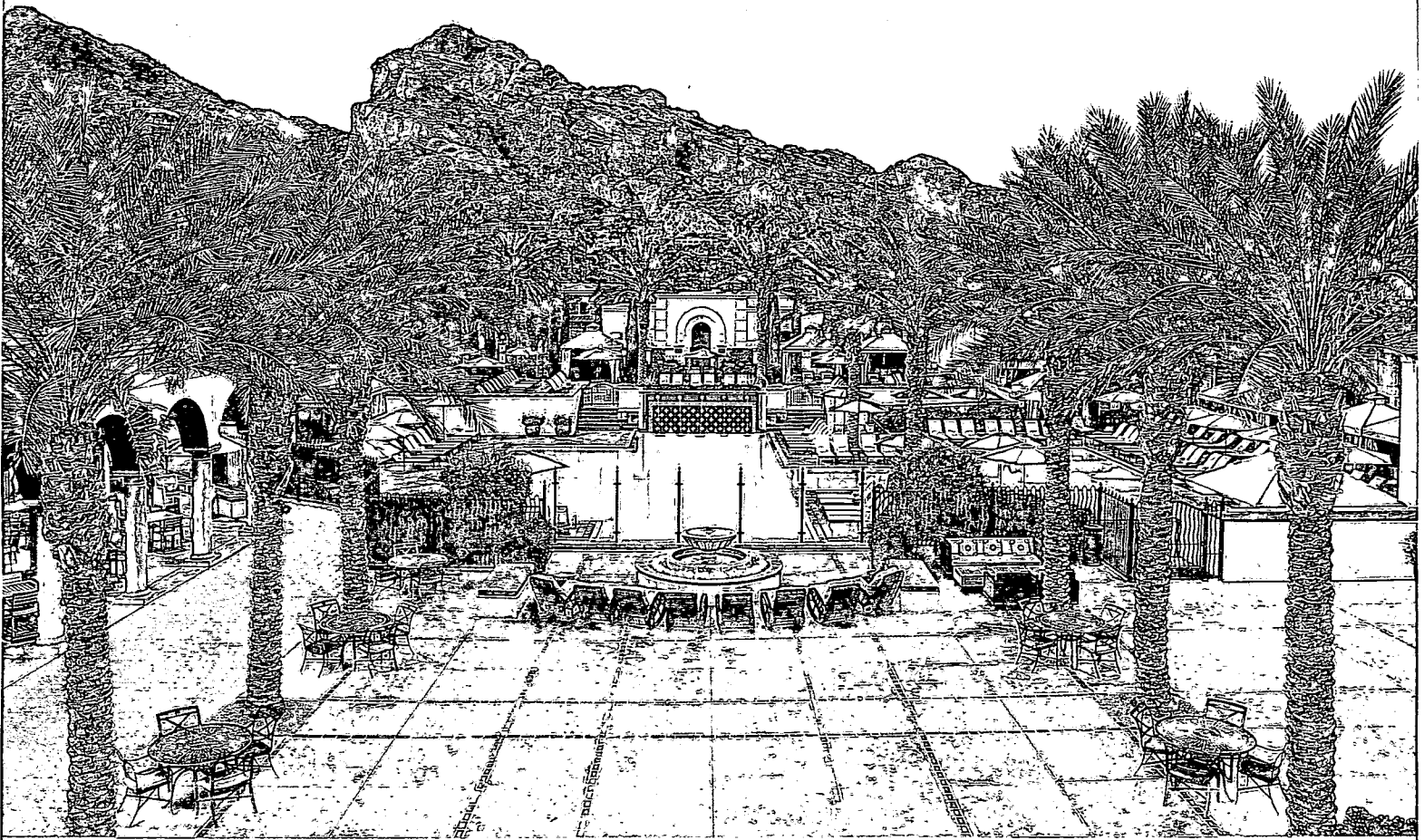
HURF Fund Revenue	\$ 897,142
Less: LTAF Expenditures	-
Less: 1979-80 Revenue	(171,550)
Total	<u>\$ 725,592</u>
Current Year Expenditures	\$ 2,787,262
Nonexcludable Expenditures	
Transfer from the General Fund	(2,100,000)
Expenditures in Excess of 1979-80 Revenues	38,330
Total Excludable Expenditures	<u>\$ 725,592</u>

NOTE 11 GOVERNMENTAL AND ENTERPRISE FUND CARRYFORWARD

The Town has the following carryforward to offset future expenditures for purposes of the Annual Expenditure Limitation Report:

	Governmental Funds	Enterprise Funds	Total
Balance at June 30, 2016	\$ 6,939,146	\$ 561,472	\$ 7,500,618
Current Year Interest	185,141	-	185,141
Less: Interest Received from Advance to Court Enhancement Fund	(16,438)	-	(16,438)
LTAF and Excess HURF	38,330	-	38,330
Current Year Carryforward Used	(6,919,323)	-	(6,919,323)
Balance at June 30, 2017	<u>\$ 226,856</u>	<u>\$ 561,472</u>	<u>\$ 788,328</u>

TOWN OF PARADISE VALLEY ARIZONA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2017



TOWN OF PARADISE VALLEY, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017

Mr. Michael Collins
Mayor

Mr. Jerry Bien-Willner
Vice Mayor

Councilmembers

Mr. Scott Moore

Mr. Paul Dembow

Ms. Julie Pace

Mr. Mark Stanton

Mr. David Sherf

Mr. Kevin Burke
Town Manager

Prepared by:
Finance Department

Dawn Marie Buckland, Director of Administration and Government Affairs
Christine Covell-Granberg, CFE, CPA, Senior Financial/Management Analyst
Carl Muntz, Accounting Specialist
Catherine McGovern, Accounting Specialist

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INTRODUCTORY SECTION

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November 28, 2017

The Honorable Mayor, Members of the Town Council, and Citizens of the Town of Paradise Valley, Arizona:

The Comprehensive Annual Financial Report of the Town of Paradise Valley, Arizona (the "Town") for the fiscal year ended June 30, 2017 is hereby submitted in accordance with State law (Arizona Revised Statutes 9-481). Management assumes full responsibility for the completeness and reliability of all information presented in this report, based upon a comprehensive framework of internal controls designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the Town of Paradise Valley, Arizona's financial statements for the year ended June 30, 2017. The independent auditors' report is located at the front of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Paradise Valley's MD&A can be found immediately following the report of the independent auditors.

PROFILE

Paradise Valley was incorporated in May 1961. The Town is centrally located in Maricopa County and is surrounded by the cities of Phoenix and Scottsdale. It has land area of approximately 17 square miles.

Paradise Valley is an Arizona municipal corporation, acting as a general law town as prescribed in the Arizona Revised Statutes. The Town government operates under the Council-Manager form of government. Policy making and legislative authority are vested in the Town Council, which consists of seven Council members. The Mayor is elected by voters to a two-year term and the six Council members are elected to staggered four-year terms.

The Town Council is responsible for, but not limited to, the adoption of local ordinances, the Town budget, the development of citizen advisory committees, and the appointment of the Town Manager and Town Attorney. The Town Manager is responsible for implementation of the policies of the Town Council and administering Town operations. The Town Manager appoints all positions except the Town Attorney and Municipal Judges.

The Town provides a limited range of services, including police protection, construction and maintenance of streets, and planning and building services. Fire protection services are provided through an intergovernmental agreement with the City of Phoenix. The City of Scottsdale provides wastewater treatment services through an intergovernmental agreement for approximately 60% of the geographic area of the Town. The City of Phoenix owns the sewer lines and provides sewer service to the remaining 40% of the geographic area of the Town. Water services are provided by the City of Phoenix and two private water companies. Solid waste services are provided by private companies. Ambulance service is provided by a private company.

The annual budget serves as the foundation for the Town's financial planning and control. The Town Council formally adopts the budget and legally appropriates available monies to the Town's various funds. Therefore, these funds have appropriated budgets, and budget to actual information is presented. Prior to the third Monday in July, the Town Manager presents the preliminary budget to the Town Council. The budget includes proposed expenditures and the means of financing them. The preliminary budget sets the limit for expenditures during the fiscal year. A public hearing is held prior to the budget's final adoption.

The expenditure appropriations in the adopted budget are by department in the General Fund and by fund for all other funds. The maximum legal expenditure permitted for the fiscal year is the total budget as adopted. Departmental appropriations may be amended during the year. The Town Manager is responsible for developing and administering procedures to amend the budget. Management control of budgets is further maintained at a line item level within each department.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the basic financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Local Economy

The economy in the Phoenix-metro area continues to improve. The hospitality industry (eight resorts) is the largest source of revenue in the operating budget (General and Highway User Revenue Fund), making up about 55% of all operating revenues. In FY 2016-17, direct local sales and bed taxes from the hospitality industry totaled about \$9.0 million.

The Town's resorts continue to re-invest in themselves to remain a desirable destination. ANdAZ opened in the former Cottonwoods resort location, and Mountain Shadows resort completed its redevelopment, opening to the public this spring. Grading and drainage is well underway at the Ritz Carlton site, and the resort is on track to open in 2019.

The construction industry impacts two revenue sources – construction sales tax and permit revenues. Construction sales tax makes up about 25% of the Town's sales tax and 13% of the Town's total operating revenue.

Operating Reserves

The Town's Financial Policies are intended to help ensure the financial resiliency of the Town. Specifically, the operating budget contains two contingency provisions. The first is an operating contingency of about \$200,000. Per policy, this amount is established between 1% and 3% of the annual operating expenses and is funded from current revenues.

Major Initiatives

The Town continues to focus on preserving the quality of life inherent in the Paradise Valley community while enhancing the hospitality industry through the development and redevelopment of Paradise Valley luxury resorts.

NEXT YEAR'S BUDGET

In August 2014, the Town Council set the sales tax rate at 2.5% permanently. This action preserved approximately \$3.2 million in lost sales tax revenues which would have occurred if the temporary rate would have expired. This revenue stream has allowed the Town Council to continue the aggressive capital improvement plan as well as generate funding for the replenishment of infrastructure such as roads, buildings, and technology.

The FY 2017-18 budget provides for the completion of the public safety radio tower, road improvements surrounding the Ritz Carlton project, and an aggressive paydown of the Public Safety Personnel Retirement System (PSPRS) unfunded liability. The additional payment of \$5,000,000 reduces the mandatory 8% assessment by \$400,000, a significant savings to taxpayers.

Long-Term Financial Planning

Long-term financial planning is a key element in the Town's budgeting process. The ten-year plan sets the trajectory for financial, operational, and infrastructure sustainability by clearly defining current and projected needs and anticipated resources. The ten-year plan takes into account the completion of major developments, aggressive payment of pension liabilities, maintenance of infrastructure, replacement of fire trucks, economic cycles, pending legislation, and other major influences on the Town's revenues and expenditures. The long-term financial plan is a critical tool used by staff, council, and the public alike in making informed decisions.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Paradise Valley for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the eighth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Finance Department, and through the competent service of our independent auditors. We also wish to express our sincere appreciation to the Town Council and the Town Manager for their interest and support in planning and conducting the financial affairs of the Town in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in black ink that reads "Dawn Marie Buckland". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Dawn Marie Buckland
Director of Administration and Governmental Affairs



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

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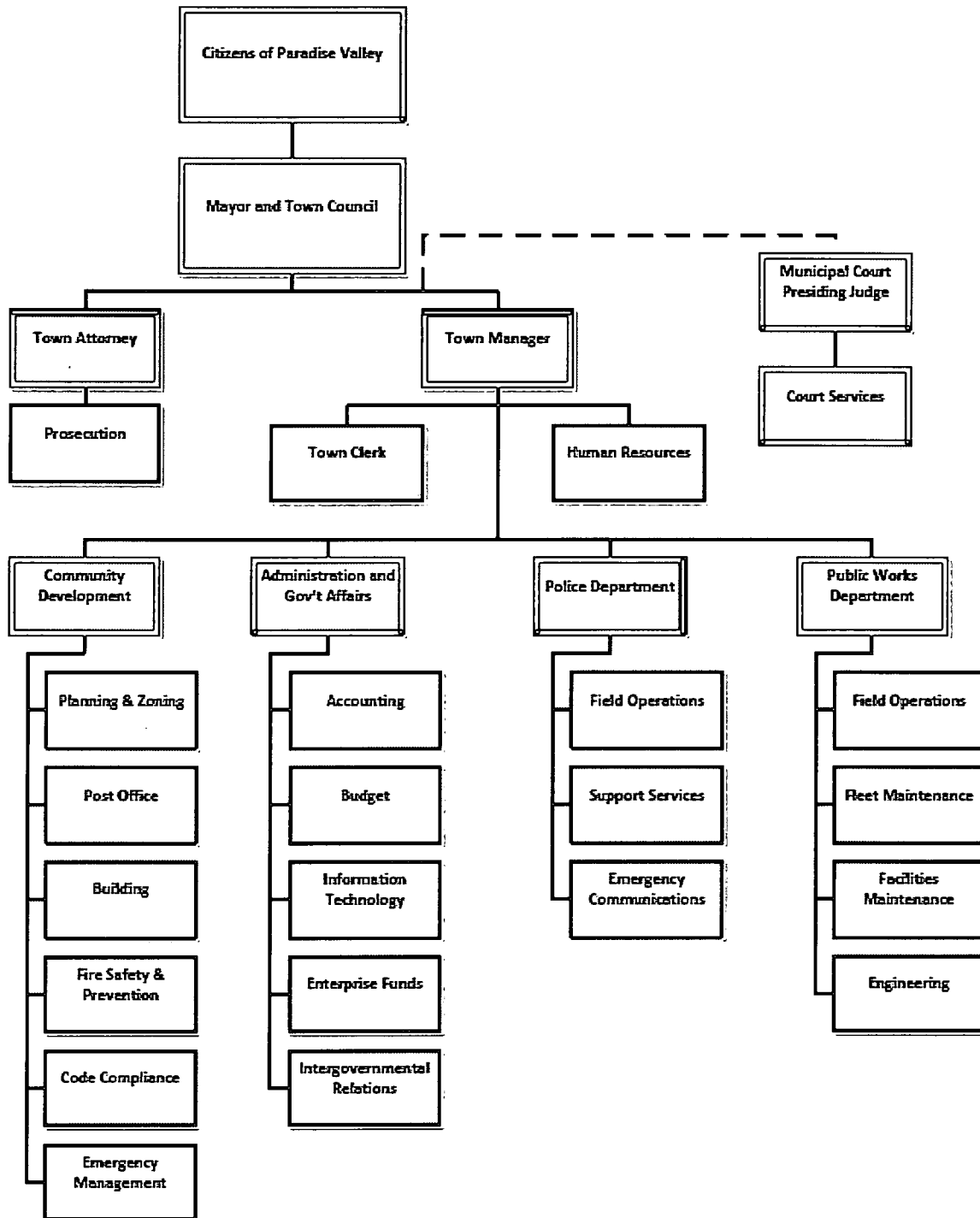
**Town of Paradise Valley
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

**TOWN OF PARADISE VALLEY, ARIZONA
ORGANIZATIONAL CHART
JUNE 30, 2017**



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Town Council
Town of Paradise Valley, Arizona
Paradise Valley, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise Valley, Arizona (the Town), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Paradise Valley, Arizona as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedules of the General Fund, HURF Fund and the Court Enhancement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension schedules, and OPEB schedules, as noted within the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Mayor and Town Council
Town of Paradise Valley, Arizona

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
November 28, 2017

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REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

This section of the Town of Paradise Valley's (the Town) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal years 2017 and 2016 are as follows:

- ◆ The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2017 and 2016 by \$121.8 million and \$117.0 million (net position), respectively. Of these amounts, \$14.7 million and \$11.5 million (unrestricted net position), respectively, may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ Total net position increased by \$4.9 million during fiscal year 2017 and increased \$6.2 million during fiscal year 2016.
- ◆ As of June 30, 2017 and 2016, the Town's governmental funds reported combined ending fund balances of \$40.0 million and \$41.0 million, respectively, which were comprised of nonspendable, restricted, assigned, and unassigned fund balances.
- ◆ At the close of fiscal year 2017, unassigned fund balance for the General Fund was \$26.5 million, or 122% of actual General Fund operating expenditures. At the close of the fiscal year 2016, the unassigned fund balance for the General Fund was \$29.7 million, or 178% of operating expenditures.
- ◆ During fiscal year 2017, the Town's total bonded debt decreased by \$1.4 million due to scheduled debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements, and
3. Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resource, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported at the time the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected court fines and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include basic services such as general government, public safety, and streets. The business-type activities of the Town include sewer, fire service, and alarm operations.

The government-wide financial statements include not only the Town itself (known as the primary government), but also two legally separate nonprofit entities: the Mummy Mountain Preserve Trust and the Paradise Valley Municipal Property Corporation (MPC). Although legally separate from the Town, these component units are blended with the primary government because of their governance or financial relationship to the Town.

The government-wide financial statements can be found beginning on page 20 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into the following two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in determining what financial resources are available in the near future to fund the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

The Town maintains several individual governmental funds organized according to their type (general fund, special revenue, debt service, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway User Revenue Fund, Court Enhancement Fund, and Capital Projects Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in a separate section of this report. The basic governmental fund financial statements begin on page 22 of this report.

Proprietary Funds – Proprietary funds are generally used to account for services for which the Town charges customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains only one type of proprietary fund – enterprise funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for the sewer, fire service, and alarm operations of the Town.

The proprietary fund financial statements begin on page 29 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements. The notes to basic financial statements begin on page 32 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. This information can be found beginning on page 68 of this report.

Combining Statements

The combining statements referred to earlier, in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

Government-Wide Financial Analysis

Net Position

While this document contains information about the funds used by the Town to provide services to our citizens, the Statement of Net Position and the Statement of Activities serve to provide an answer to the question of how the Town, as a whole, did financially throughout the year. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year revenues and expenses regardless of when the cash is received or paid.

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

These two statements report the Town's net position and the changes in net position. The change in net position is important because it tells the reader whether the financial position of the Town as a whole has improved or diminished. However, in evaluating the overall net position of the Town, non-financial information such as changes in the Town's tax base and the condition of the Town's capital assets will also need to be evaluated.

Net position may serve as a useful indicator of a government's financial position. Net position was \$121.8 million and \$117.0 million at the close of the fiscal year 2017 and 2016, respectively.

**Table A-1
The Town's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and Other Assets	\$ 44,130,085	\$ 44,676,696	\$ 2,467,155	\$ 2,465,074	\$ 46,597,240	\$ 47,141,770
Capital Assets						
Non-Depreciable	45,957,432	43,234,293	17,203,392	17,203,392	63,160,824	60,437,685
Depreciable (Net)	36,381,370	37,726,564	10,201,955	10,735,082	46,583,325	48,461,646
Total Assets	126,468,887	125,637,553	29,872,502	30,403,548	156,341,389	156,041,101
Deferred Outflows of Resources	12,124,582	5,895,523	-	-	12,124,582	5,895,523
LIABILITIES						
Other Liabilities	4,309,781	2,733,931	1,233,753	1,430,235	5,543,534	4,164,166
Non-Current Liabilities:						
Due Within One Year	1,568,898	1,594,484	370,216	437,429	1,939,114	2,031,913
Due in More Than One Year	38,088,017	37,405,217	226,421	596,632	38,314,438	38,001,849
Total Liabilities	43,966,696	41,733,632	1,830,390	2,464,296	45,797,086	44,197,928
Deferred Inflows of Resources	824,447	756,726	-	-	824,447	756,726
Net Position						
Net Investment in Capital Assets	79,851,973	78,383,694	26,808,710	26,904,413	106,660,683	105,288,107
Restricted	455,140	224,308	-	-	455,140	224,308
Unrestricted	13,495,213	10,434,716	1,233,402	1,034,839	14,728,615	11,469,555
Total Net Position	\$ 93,802,326	\$ 89,042,718	\$ 28,042,112	\$ 27,939,252	\$ 121,844,438	\$ 116,981,970

Deferred outflows of resources increased \$6.2 million (106%) during the current year as the Town paid an additional \$5.0 million towards the unfunded liability prior to fiscal year end.

The largest portion of the Town's net position reflects its investment in capital assets (e.g. land, buildings, equipment, and infrastructure) less depreciation and any related debt used to acquire those assets, of \$106.7 million (88%) and \$105.3 million (90%) for the fiscal years 2017 and 2016, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for appropriation. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

An additional portion of the Town's net position, \$0.5 million (less than 1%) for fiscal year 2017 and \$0.2 million (less than 1%) for fiscal year 2016, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position for fiscal years 2017 and 2016, \$14.7 million (12%) and \$11.5 million (10%) respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of both the current and previous fiscal years, the Town was able to report positive balances in all three categories of net position for the government as a whole, as well as for the business-type activities.

Changes in Net Position

The Town's net position increased by \$4.9 million and \$6.2 million during the fiscal years 2017 and 2016, respectively. These changes are explained in the government and business-type activities discussion below.

**Table A-2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Fees, Fines and Charges for Services	\$ 4,719,896	\$ 6,927,949	\$ 5,727,739	\$ 5,551,992	\$ 10,447,635	\$ 12,479,941
Operating Grants and Contributions	1,144,233	1,121,420	-	-	1,144,233	1,121,420
Capital Grants and Contributions	208,085	-	-	76,875	208,085	76,875
General Revenues:						
Local Taxes	18,207,933	15,699,670	-	-	18,207,933	15,699,670
State Shared Revenues	3,529,454	3,291,235	-	-	3,529,454	3,291,235
Investment Income	185,141	274,390	-	22,032	185,141	296,422
Total Revenues	27,994,742	27,314,664	5,727,739	5,650,899	33,722,481	32,965,563
EXPENSES						
General Government	9,458,609	8,605,414	-	-	9,458,609	8,605,414
Public Safety	10,249,410	9,054,408	-	-	10,249,410	9,054,408
Highways and Streets	3,669,088	3,568,394	-	-	3,669,088	3,568,394
Interest and Fiscal Charges	192,227	281,348	-	-	192,227	281,348
Sewer System	-	-	2,124,328	2,185,714	2,124,328	2,185,714
Fire Service	-	-	3,037,830	2,921,260	3,037,830	2,921,260
Alarm Monitor System	-	-	128,521	100,719	128,521	100,719
Total Expenses	23,569,334	21,509,564	5,290,679	5,207,693	28,860,013	26,717,257
CHANGES IN NET POSITION BEFORE TRANSFERS	4,425,408	5,805,100	437,060	443,206	4,862,468	6,248,306
Transfers	334,200	(50,000)	(334,200)	50,000	-	-
CHANGES IN NET POSITION	4,759,608	5,755,100	102,860	493,206	4,862,468	6,248,306
Net Position - Beginning of Year	89,042,718	83,287,618	27,939,252	27,446,046	116,981,970	110,733,664
NET POSITION - END OF YEAR	\$ 93,802,326	\$ 89,042,718	\$ 28,042,112	\$ 27,939,252	\$ 121,844,438	\$ 116,981,970

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Governmental Activities – In fiscal year 2017, governmental activities increased the net position of the Town by \$4.8 million. Total revenues increased \$0.7 million (2%) from fiscal year 2016. Local taxes increased by \$2.5 million (16%) primarily due to an improved economy which included increased consumer spending. Fines, fees, and charges for services decreased \$2.2 million (32%) due to a reduction in traffic citations issued and paid during the current year. Furthermore, there was an increase of \$0.2 million for capital grants and contributions as the Town received further grant funding related to the flood damages that occurred in a previous year and other miscellaneous grant activity. A transfer to the governmental activities from the business-type activities occurred in order to pay for capital expenditures incurred during the year.

State shared revenues increased approximately \$0.2 million (7%) compared to fiscal year 2016. The increase was largely due to an increase in urban revenue sharing funding and state sales tax funding.

The change in operating grants and contributions and interest income was not significant during the current year.

Expenses increased \$2.1 million, or 10%. Public Safety spending increased by \$1.2 million (13%) primarily due to an increase in salaries and related benefits as well as an increase in grant related expenses. General Government expenses increased \$0.9 million (10%) due to increases in salaries and related benefits and an increase in the payment to the Scottsdale Convention and Visitors Bureau from increased bed tax activity. The increase in Highway and Streets expenses was not significant during the current year.

Business-Type Activities – Business-type activities increased the Town's net position by \$0.1 million in fiscal year 2017. Income from operations increased \$76,840 and expenses increased by a similar amount (\$82,986). Overall increase was due to an increase in customers within the sewer and fire services and an increase in sewer rates during the current year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Activity not required to be reported in a separate fund is included in the General Fund.

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The major governmental funds reported by the Town include the General Fund, Highway User Revenue Fund (HURF), Court Enhancement Fund, and Capital Projects Fund.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$40.0 million, a decrease of \$1.0 million, or a 2% decrease in comparison with the prior year. The combined ending fund balances for fiscal year 2016 were \$41.0 million.

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

The General Fund is the chief operating fund of the Town. At June 30, 2017, the unassigned fund balance of the General Fund was \$26.5 million, or 66% of the combined governmental fund balance. The unassigned fund balance of the General Fund at June 30, 2016 was \$29.7 million, or 72% of the combined governmental fund balance. As a measure of the General Fund's liquidity, it may be useful to compare General Fund unassigned fund balance to General Fund expenditures. The General Fund unassigned balance of \$26.5 million represents 122% of General Fund expenditures.

The General Fund fund balance decrease of \$0.6 million from fiscal year 2016 is the result of decreased revenues in fines and forfeitures and the prepayment of PSPRS expenses, which were offset by an increase in sales tax revenue. Sales tax revenue increased \$3.0 million due to an increase in economic conditions and consumer spending. Fines and Forfeitures decreased \$1.1 million due to a decline in traffic citation activity. Additionally, expenditures increased from the prior year by \$5.1 million. Overall, the increase was due to the Town prepaying the unfunded liability for PSPRS for \$5.0 million. The excess of revenues over expenditures was offset by transfers totaling \$6.0 million in order to pay for related HURF expenditures and capital projects.

The Highway User Revenue Fund (HURF) is used to account for the state shared revenues restricted for street and highway purposes. The fund balance at June 30, 2017 was \$0.4 million and was all assigned due to unspent transfers from the General Fund. The HURF Fund received a transfer of \$2.1 million from the General Fund to supplement the cost of street improvement projects.

The Court Enhancement Fund increased \$0.2 million due to an increase in fine revenue when compared to operating expenditures. The ending fund balance of \$0.4 million, was reported as restricted as it is for court enhancement purposes.

The Capital Projects Fund increased \$0.2 million as there were numerous capital projects occurring at the Town that had been previously planned. Overall, capital outlay expenditures totaled \$3.9 million during the year, which was partially offset by a transfer of \$4.2 million from the General Fund. Capital outlay expenditures increased \$1.2 million as a result of increased activity for the public safety communication towers, street preservation, and other miscellaneous capital projects.

The nonmajor governmental funds reported a decrease in fund balance of \$1.0 million. This change was a result of the scheduled principal and interest payments on outstanding debt.

Proprietary Funds – The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position was a negative \$1.7 million for the Sewer Fund, \$2.1 million for the Fire Service Fund and \$0.8 million for the Nonmajor Alarm Fund.

The total change in net position for the enterprise funds was a positive \$0.1 million for fiscal year 2017. The increase was primarily due to an increase in customers for sewer and fire services and an increase in sewer rates during the current year.

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's annual budget is the legally adopted expenditure control document of the Town. The Town closely monitors its revenues, particularly local sales taxes, licenses and permits, state shared revenues and investment earnings, for any potential shortfall. Actual revenues of \$27.2 million exceeded the \$25.0 million final budget amount by \$2.1 million, or 9%. The \$2.1 million variance was mainly comprised of sales tax revenue and licenses and permits exceeding budget. Sales tax revenue had a \$3.0 million positive variance with the budget due to changes in the economy that lead to greater than expected sales tax revenue. Licenses and permits had a positive variance with the final budget of \$0.6 million due to an increase in filings for licenses and various permits. In addition, other income was below final budget by \$0.5 million due to the Town not receiving funding from additional sources that were expected during the budgeting process. Finally, fines and forfeitures were below budget by \$1.2 million due to decreased citation activity.

The \$21.8 million of actual expenditures were 94% of the final budget. All departments were under the final budget during the current year.

Actual revenues exceeded expenditures by \$5.4 million which was more than the \$2.0 million excess reflected in the final revised budget.

Budgeted revenues remained consistent between the original and final budget. Budgeted expenditures decreased by \$4.0 million, mainly due to a budget transfer that increased the public safety budget to reflect the increase in contributions to prepay the PSPRS liability. Additionally, there were various shifts in line items between general government and public safety. Overall general government decreased \$1.0 million while public safety increased by \$5.0 million due to shifts in spending needs for the year, mainly from the increase in PSPRS to prepay the liability.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets for its governmental and business-type activities as of June 30, 2017 and 2016 amount to \$109.7 million and \$108.9 million, respectively (net of accumulated depreciation). The net increase in capital assets (net of accumulated depreciation) was \$0.8 million, due primarily to an increase in infrastructure from completed construction in progress which was offset by depreciation expense for the fiscal year. Capital assets include land and improvements, infrastructure, building and improvements, sewer systems, sewer capacity rights, vehicles, machinery and equipment, furniture and fixtures, and construction in progress.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 3.A.4 to the Financial Statements for further information regarding capital assets. Table A-3 provides a summary of 2017 and 2016 assets, net of depreciation.

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

**Table A-3
Capital Assets (Net)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and Improvements	\$ 42,168,843	\$ 42,252,512	\$ 2,853,626	\$ 2,853,626	\$ 45,022,469	\$ 45,106,138
Infrastructure	29,160,692	29,561,971	-	-	29,160,692	29,561,971
Buildings and Improvements	3,742,338	4,049,803	3,640,305	3,818,709	7,382,643	7,868,512
Sewer Capacity Rights	-	-	14,349,766	14,349,766	14,349,766	14,349,766
Sewer System	-	-	6,549,076	6,800,469	6,549,076	6,800,469
Machinery, Furniture and Fixtures, Equipment and Vehicles	2,882,959	3,435,740	12,574	115,904	2,895,533	3,551,644
Construction in Progress	4,383,970	1,660,831	-	-	4,383,970	1,660,831
Total Capital Assets	<u>\$ 82,338,802</u>	<u>\$ 80,960,857</u>	<u>\$ 27,405,347</u>	<u>\$ 27,938,474</u>	<u>\$ 109,744,149</u>	<u>\$ 108,899,331</u>

The most significant capital asset acquisitions during the fiscal year were as follows:

- Public Safety Communication Tower
- Ritz-Carlton Development Street Improvements
- Sidewalk Improvements
- Information Technology Upgrades
- Miscellaneous Public Safety Equipment

Debt Administration

At the end of the fiscal years 2017 and 2016, the Town had total long-term obligations outstanding of \$11.0 million and \$12.4 million respectively. Of these amounts, \$9.8 million and \$11.2 million respectively are for the 2009 Municipal Property Corporation Excise Tax Refunding Bonds and 2016 Excise Tax Revenue Bond. The Town refunded its 1998 Municipal Property Corporation bonds and capital leases in fiscal year 2009 to take advantage of favorable interest rates. In fiscal year 2016, the Town issued new Excise Tax Revenue Bonds which totaled \$7,880,000 in order to fund the operations in the Capital Projects Fund. Additional information on the Town's long-term obligations can be found in Note 3.F. Long-term Obligations to the Financial Statements.

**Table A-4
Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue Bonds	\$ 9,124,201	\$ 10,052,196	\$ 565,799	\$ 987,804	\$ 9,690,000	\$ 11,040,000
Bond Premium	67,812	101,718	30,838	46,257	98,650	147,975
Capital Lease	73,186	167,789	-	-	73,186	167,789
Compensated Absences	1,141,668	1,070,033	-	-	1,141,668	1,070,033
Total Outstanding Debt	<u>\$ 10,406,867</u>	<u>\$ 11,391,736</u>	<u>\$ 596,637</u>	<u>\$ 1,034,061</u>	<u>\$ 11,003,504</u>	<u>\$ 12,425,797</u>

**TOWN OF PARADISE VALLEY, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The FY 2017-2018 budget is based upon a relatively specific revenue portfolio. The Town has no local property tax. The Town's limited demographics of residential and resort mean that the Town is highly reliant on hotel and bed tax, construction sales tax, and state shared revenues. The Town's sales tax rate is 2.5%, which was made permanent by the Town Council in August 2014. This action preserved approximately \$3.2 million in sales tax revenues which would have been lost had the temporary rate expired. This revenue stream, especially the amounts derived from construction activities, has allowed the Town Council to continue the aggressive capital improvement plan as well as generate funding for the replenishment of infrastructure, such as roads, buildings, and technology.

With the approval of the permanent base adjustment in November 2016, the Town's expenditure limitation was increased. The updated expenditure limitation still requires the Town to operate within the confines of a balanced budget, but provides the flexibility for the Town Council to approve the use of available revenues to pay down pension and debt liabilities and address infrastructure needs.

The FY 2017-18 budget forecast assumes the economy will continue its improvement. Budgeted operating revenues total \$42.7 million. Additionally, FY 2017-18 budget operating expense total \$51.3 million (excluding contingencies). A transfer of \$8.6 million will be made to the Capital Improvements Fund from the General Fund to pay for an aggressive capital improvement program.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact the Finance Director at:

Town of Paradise Valley
6401 E. Lincoln Drive
Paradise Valley, AZ 85253
480-348-3555

Or visit our website at: <http://www.paradisevalleyaz.gov/townhall>

BASIC FINANCIAL STATEMENTS

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TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 30,796,852	\$ 3,361,129	\$ 34,157,981
Receivables, Net:			
Accounts Receivable	2,873,067	438,172	3,311,239
Note Receivable	12,583	-	12,583
Interest Receivable	84,477	-	84,477
Prepaid Items	2,145,826	-	2,145,826
Internal Activity	1,857,837	(1,857,837)	-
Restricted Cash and Investments	6,359,443	525,691	6,885,134
Capital Assets:			
Non-Depreciable	45,957,432	17,203,392	63,160,824
Depreciable (Net)	36,381,370	10,201,955	46,583,325
Total Assets	126,468,887	29,872,502	156,341,389
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow Related to Pension Liability	12,124,582	-	12,124,582
LIABILITIES			
Accounts Payable	2,573,322	21,753	2,595,075
Accrued Wages and Benefits	334,955	-	334,955
Interest Payable	90,890	11,052	101,942
Intergovernmental Payable	29,262	-	29,262
Customer Deposits Payable	801,170	60,459	861,629
Unearned Revenue	53,486	1,140,489	1,193,975
Claims and Judgements Payable	426,696	-	426,696
Noncurrent Liabilities:			
Net Pension Liability	29,250,048	-	29,250,048
Due Within One Year	1,568,898	370,216	1,939,114
Due in More Than One Year	8,837,969	226,421	9,064,390
Total Liabilities	43,966,696	1,830,390	45,797,086
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Liability	824,447	-	824,447
NET POSITION			
Net Investment in Capital Assets	79,851,973	26,808,710	106,660,683
Restricted for:			
Court Enhancement	386,941	-	386,941
Special Projects	68,199	-	68,199
Unrestricted	13,495,213	1,233,402	14,728,615
Total Net Position	\$ 93,802,326	\$ 28,042,112	\$ 121,844,438

See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
Primary Government:					Governmental Activities	Business-Type Activities
Governmental Activities:						
General Government	\$ 9,458,609	\$ 4,648,109	\$ 130,780	\$ 134,645	\$ (4,545,075)	\$ (4,545,075)
Public Safety	10,249,410	71,787	116,311	-	(10,061,312)	(10,061,312)
Highways and Streets	3,669,088	-	897,142	73,440	(2,698,506)	(2,698,506)
Interest and Fiscal Charges	192,227	-	-	-	(192,227)	(192,227)
Total Governmental Activities	23,569,334	4,719,896	1,144,233	208,085	(17,497,120)	(17,497,120)
Business-Type Activities:						
Sewer System	2,124,328	2,415,051	-	-	\$ 290,723	290,723
Alarm Monitor System	128,521	190,727	-	-	62,206	62,206
Fire Service	3,037,830	3,121,961	-	-	84,131	84,131
Total Business-Type Activities	5,290,679	5,727,739	-	-	437,060	437,060
Totals	\$ 28,860,013	\$ 10,447,635	\$ 1,144,233	\$ 208,085	(17,497,120)	(17,060,060)
General Revenues:						
Taxes:						
Sales Taxes					17,151,386	17,151,386
Franchise Taxes					1,056,547	1,056,547
State Revenue Sharing					1,703,256	1,703,256
State Sales Tax Revenue Sharing					1,277,675	1,277,675
Auto Lieu Tax Revenue Sharing					548,523	548,523
Investment Income					185,141	185,141
Transfers					334,200	(334,200)
Total General Revenues and Transfers					22,256,728	21,922,528
Change in Net Position					4,759,608	4,862,468
Net Position - Beginning					89,042,718	116,981,970
Net Position - Ending					\$ 93,802,326	\$ 121,844,438

See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Highway User Revenue Fund	Court Enhancement Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and Investments	\$ 23,670,651	\$ 877,501	\$ 974,669	\$ 3,918,115	\$ 1,355,916	\$ 30,796,852
Restricted Cash and Investments	682,468	-	-	5,585,059	91,916	6,359,443
Receivables, Net:						
Accounts Receivable	2,628,743	82,728	2,816	134,645	24,135	2,873,067
Note Receivable	12,583	-	-	-	-	12,583
Interest Receivable	84,477	-	-	-	-	84,477
Due from Other Funds	1,868,529	-	-	-	-	1,868,529
Advances to Other Funds	590,000	-	-	-	-	590,000
Prepaid Items	2,145,826	-	-	-	-	2,145,826
Total Assets	\$ 31,683,277	\$ 960,229	\$ 977,485	\$ 9,637,819	\$ 1,471,967	\$ 44,730,777
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 687,350	\$ 523,287	\$ 544	\$ 1,359,794	\$ 2,347	\$ 2,573,322
Accrued Wages and Benefits	285,344	49,611	-	-	-	334,955
Interest Payable	-	-	-	-	90,890	90,890
Intergovernmental Payable	-	-	-	29,262	-	29,262
Due to Other Funds	-	-	-	-	10,692	10,692
Unearned Revenue	40,570	-	-	-	12,916	53,486
Advances from Other Funds	-	-	590,000	-	-	590,000
Customer Deposits Payable	682,468	-	-	118,702	-	801,170
Total Liabilities	1,695,732	572,898	590,544	1,507,758	116,845	4,483,777
Deferred Inflows of Resources:						
Unavailable Revenues	197,528	-	-	-	16,600	214,128
Fund Balances:						
Nonspendable:						
Prepaid Items	2,145,826	-	-	-	-	2,145,826
Advances to Other Funds	590,000	-	-	-	-	590,000
Note Receivable	12,583	-	-	-	-	12,583
Restricted	-	-	386,941	5,466,357	68,199	5,921,497
Assigned	494,500	387,331	-	2,663,704	1,286,923	4,832,458
Unassigned	26,547,108	-	-	-	(16,600)	26,530,508
Total Fund Balances	29,790,017	387,331	386,941	8,130,061	1,338,522	40,032,872
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,683,277	\$ 960,229	\$ 977,485	\$ 9,637,819	\$ 1,471,967	\$ 44,730,777

See accompanying Notes to Basic Financial Statements.

**TOWN OF PARADISE VALLEY, ARIZONA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2017**

Fund Balances - Total Governmental Funds	\$ 40,032,872
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 41,573,462	
Construction in Progress	4,383,970	
Land Improvements	2,037,352	
Infrastructure	37,841,513	
Buildings and Improvements	9,526,653	
Machinery, Equipment, and Vehicles	8,832,364	
Total Capital Assets	104,195,314	
Less: Accumulated Depreciation	(21,856,512)	82,338,802

Accounts receivable, net of allowance for doubtful accounts, that were not available to finance current financial resources.	214,128
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Claims and judgements payable are not accrued in governmental funds, but rather are recognized as an expenditure when due.	(426,696)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	12,124,582
Deferred inflows of resources related to pensions	(824,447)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Revenue Bonds	(9,124,201)	
Bond Premium	(67,812)	
Net Pension Liability	(29,250,048)	
Capital Leases	(73,186)	
Compensated Absences	(1,141,668)	(39,656,915)

Total Net Position of Governmental Activities	\$ 93,802,326
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TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General Fund	Highway User Revenue Fund	Court Enhancement Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
Revenues:						
Taxes:						
Sales Taxes	\$ 17,520,056	\$ -	\$ -	\$ -	\$ -	\$ 17,520,056
Franchise Taxes	1,056,547	-	-	-	-	1,056,547
Intergovernmental Revenue	3,654,369	897,142	-	-	161,339	4,712,850
Fines and Forfeitures	2,059,642	-	304,458	-	-	2,364,100
Licenses and Permits	2,285,398	-	-	-	-	2,285,398
Rents and Royalties	307,779	-	-	-	-	307,779
Contributions and Donations	-	-	-	-	17,677	17,677
Investment Income	182,683	-	-	2,439	19	185,141
Other	101,029	-	-	-	-	101,029
Total Revenues	27,167,503	897,142	304,458	2,439	179,035	28,550,577
Expenditures:						
Current:						
General Government	7,810,908	-	62,664	-	51,518	7,925,090
Public Safety	13,865,603	-	-	-	65,201	13,930,804
Highways and Streets	-	2,787,262	-	-	73,440	2,860,702
Debt Service:						
Principal Retirement	94,603	-	-	-	927,995	1,022,598
Interest on Long-Term Debt	4,720	-	16,438	-	204,975	226,133
Capital Outlay	-	-	-	3,924,735	-	3,924,735
Total Expenditures	21,775,834	2,787,262	79,102	3,924,735	1,323,129	29,890,062
Excess (Deficiency) of						
Revenues Over Expenditures	5,391,669	(1,890,120)	225,356	(3,922,296)	(1,144,094)	(1,339,485)
Other Financing Sources (Uses):						
Transfers In	-	2,100,000	-	4,211,839	134,199	6,446,038
Transfers Out	(5,977,639)	-	-	(134,199)	-	(6,111,838)
Total Other Financing	(5,977,639)	2,100,000	-	4,077,640	134,199	334,200
Sources (Uses)	(5,977,639)	2,100,000	-	4,077,640	134,199	334,200
Net Change in Fund Balance	(585,970)	209,880	225,356	155,344	(1,009,895)	(1,005,285)
Fund Balance:						
Beginning of Year	30,375,987	177,451	161,585	7,974,717	2,348,417	41,038,157
End of Year	<u>\$ 29,790,017</u>	<u>\$ 387,331</u>	<u>\$ 386,941</u>	<u>\$ 8,130,061</u>	<u>\$ 1,338,522</u>	<u>\$ 40,032,872</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF PARADISE VALLEY, ARIZONA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITY
YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balances-Total Governmental Funds \$ (1,005,285)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Assets	\$	3,302,340	
Donated Assets		134,645	
Depreciation Expense		<u>(2,059,040)</u>	
			1,377,945

Accounts receivables, net of allowance, recorded as revenue in the government-wide statement of net position, but not yet available.

Accounts Receivables - June 30, 2016	904,608		
Accounts Receivables - June 30, 2017		<u>214,128</u>	
			(690,480)

The governmental funds do not report claims and judgements payable until they are due. The judgement was settled during the year, and therefore accrued in the government-wide statements, but was not paid until the following fiscal year and therefore not recorded within the governmental funds.

(426,696)

Governmental funds report pension contributions as expenditures when made. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions, and the investment experience.

Pension Contributions	8,425,799		
Pension Expense		<u>(3,906,544)</u>	
			4,519,255

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Capital Lease	94,603		
Bond Premium		33,906	
Bonds Payable		<u>927,995</u>	
			1,056,504

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During fiscal year 2017, compensated absence payable changed.

(71,635)

Change in Net Position of Governmental Activities	\$	<u>4,759,608</u>	
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See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 15,581,027	\$ 15,581,027	\$ 18,576,603	\$ 2,995,576
Intergovernmental Revenue	3,473,645	3,473,644	3,654,369	180,725
Fines and Forfeitures	3,297,490	3,297,490	2,059,642	(1,237,848)
Licenses and Permits	1,702,050	1,702,050	2,285,398	583,348
Rents and Royalties	310,343	310,343	307,779	(2,564)
Investment Income	75,000	75,000	182,683	107,683
Other	598,861	598,861	101,029	(497,832)
Total Revenues	<u>25,038,416</u>	<u>25,038,415</u>	<u>27,167,503</u>	<u>2,129,088</u>
Expenditures:				
Current:				
General Government				
Mayor and Council	157,200	157,200	150,436	6,764
Tourism and Promotion	1,351,037	1,351,037	1,325,037	26,000
Town Manager	817,473	826,702	786,775	39,927
Town Attorney	560,849	567,921	567,921	-
Municipal Court	728,432	728,843	687,140	41,703
Public Works	1,374,520	1,375,095	1,295,531	79,564
Community Development	1,324,316	1,325,138	1,279,530	45,608
Finance	2,064,562	2,065,138	1,718,538	346,600
Contingency	1,260,009	248,269	-	248,269
Total General Government	<u>9,638,398</u>	<u>8,645,343</u>	<u>7,810,908</u>	<u>834,435</u>
Public Safety				
Police	9,282,926	14,325,158	13,865,603	459,555
Debt Service				
Principal Retirement	94,603	94,603	94,603	-
Interest on Long-Term Debt	4,720	4,720	4,720	-
Total Expenditures	<u>19,020,647</u>	<u>23,069,824</u>	<u>21,775,834</u>	<u>1,293,990</u>
Excess (Deficiency) of Revenues over Expenditures	6,017,769	1,968,591	5,391,669	3,423,078
Other Financing Sources (Uses):				
Transfers Out	<u>(2,100,000)</u>	<u>(5,150,000)</u>	<u>(5,977,639)</u>	<u>(827,639)</u>
Net Change in Fund Balance	3,917,769	(3,181,409)	(585,970)	2,595,439
Fund Balance:				
Beginning of Year	-	-	30,375,987	30,375,987
End of Year	<u>\$ 3,917,769</u>	<u>\$ (3,181,409)</u>	<u>\$ 29,790,017</u>	<u>\$ 32,971,426</u>

See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 813,639	\$ 813,639	\$ 897,142	\$ 83,503
Expenditures:				
Current:				
Highways and Streets	<u>2,937,204</u>	<u>2,938,026</u>	<u>2,787,262</u>	<u>150,764</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,123,565)	(2,124,387)	(1,890,120)	234,267
Other Financing Sources (Uses):				
Transfers In	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</u>	<u>-</u>
Net Change in Fund Balance	(23,565)	(24,387)	209,880	234,267
Fund Balance:				
Beginning of Year	-	-	177,451	177,451
End of Year	<u>\$ (23,565)</u>	<u>\$ (24,387)</u>	<u>\$ 387,331</u>	<u>\$ 411,718</u>

See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT ENHANCEMENT FUND
YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and Forfeitures	\$ 771,500	\$ 304,458	\$ (467,042)
Expenditures:			
Current:			
General Government	98,000	62,664	35,336
Debt Service:			
Principal Payment	90,000	-	90,000
Interest on Long-Term Debt	16,438	16,438	-
Total Expenditures	<u>204,438</u>	<u>79,102</u>	<u>125,336</u>
Excess (Deficiency) of Revenues Over Expenditures	567,062	225,356	(341,706)
Fund Balance:			
Beginning of Year	-	161,585	161,585
End of Year	<u>\$ 567,062</u>	<u>\$ 386,941</u>	<u>\$ (180,121)</u>

See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-Type Activities			
			Nonmajor Business-Type	
	Sewer	Fire Service	Alarm	Totals
Assets				
Current Assets:				
Cash and Investments	\$ -	\$ 2,624,366	\$ 736,763	\$ 3,361,129
Restricted Cash and Investments	525,691	-	-	525,691
Accounts Receivable (Net)	245,521	177,336	15,315	438,172
Total Current Assets	771,212	2,801,702	752,078	4,324,992
Noncurrent Assets:				
Capital Assets				
Non-Depreciable	14,349,766	2,853,626	-	17,203,392
Depreciable (Net)	6,549,076	3,652,879	-	10,201,955
Total Noncurrent Assets	20,898,842	6,506,505	-	27,405,347
Total Assets	21,670,054	9,308,207	752,078	31,730,339
Liabilities				
Current Liabilities:				
Accounts Payable	1,388	20,365	-	21,753
Interest Payable	11,052	-	-	11,052
Due to Other Funds	1,857,837	-	-	1,857,837
Unearned Revenue	493,606	646,883	-	1,140,489
Customer Deposits Payable	60,459	-	-	60,459
Bonds Payable	370,216	-	-	370,216
Total Current Liabilities	2,794,558	667,248	-	3,461,806
Noncurrent Liabilities:				
Bonds Payable	226,421	-	-	226,421
Total Liabilities	3,020,979	667,248	-	3,688,227
Net Position				
Net Investment in Capital Assets	20,302,205	6,506,505	-	26,808,710
Unrestricted	(1,653,130)	2,134,454	752,078	1,233,402
Total Net Position	\$ 18,649,075	\$ 8,640,959	\$ 752,078	\$ 28,042,112

See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities			
			Nonmajor Business-Type	
	Sewer	Fire Service	Alarm	Totals
Operating Revenues:				
Charges for Services	\$ 2,286,405	\$ 3,121,961	\$ 190,727	\$ 5,599,093
Operating Expenses:				
Cost of Sales and Services	1,723,717	2,595,078	32,521	4,351,316
Administrative Charges	132,000	161,000	96,000	389,000
Depreciation	251,375	281,752	-	533,127
Total Operating Expenses	2,107,092	3,037,830	128,521	5,273,443
Operating Income (Loss)	179,313	84,131	62,206	325,650
Nonoperating Revenues (Expense):				
Development Fees	128,646	-	-	128,646
Interest Expense	(17,236)	-	-	(17,236)
Total Nonoperating Revenues (Expenses)	111,410	-	-	111,410
Income (Loss) Before Transfers	290,723	84,131	62,206	437,060
Transfers In	-	50,000	-	50,000
Transfers Out	(384,200)	-	-	(384,200)
Changes in Net Position	(93,477)	134,131	62,206	102,860
Total Net Position, Beginning of Year	18,742,552	8,506,828	689,872	27,939,252
Total Net Position, End of Year	\$ 18,649,075	\$ 8,640,959	\$ 752,078	\$ 28,042,112

See accompanying Notes to Basic Financial Statements.

TOWN OF PARADISE VALLEY, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			
	Sewer	Fire Service	Nonmajor Business-Type Alarm	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 2,202,865	\$ 3,004,965	\$ 171,974	\$ 5,379,804
Payments to Suppliers	(2,020,159)	(2,589,203)	(32,521)	(4,641,883)
Administrative Charges	(132,000)	(161,000)	(96,000)	(389,000)
Net Cash Flows from Operating Activities	50,706	254,762	43,453	348,921
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received from Interfund Borrowing	769,185	-	-	769,185
Transfers In	-	50,000	-	50,000
Transfers Out	(384,200)	-	-	(384,200)
Development Fees	128,646	-	-	128,646
Net Cash Flows from Noncapital Financing Activities	513,631	50,000	-	563,631
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Capital Debt	(422,005)	-	-	(422,005)
Interest Paid on Capital Debt	(43,206)	-	-	(43,206)
Net Cash Flows from Capital and Related Financing Activities	(465,211)	-	-	(465,211)
NET CHANGE IN CASH AND INVESTMENTS	99,126	304,762	43,453	447,341
Cash and Investments - Beginning of Year	426,565	2,319,604	693,310	3,439,479
CASH AND INVESTMENTS - END OF YEAR (Including \$525,691 of Restricted Cash in the Sewer Fund)	<u>\$ 525,691</u>	<u>\$ 2,624,366</u>	<u>\$ 736,763</u>	<u>\$ 3,886,820</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 179,313	\$ 84,131	\$ 62,206	\$ 325,650
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	251,375	281,752	-	533,127
Change in Assets and Liabilities:				
Receivables, Net	(181,170)	(128,309)	(14,446)	(323,925)
Accounts Payable	(296,442)	5,875	-	(290,567)
Unearned Revenue	97,630	11,313	(4,307)	104,636
Net Cash Provided by Operating Activities	<u>\$ 50,706</u>	<u>\$ 254,762</u>	<u>\$ 43,453</u>	<u>\$ 348,921</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

The Town amortized \$15,419 of bond premiums in the Sewer Fund during the fiscal year.

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Paradise Valley, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the Town's more significant accounting policies follows.

A. Financial Reporting Entity

The Town is a municipal government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations.

Included within the reporting entity:

MPC Debt Service Fund. The MPC Debt Service Fund consists of the Paradise Valley Municipal Property Corporation (PVMPC) of which the board of directors consists of seven members who are appointed by the Town Council. The PVMPC, which is a nonprofit corporation incorporated under the laws of the state of Arizona, was formed for the sole purpose of assisting the Town in obtaining financing for various projects of the Town. The Town has an obligation for the repayment of the Paradise Valley Municipal Property Corporation's bonds.

The Mummy Mountain Preserve Trust. The Mummy Mountain Preserve Trust (MMPT) board of trustees consists of five members who are appointed by the Town Council. The MMPT was created for charitable purposes as defined in the Internal Revenue Code section 501(c)(3). The Town established and created beneficial interest in the MMPT to acquire, maintain, preserve and protect in perpetuity undeveloped real property and developed real property that can be returned to its natural state, and interests therein, including scenic and conservation easements, on and around the Mummy Mountain Preserve in the Town of Paradise Valley. The Town Council authorized the Town Manager and appropriate officers of the Town to have operational responsibility over MMPT by executing an agreement between the Town and MMPT to provide in-kind and direct expenditures for support services to the MMPT, including but not limited to the accounting, legal, clerical, property maintenance and management, insurance, real estate transaction expense, promotional, donor and trust estate costs. The Mummy Mountain Preserve Trust cannot be part of another financial reporting entity.

Separate financial statements are not issued for the component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The effect of interfund activity has been removed from these statements except for interfund services provided and used are not eliminated in the consolidation. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of general long-term principal and interest due early in the following year, the expenditures and related liabilities have been recognized in the Debt Service Fund.

Intergovernmental grants and aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Town reports the following major governmental funds:

The General Fund - The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

Highway User Revenue Fund - The Highway User Revenue Special Revenue Fund accounts for the Town's share of restricted motor fuel tax revenues and lottery proceeds.

Court Enhancement Fund - The Court Enhancement Fund is a special revenue fund that accounts for restricted court funds received to improve the Town court.

Capital Projects Fund - The Capital Projects Fund accounts for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Town reports the following major proprietary funds:

Sewer System Fund - The Sewer System Fund accounts for the costs to operate, construct and finance the Town's sewer system.

Fire Service Fund - The Fire Service Fund accounts for the costs to operate fire services for the Town.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, for governmental activities the Town uses restricted resources first, when appropriate, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the state treasurer, and highly liquid investments with maturities of three years or less from the date of acquisition.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (Continued)

1. Deposits and Investments (Continued)

Cash and investments are pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the state of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pool.

2. Receivables

All trade receivables are shown net of an allowance for uncollectible.

3. Interfund Receivables/Payables

During the course of operations, individual funds within the Town's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

The Town also reports advances to and advances from other funds on the balance sheet of the fund financial statements for long-term interfund borrowings between funds (more than a year).

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. The Town recognizes the expense/expenditure in the government-wide and fund financial statements at the time the benefit is received and not at the time of the outlay.

5. Restricted Cash and Investments

The Town reports restricted cash in the Debt Service Fund and Sewer Fund for cash held with a paying agent. The Town also reports restricted cash and investments in the General Fund, Capital Outlay Fund and Sewer Fund for customer deposits and unspent sewer development fees, respectively.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (Continued)

6. Capital Assets

Capital assets (including property, plant, and equipment) are reported in the governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings and Improvements	25 Years
Land Improvements	25 Years
Sewer Lines	50 Years
Infrastructure	30 to 50 Years
Machinery, Furniture, Equipment and Vehicles	5 to 20 Years

7. Deferred Outflows of Resources

The Town recognizes the consumption of net position that is applicable to a future reporting period as deferred outflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions.

8. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund financial statements consist of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

9. Claims and Judgements Payable

The liability for claims and judgements payable is reported in the government-wide financial statements. This liability is related to the Parker-Hall Public Safety Personnel Retirement System (PSPRS) litigation that was incurred during the year, but not yet paid.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (Continued)

10. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary type statement of net position. Bond premiums are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the bond premium. Bond issuance costs are expensed at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS) and additions to/deductions from ASRS/PSPRS's fiduciary net position have been determined on the same basis as they are reported by ASRS/PSPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Deferred Inflows of Resources

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the Town as of June 30, 2017 or within 60 days of fiscal year end. The deferred inflows of resources represent a reconciling item between the governmental fund financial statements and the government-wide financial statements.

The Town also recognizes the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (Continued)

13. Net Position

In the government-wide financial statements, net position is reported in three categories: Net investment in capital assets; restricted net position; and unrestricted net position. The net investment in capital assets is separately reported because these assets are not available for future spending. Restricted net position account for the portion of net position restricted by parties outside the Town. Unrestricted net position is the remaining net position not included in the previous two categories.

14. Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification include amounts that cannot be spent because they are either not in spendable form such as inventories, advances to other funds, other long-term notes receivable, and prepaid items, or are legally or contractually required to be maintained intact.

Restricted fund balances are those that have externally imposed restrictions on its usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

Committed fund balances are self-imposed limitations approved by the Town Council through ordinance, which is the highest level of decision-making authority within the Town. Only the Town Council can remove or change the constraints placed on committed fund balances through formal resolution. Fund balances must be committed before the end of the fiscal year.

Assigned fund balances are resources constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town Council has authorized the Town Manager or his designee to make assignments of resources for specific purposes.

The unassigned fund balance is the residual classification for the General Fund and includes all amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned. It is the Town's policy to use restricted fund balance first, then committed, assigned, and lastly unassigned amounts. The Town has also established a fund balance policy whereas the unassigned fund balance in the operating budget be equal to at least 90%, and not more than 110% of expenditures.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance

At fiscal year end June 30, 2017, the Town reported a deficit fund balance in the nonmajor governmental fund Grants Fund of \$16,600. This deficit was due to costs that had been incurred, but not yet collected within 60 days and therefore reported as deferred inflows of resources. The Town submitted claims for those grant funds and will receive them in the subsequent year.

B. Budgetary Information

The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. A public hearing is conducted to obtain taxpayer comment.
3. State law requires that, prior to April 1, the Economic Estimates commission provides the Town with a final expenditure limit for the coming fiscal year. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the state each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. By Arizona Constitution, expenditures may not legally exceed the expenditure limitation described below for all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for other funds (except for the Mummy Mountain Preserve Trust Fund).
5. Legal budgets are adopted for all funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures with the exception of the Mummy Mountain Trust Nonmajor Governmental Fund in which an adopted budget is not prepared.

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carryover unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

**TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Budgetary Information (Continued)

For fiscal year ended June 30, 2017, the Town reported an over-expenditure in the following categories:

	<u>Overexpenditure</u>
Nonmajor Governmental Funds	
Grants Fund	\$ 139,939
Debt Service Fund	16,973

The Grants Fund over-expenditure was due to the Town receiving grants that were not anticipated during the year. The Debt Service Fund over-expenditure was due to a higher interest payment than budgeted. Cash was available to meet all of the over-expenditures listed.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

Deposits and investments at June 30, 2017 consist of the following:

Deposits:	
Cash on Hand	\$ 11,419
Cash in Bank	6,775,030
Cash Held by Trustee	35,356
Investments:	
U.S. Treasury Bonds	2,454,377
Commercial Paper	895,631
Corporate Bonds and Notes	5,532,981
Supra-National Agency Bonds	577,105
U.S. Agency Securities	13,180,689
Money Market Funds	5,556,132
State Treasurer's Investment	6,024,395
Total Cash and Investment	<u>41,043,115</u>
Less: Restricted Cash and Investments	<u>(6,885,134)</u>
Total Cash and Equivalents	<u><u>\$ 34,157,981</u></u>

Deposits

The Town's deposits at June 30, 2017 had a carrying balance of \$6,810,386 and a bank balance of \$7,139,725. Of the bank balance, \$324,768 was covered by federal depository insurance, and \$6,814,957 was covered by collateral held by the Town's custodial bank in the Town's name. Therefore, the Town's deposits were not exposed to any custodial credit risk.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Investments

The State Investment Board provides oversight for the state treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The shares are not identified with specific investments and are not subject to custodial credit risk. All other investments of the Town are uninsured and unregistered with the securities held by the counterparty's trust department or agent in the Town's name.

At year-end, the Town's investments consisted of the following:

		Fair Value Measurements Using		
	6/30/2017	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Observable Inputs (Level III)
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury Bonds	\$ 2,454,377	\$ 2,454,377	\$ -	\$ -
Commercial Paper	895,631	-	895,631	-
Corporate Bonds and Notes	5,532,981	-	5,532,981	-
Supra-National Agency Bonds	577,105	-	577,105	-
U.S. Agency Securities	13,180,689	-	13,180,689	-
Total Investments by Fair Value Level	22,640,783	\$ 2,454,377	\$ 20,186,406	\$ -
Investments Measured at Fair Value				
State Treasurer's Investment	6,024,395			
Money Market Funds	5,556,132			
Total Investments Measured at Fair Value	11,580,527			
Total Investments	\$ 34,221,310			

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Town's investment policy, the Town manages its exposure to declines in fair values by limiting its investments to U.S. government securities with maturities of less than three years.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

The table below summarizes the Town's interest rate risk, based on maturity dates of various instruments:

Investment Type	Investment Maturity			Total
	Less than 0-6 Months	Less than 6-12 Months	12+ Months	
U.S. Treasury Bonds	\$ -	\$ -	\$ 2,454,377	\$ 2,454,377
Commercial Paper	449,766	445,865	-	895,631
Corporate Bonds and Notes	-	-	5,532,981	5,532,981
Supra-National Agency Bonds	-	-	577,105	577,105
U.S. Agency Securities	-	-	13,180,689	13,180,689
Money Market Funds	5,556,132	-	-	5,556,132
State Treasurer's Investment	6,024,395	-	-	6,024,395
Total Investments	<u>\$ 12,030,293</u>	<u>\$ 445,865</u>	<u>\$ 21,745,152</u>	<u>\$ 34,221,310</u>

Credit Risk – The Town limits its investments to the State Treasurer's Investment Pool and Federal Agency Securities. The investment in the money market is on hand at the end of the fiscal year in order to make the required principal and interest payments on outstanding bonds. The funds are on deposit with a trustee for less than one month and do not pose a credit risk to the Town. The Town's investments consist of U.S. Treasury Bonds, Commercial Paper, Corporate Bonds and Notes, Supra National Agency Bonds, U.S. Agency Securities, Money Market Funds and the State Treasurer's Investment Pool. The Town's investment rating based on investment type is shown below:

Investment Type	Rating	Agency	Amount
U.S. Treasury Bonds	AA+/Aaa	S&P/Moody's	\$ 2,454,377
Commercial Paper	A-1/P-1	S&P/Moody's	895,631
Corporate Bonds and Notes	AA/Aa2	S&P/Moody's	523,583
Corporate Bonds and Notes	A+/A1	S&P/Moody's	1,194,940
Corporate Bonds and Notes	A/A1	S&P/Moody's	751,305
Corporate Bonds and Notes	A+/Aa3	S&P/Moody's	1,055,250
Corporate Bonds and Notes	A/A2	S&P/Moody's	741,699
Corporate Bonds and Notes	A-/A2	S&P/Moody's	223,785
Corporate Bonds and Notes	A-/A3	S&P/Moody's	225,698
Corporate Bonds and Notes	A+/A2	S&P/Moody's	269,668
Corporate Bonds and Notes	AA-/Aa2	S&P/Moody's	125,088
Corporate Bonds and Notes	AA+/Aa1	S&P/Moody's	200,500
Corporate Bonds and Notes	AAA/Aaa	S&P/Moody's	110,286
Corporate Bonds and Notes	BBB+/A3	S&P/Moody's	111,166
Supra National Agency Bonds	AAA/Aaa	S&P/Moody's	577,118
Money Market	AAAm	S&P	5,556,132
U.S. Agency Securities	AA+/Aaa	S&P/Moody's	13,180,689
State Treasurer's Investment	AAA	Moody's	6,024,395
			<u>\$ 34,221,310</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Concentration of Credit Risk - The Town places no limit on the amount the Town may invest in any one investment type. See table summarizing the Town's investments.

Investment Type	Amount	Percent of Town Investments
U.S. Treasury Bonds	\$ 2,454,377	7.2%
Commercial Paper	895,631	2.6%
Corporate Bonds and Notes	5,532,981	16.2%
Supra-National Agency Bonds	577,105	1.7%
U.S. Agency Securities	13,180,689	38.5%
Money Market Funds	5,556,132	16.2%
State Treasurer's Investment	6,024,395	17.6%
	<u>\$ 34,221,310</u>	<u>100.0%</u>

2. Restricted Cash and Investments

Restricted cash and investments at June 30, 2017 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash with Paying Agent	\$ 210,618	\$ -	\$ 210,618
Sewer Impact Fees	-	454,180	454,180
Unspent Bond Proceeds	5,466,357	-	5,466,357
Customer Deposits	682,468	71,511	753,979
Total	<u>\$ 6,359,443</u>	<u>\$ 525,691</u>	<u>\$ 6,885,134</u>

3. Receivables

Court fines of the General Fund are recorded net of uncollectible amounts. The allowance for uncollectible accounts at June 30, 2017 was for the court receivable (\$478,598), all other receivables are deemed to be collectible.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Receivables (Continued)

Receivables consist of the following:

	General	HURF	Court Enhancement Fund	Capital Projects Fund	Nonmajor Governmental	Total
Office of the State Treasurer:						
Highway User Revenue	\$ -	\$ 82,728	\$ -	\$ -	\$ -	\$ 82,728
State Sales Tax	112,777	-	-	-	-	112,777
Town Sales Tax	1,848,657	-	-	-	-	1,848,657
County Treasurer:						
Auto Lieu Tax	21,250	-	-	-	-	21,250
Franchise Fees:						
Arizona Pubic Service	156,405	-	-	-	-	156,405
Cox Cable	65,434	-	-	-	-	65,434
Southwest Gas	25,667	-	-	-	-	25,667
Court Receivable	663,553	-	2,816	-	-	666,369
Grant Receivable	-	-	-	-	24,135	24,135
Capital Project Reimbursement	-	-	-	134,645	-	134,645
Miscellaneous	213,598	-	-	-	-	213,598
Less: Allowance for Uncollectibles	(478,598)	-	-	-	-	(478,598)
Total	<u>\$ 2,628,743</u>	<u>\$ 82,728</u>	<u>\$ 2,816</u>	<u>\$ 134,645</u>	<u>\$ 24,135</u>	<u>\$ 2,873,067</u>
Note Receivable	<u>\$ 12,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,583</u>
Interest	<u>\$ 84,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,477</u>

The Sewer System, Fire Service Fee, and Alarm Monitor System Enterprise Funds reported accounts receivable, net of the allowance for uncollectible (\$28,728 in the Sewer Fund, \$14,100 in the Fire Service Fund, and \$645 in Alarm Fund) of \$245,521, \$177,336, and \$15,315 due from residents, respectively.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General Fund:		
Court Fines Receivable	\$ 184,955	\$ -
Grants Receivable	12,573	-
Miscellaneous Unearned	-	40,570
Nonmajor Governmental Funds:		
Grants Receivable	16,600	12,916
	<u>\$ 214,128</u>	<u>\$ 53,486</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

4. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 41,573,462	\$ -	\$ -	\$ 41,573,462
Construction in Progress	1,660,831	3,591,707	(868,568)	4,383,970
Total Capital Assets, Not Being Depreciated	<u>43,234,293</u>	<u>3,591,707</u>	<u>(868,568)</u>	<u>45,957,432</u>
Capital Assets, Being Depreciated:				
Land Improvements	2,037,352	-	-	2,037,352
Infrastructure	37,408,384	433,129	-	37,841,513
Buildings and Improvements	9,526,653	-	-	9,526,653
Machinery, Equipment, and Vehicles	8,551,647	280,717	-	8,832,364
Total Capital Assets, Being Depreciated	<u>57,524,036</u>	<u>713,846</u>	<u>-</u>	<u>58,237,882</u>
Accumulated Depreciation for:				
Land Improvements	(1,358,302)	(83,669)	-	(1,441,971)
Infrastructure	(7,846,413)	(834,408)	-	(8,680,821)
Buildings and Improvements	(5,476,850)	(307,465)	-	(5,784,315)
Machinery, Equipment, and Vehicles	(5,115,907)	(833,498)	-	(5,949,405)
Total Accumulated Depreciation	<u>(19,797,472)</u>	<u>(2,059,040)</u>	<u>-</u>	<u>(21,856,512)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,726,564</u>	<u>(1,345,194)</u>	<u>-</u>	<u>36,381,370</u>
Governmental Activities Capital Assets, Net	<u>\$ 80,960,857</u>	<u>\$ 2,246,513</u>	<u>\$ (868,568)</u>	<u>\$ 82,338,802</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

4. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,853,626	\$ -	\$ -	\$ 2,853,626
Sewer Capacity Rights	14,349,766	-	-	14,349,766
Total Capital Assets, Not Being Depreciated	17,203,392	-	-	17,203,392
Capital Assets, Being Depreciated:				
Sewer System	12,569,671	-	-	12,569,671
Buildings and Improvements	4,460,117	-	-	4,460,117
Machinery and Equipment	1,185,443	-	-	1,185,443
Furniture and Fixtures	35,081	-	-	35,081
Total Capital Assets, Being Depreciated	18,250,312	-	-	18,250,312
Accumulated Depreciation for:				
Sewer System	(5,769,202)	(251,393)	-	(6,020,595)
Buildings and Improvements	(641,408)	(178,404)	-	(819,812)
Machinery and Equipment	(1,081,483)	(98,450)	-	(1,179,933)
Furniture and Fixtures	(23,137)	(4,880)	-	(28,017)
Total Accumulated Depreciation	(7,515,230)	(533,127)	-	(8,048,357)
Total Capital Assets, Being Depreciated, Net	10,735,082	(533,127)	-	10,201,955
Business-Type Activities Capital Assets, Net	<u>\$ 27,938,474</u>	<u>\$ (533,127)</u>	<u>\$ -</u>	<u>\$ 27,405,347</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 703,201
Public Safety	581,462
Highways and Streets	774,377
Total Depreciation Expense, Governmental Activities	<u>\$ 2,059,040</u>

Business-Type Activities:

Sewer Fund	\$ 251,375
Fire Service Fund	281,752
Total Depreciation Expense, Business-Type Activities	<u>\$ 533,127</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Construction Commitments

At June 30, 2017, the Town has the following active construction commitments:

Project	Governmental Activities	
	Spent-to-Date	Remaining Commitment
Public Safety Tower	\$ 3,074,696	\$ 1,458,987
Ped/Bike Study	110,793	31,677
Lincoln sidewalks	116,003	441,237
Ritz Carlton Development	647,438	1,167,375
Total	<u>\$ 3,948,930</u>	<u>\$ 3,099,276</u>

C. Interfund Transfers

Interfund transfers for the year ended June 30, 2017 consisted of the following:

Transfers In	Transfers Out			
	General Fund	Capital Projects Fund	Sewer Fund	Total
HURF Fund	\$ 2,100,000	\$ -	\$ -	\$ 2,100,000
Capital Projects Fund	3,827,639	-	384,200	4,211,839
Nonmajor Governmental Funds	-	134,199	-	134,199
Fire Service Fund	50,000	-	-	50,000
Total	<u>\$ 5,977,639</u>	<u>\$ 134,199</u>	<u>\$ 384,200</u>	<u>\$ 6,496,038</u>

The transfer of \$2,100,000 from the General Fund to the HURF Fund was recorded to fund street projects. The transfer of \$3,827,639 from the General Fund to the Capital Projects Fund was recorded to fund various capital projects being constructed by the Town. The transfer of \$50,000 from the General Fund to the Fire Service Fund was recorded to supplement the Fire Service Fund operations. The Sewer Fund transferred \$384,200 to the Capital Projects Funds for capital related expenditures. The Capital Projects Fund transferred \$134,199 to the Nonmajor Governmental Funds to make the interest payment on the Excise Tax Revenue Obligations, Series 2016.

D. Interfund Receivables/Payables

Short-term borrowings between funds are reported as due to/due from other funds and long-term borrowings between funds are reported as advances to and advances from other funds.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables/Payables (Continued)

At June 30, 2017, the Town reported the following due to/due from other funds:

Due To	Due From		Total
	Sewer Fund	Nonmajor Governmental Funds	
General Fund	\$ 1,857,837	\$ 10,692	\$ 1,868,529

The \$1,857,837 due from the Sewer Fund to the General Fund was for short-term borrowings to cover deficit cash in the Sewer Fund. The \$10,692 due from the Nonmajor Governmental Funds to the General Fund was also for short-term borrowings to eliminate deficit cash.

Interfund advances for the year ended June 30, 2017 consisted of the following:

Advance To	Advance From
	Court Enhancement Fund
General Fund	\$ 590,000

The advance from the General Fund to the Court Enhancement Fund was recorded to advance the Court Enhancement Fund monies for the construction of a new court building. The advance will be repaid over a ten-year period beginning July 1, 2013. The first principal payment was recorded during fiscal year 2014 and the current year principal payment was \$90,000. The interest rate is 2.50%. The Court Enhancement Fund paid a total of \$16,438 in interest on the advance during the current fiscal year.

E. Obligations Under Leases

Capital Leases

The Town has acquired various equipment and vehicles under the provision of long-term lease agreements classified as capital leases. The principal amount of the assets totaling \$853,230 is capitalized in the Governmental Activities, if it meets the Town's capitalization policy of \$5,000. The leases provide for bargain purchase options. The amortization of these assets is included in depreciation expense reported in the Government-wide financial statements in the Governmental Activities.

The assets acquired through capital leases are as follows:

	Governmental Activities
Capital Assets Being Depreciated:	
Machinery, Equipment and Vehicles	\$ 853,230
Less: Accumulated Depreciation	(767,907)
Total Capital Assets, Net	\$ 85,323

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Obligations Under Leases (Continued)

The future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2017, were as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2018	\$ 74,492
Less: Amount Representing Interest	(1,306)
Present Value of Minimum Lease Amounts	<u>\$ 73,186</u>

F. Long-Term Obligations

The Town has long-term bonds payable issued to refund previous bonds used to provide funds for the acquisition of sewer capacity and to retire a capital lease used for the acquisition and construction of fire stations. Compensated absences are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

Bonds payable at June 30, 2017, were as follows:

<u>Description</u>	<u>Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2017</u>
Revenue Bonds			
Municipal Property Corporation Excise Tax Refunding Bond, Series 2009; original issue \$11,055,000	1/1/2018-2019	3.00-5.00%	\$ 1,810,000
Excise Tax Revenue Obligations, Series 2016 \$7,880,000	1/1/2018-2024	1.690%	7,880,000
Total Outstanding Revenue Bonds			<u>\$ 9,690,000</u>

The Town has pledged future excise tax revenues, which include sales tax, franchise tax, General Fund intergovernmental revenues and business licenses, to repay \$11,055,000 in excise tax revenue refunding bonds and \$7,880,000 in excise tax revenue bonds. The remaining principal balance is \$9,690,000. Proceeds from the MPC Excise Tax Revenue Refunding Bonds, Series 2009 were used 32% to refund prior bonds in the Sewer Fund and 68% for refunding prior bonds and retiring debt on a capital lease in the governmental activities. The MPC bonds are payable from excise tax revenues transferred to the MPC Debt Service Fund in the governmental funds and developer fee revenues in the Sewer Fund through 2019. The Excise Tax Revenue Obligations, Series 2016, bond proceeds were used to fund projects in the Capital Project Funds and the total proceeds were deposited to the associated fund. All payments however will be made through the Debt Service Fund. Total principal and interest payments on the bonds are expected to require less than 10% of pledged revenues. Total remaining principal and interest required on the bonds is \$10.3 million, payable through 2024. In the current year, total principal and interest paid were \$1.6 million.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Changes in long-term obligations for the year ended June 30, 2017 are as follows:

	Beginning of Year	Additions	Retirements	End of Year	Due within One Year
Governmental Activities:					
Revenue Bonds	\$ 10,052,196	\$ -	\$ (927,995)	\$ 9,124,201	\$ 935,203
Bond Premium	101,718	-	(33,906)	67,812	33,906
Capital Leases	167,789	-	(94,603)	73,186	48,574
Compensated Absences	1,070,033	695,858	(624,223)	1,141,668	551,215
Total Governmental Activities	<u>\$ 11,391,736</u>	<u>\$ 695,858</u>	<u>\$ (1,680,727)</u>	<u>\$ 10,406,867</u>	<u>\$ 1,568,898</u>
Business-Type Activities:					
Revenue Bonds	\$ 987,804	\$ -	\$ (422,005)	\$ 565,799	\$ 354,797
Bond Premium	46,257	-	(15,419)	30,838	15,419
Total Business-Type Activities	<u>\$ 1,034,061</u>	<u>\$ -</u>	<u>\$ (437,424)</u>	<u>\$ 596,637</u>	<u>\$ 370,216</u>

Debt service requirements on long-term debt at June 30, 2017 are as follows:

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 935,203	\$ 164,866	\$ 354,797	\$ 15,009
2019	1,123,998	133,675	211,002	3,956
2020	1,365,000	107,864	-	-
2021	1,390,000	84,585	-	-
2022	1,415,000	60,882	-	-
2023-24	2,895,000	49,137	-	-
Totals	<u>\$ 9,124,201</u>	<u>\$ 601,009</u>	<u>\$ 565,799</u>	<u>\$ 18,965</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION

A. Fund Balance

The following represents the classifications of the Town's fund balance for fiscal year ended June 30, 2017:

	General Fund	Highway User Revenue Fund	Court Enhancement Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
Nonspendable:						
Prepays	\$ 2,145,826	\$ -	\$ -	\$ -	\$ -	\$ 2,145,826
Advances to Other Funds	590,000	-	-	-	-	590,000
Notes Receivable	12,583	-	-	-	-	12,583
Restricted:						
Unspent Bond Proceeds	-	-	-	5,466,357	-	5,466,357
Contributions and Donations	-	-	-	-	27,948	27,948
Court Enhancement	-	-	386,941	-	-	386,941
Mummy Mountain Trust	-	-	-	-	40,251	40,251
Assigned:						
Highways and Streets	-	387,331	-	-	-	387,331
Debt Service	-	-	-	-	1,286,923	1,286,923
Capital Projects	494,500	-	-	2,663,704	-	3,158,204
Unassigned:	26,547,108	-	-	-	(16,600)	26,530,508
Total Fund Balance	<u>\$ 29,790,017</u>	<u>\$ 387,331</u>	<u>\$ 386,941</u>	<u>\$ 8,130,061</u>	<u>\$ 1,338,522</u>	<u>\$ 40,032,872</u>

B. Risk Management

The Town of Paradise Valley, Arizona, is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. The limit for basic coverage is for \$2,000,000 per occurrence on a claims made basis. The aggregate excess coverage is for an additional \$18,000,000, excluding land use liability claims, on a follow form, claims made basis. The excess land use liability aggregate is \$5,000,000. No settlements exceeded insurance coverage during any of the past three fiscal years.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the Pool to meet its expected financial obligations. The Pool has the authority to assess its members' additional premiums should reserves and annual premiums be insufficient to meet the Pool's obligations. The Town is also insured by Arizona Municipal Risk Retention Pool for potential worker related accidents.

C. Commitments and Contingencies

Contingencies – The Town is a defendant in various lawsuits. In the opinion of the Town's legal counsel, the status of the lawsuits are either not presently determinable or in the event of an unfavorable decision, would not significantly impact the Town.

**TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Commitments and Contingencies (Continued)

Commitments – The Town has entered into an Intergovernmental Agreement (IGA) with the City of Phoenix Fire Department that enables the City of Phoenix to provide Fire Service personnel, communication, and dispatch services to the Town. In return, the Town pays service fees equal to 50% of the operating cost to the City of Phoenix based on the IGA. Payments are due on a quarterly basis to City of Phoenix. The agreement continues until terminated by either party. Termination requires 365 days written notice unless there is a failure to meet responsibilities by either party. If there is a failure to meet responsibilities the agreement can be terminated in 90 days. The payments to the City of Phoenix related to this IGA were \$2.3 million for the year ended June 30, 2017.

D. Retirement Plans

Defined Contribution Pension Plan

Prior to July 1, 2013, all Town employees who worked more than 30 hours per week were eligible to participate in a defined contribution pension plan administered by the ICMA Retirement Corporation as a 401(a) plan. The payroll for the Town employees covered by this plan for the year ended June 30, 2017 was \$3,843,009. The Town's total payroll was \$6,881,786. Effective July 1, 2013, the Town discontinued employer contribution to the plan, but employee contributions continued. New employees hired after July 1, 2013 were not eligible to participate in the plan. The Town is discontinuing the 401(a) plan effective June 30, 2018.

A 401(a) plan is a defined contribution plan pursuant to Section 401(a) of the Internal Revenue Code. This means that the employee's retirement benefit is based upon the total contributions made by the participating employee and employer plus investment earnings on those contributions. The employer decides on the method of the participant's contribution. The most common method is mandatory participant contributions made on a pre-tax basis, which is how the Town's 401(a) has been designed. Because the contributions are mandatory and made on a pre-tax basis, the employee cannot change the amount being contributed nor may the employee discontinue making contributions as long as he/she is eligible under the plan. Further, eligible employees had a one-time decision to enroll in the plan. These are rules under the Internal Revenue Code.

Employees that leave employment of the Town are entitled to their contributions and the vested portion of the prior Town's contributions, plus investment earnings. During fiscal year 2016-2017, the Town did not contribute to the 401(a) plan. The employees' contributions totaled \$73,115.

The ICMA Retirement Corporation held no securities of the Town or other related parties during the fiscal year 2016-2017 or as of the close of the fiscal year.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Cost-Sharing and Agent Multiple Employer Pension Plans

The Town contributes to the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS) for police officers. The plans are component units of the state of Arizona.

At June 30, 2017, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>
Net Pension Liability	\$ 29,250,048
Deferred Outflows of Resources	12,124,582
Deferred Inflows of Resources	824,447
Pension Expense	3,906,544

The Town reported accrued payroll and employee benefits of \$-0- for outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2017. Also, the Town reported \$8,425,799 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

Arizona State Retirement System

Plan Description – Town employees not covered by the other pension plans described on the following pages participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB); and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

**TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Benefits Provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement	
	Initial Membership Date	
	Before July 1, 2011	On or After July 1, 2011
Years of Service	Sum of years and age equals 80	30 years age 55
and Age Required	10 years age 62	25 years age 60
to Receive Benefit	5 year age 50*	10 years age 62
	any years age 65	5 years age 50*
		any years age 65
Final Average	Highest 36 Consecutive	Highest 60 Consecutive
Salary is Based on:	Months of Last 120 Months	Months of Last 120 Months
Benefit Percentage		
per Year of Service	2.1% to 2.3 %	2.1% to 2.3 %

* With Actuarially Reduced Benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2017, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48% (11.34% for retirement and 0.14% for long-term disability) of the members' annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 11.48% (10.78% for retirement, 0.56% for the health insurance premium benefit, and 0.14% for long-term disability) of the active members' annual covered payroll.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

In addition, the Town was required by statute to contribute at the actuarially determined rate of 9.47% (9.17% for retirement, 0.21% for the health insurance premium benefit, and 0.09% for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that would typically be filled by an employee who contributes to the ASRS. The Town's contributions to the pension plan for the year ended June 30, 2017, was \$416,736. The Town's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

<u>Year Ended June 30,</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
2017	\$ 21,649	\$ 5,412
2016	20,286	4,869
2015	21,959	4,466

During the fiscal year ended June 30, 2017, the Town paid for ASRS pension and OPEB contributions as follows: 86% from the General Fund and 14% from the HURF Fund.

Pension Liability – At June 30, 2017, the Town reported a liability of \$6,774,380 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The Town's reported liability at June 30, 2017, increased by \$479,984 from the Town's prior year liability of \$6,294,396 because of changes in the ASRS' net pension liability and the Town's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The Town's proportion of the net pension liability was based on the Town's FY 2016 contributions. The Town's proportion measured as of June 30, 2016, was 0.04197%, which was an increase of 0.00156 from its proportion measured as of June 30, 2015.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2017, the Town recognized pension expense for ASRS of \$536,334. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 41,167	\$ 466,028
Changes of Assumptions or Other Inputs	-	358,419
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	734,117	-
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	263,977	-
Town Contributions Subsequent to the Measurement Date	416,736	-
Total	<u>\$ 1,455,997</u>	<u>\$ 824,447</u>

The \$416,736 reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2018	\$ (164,376)
2019	(141,829)
2020	315,176
2021	205,843

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Valuation Date	June 30, 2015
Actuarial Roll Forward Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Discount Rate	8%
Projected Salary Increases	3 - 6.75%
Inflation	3%
Permanent Benefit Increase	Included
Mortality Rates	1994 GAM Scale Bf

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity	58%	6.79%	3.90%
Fixed Income	25%	3.70%	0.93%
Commodities	2%	3.84%	0.08%
Real Estate	10%	4.25%	0.42%
Multi-Asset Class	5%	3.41%	0.17%
Total	100%		5.50%
Inflation			3.25%
Expected arithmetic nominal return			8.75%

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8%, which is less than the long-term expected rate of return of 8.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate – The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Town's Proportionate Share of the Net Pension Liability	\$ 8,637,848	\$ 6,774,380	\$ 5,280,285

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System (PSPRS)

Plan Description – Town police employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A nine-member board known as the board of trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

**TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

Benefits Provided – The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial Membership Date	
	Before January 1, 2012	On or After January 1, 2012
<u>Retirement and Disability</u>		
Years of Service	20 years any age	25 years and age 52.5
and Age Required to Receive Benefit	15 years age 62	
Final Average Salary is Based on	Highest 36 Consecutive Months of last 20 years	Highest 60 Consecutive Months of last 20 years
Benefit Percentage Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<u>Survivor Benefit</u>		
Retired Members	80-100% of retired member's pension benefit	
Active Members	80-100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50% of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms – At June 30, 2017, the following employees were covered by the agent pension plans' benefit terms:

	<u>PSPRS Police</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	40
Inactive Employees Entitled to but	
Not Yet Receiving Benefits	3
Active Employees	<u>32</u>
Total	<u><u>75</u></u>

Contributions and Annual OPEB Cost – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS Police</u>
Active Members - Pension	11.65%
PSPRS members with an initial	
membership date on or before	
July 19, 2011	
July 2016 through March 2017	11.65%
April 2017 through June 2017	7.65%
Town	
Pension	70.16%
Health Insurance Premium Benefit	0.57%

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

For the agent plans, the Town's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2017, were:

	<u>PSPRS Police</u>
Pension	
Contributions Made	\$ 8,009,063
Health Insurance Premium Benefit	
Annual OPEB Cost	14,119
Contributions Made	64,544

During the fiscal year 2017, the Town paid for PSPRS and OPEB contributions 100% from the General Fund.

Pension Liability – At June 30, 2017, the Town reported the following net pension liability:

	<u>Net Pension Liability</u>
PSPRS Police	\$ 22,475,668

The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2016, reflects the following changes of benefit terms and actuarial assumptions.

- In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments changed the basis for cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.
- Laws 2016, Chapter 2, changed the benefit formula and contribution requirements for members hired on or after July 1, 2017.
- The investment rate of return assumption was decreased from 7.85% to 7.50% for PSPRS.

The net pension liabilities measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the Town's net pension liability as a result of these changes is not known.

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

Pension Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Valuation Date	June 30, 2016
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	7.50%
Projected Salary Increases	4.0% - 8.0%
Inflation	4.0%
Permanent Benefit Increase	Included
Mortality Rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.50% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Rate of Return
U.S. Equity	16%	6.23%
Non-U.S. Equity	14%	8.25%
Private Equity	11%	9.50%
Fixed Income	7%	2.92%
Credit Opportunities	13%	7.08%
Absolute Return	5%	4.11%
Real Assets	8%	4.77%
Real Estate	10%	4.48%
Risk Parity	4%	5.13%
GTAA	10%	4.38%
Short-Term Investments	2%	0.75%
Total	100%	

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

Pension Discount Rates – The following discount rates were used to measure the total pension liabilities:

	PSPRS
	Police
Discount Rates	<u>7.50%</u>

At June 20, 2016, the discount rate used to measure the total pension liability was 7.50% which was a decrease of 0.35% from the discount rate used as of June 30, 2015. The projection of cash flows used to determine the PSPRS discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Agent Plans Net Pension Liability – The following tables present changes in the Town's net pension liability for the PSPRS – Police pension plans as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2016	\$ 29,018,758	\$ 7,705,189	\$ 21,313,569
Changes for the Year:			
Service Cost	503,757	-	503,757
Interest on the Total Pension Liability	2,201,463	-	2,201,463
Changes of Benefit Terms	745,131	-	745,131
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	692,654	-	692,654
Changes of Assumptions or Other Inputs	1,116,822	-	1,116,822
Contributions - Employer	-	3,056,411	(3,056,411)
Contributions - Employee	-	312,821	(312,821)
Net Investment Income	-	57,574	(57,574)
Benefit Payments, Including Refunds of Employee Contributions	(2,453,037)	(2,453,037)	-
Administrative Expenses	-	(8,686)	8,686
Other Changes	-	679,608	(679,608)
Net Changes	2,806,790	1,644,691	1,162,099
Balances as of June 30, 2017	<u>\$ 31,825,548</u>	<u>\$ 9,349,880</u>	<u>\$ 22,475,668</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

Sensitivity of the Town's Net Pension Liability (Asset) to Changes in the Discount Rate – The following table presents the Town's net pension liability calculated using the discount rates noted above, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS Police:			
Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 26,343,901	\$ 22,475,668	\$ 19,263,251

Pension Plan Fiduciary Net Position – Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Pension Expense – For the year ended June 30, 2017, the Town recognized the following pension expense:

	Pension Expense
PSPRS Police	\$ 3,370,210

Pension Deferred Outflows/Inflows of Resources – At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 636,570	\$ -
Changes of Assumptions or Other Inputs	1,529,171	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	493,781	-
City Contributions Subsequent to the Measurement Date	8,009,063	-
Total	<u>\$ 10,668,585</u>	<u>\$ -</u>

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

The amounts reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>PSPRS Police</u>
2018	\$ 1,372,016
2019	565,654
2020	599,938
2021	121,914

Agent Plan OPEB Actuarial Assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2017, were established by the June 30, 2015 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as understood by the Town and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the Town and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2017 contribution requirements, are as follows:

TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

PSPRS - OPEB Contribution Requirements

Actuarial Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed for underfunded actuarial accrued liability, open for excess
Remaining Amortization Period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 80%/20% market corridor
Actuarial Assumptions:	
Investment Rate of Return	7.85%
Projected Salary Increases	4.0% - 8.0%
Wage Growth	4.0%

Agent Plan OPEB Trend Information – The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 14,119	457%	\$ -
2016	15,706	199%	-
2015	39,959	139%	-

The Town reported a net OPEB asset during the current year as the Town has been contributing excess contributions to fund the related net pension liability. As this net OPEB asset was not significant during the current year, further disclosure on the ARC, interest and adjustments were not reported.

Agent Plan OPEB Funded Status – The funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2016 is as follows:

Agent OPEB Plan Funded Status

	<u>PSPRS Police</u>
Actuarial Value of Assets (a)	\$ 463,745
Actuarial Accrued Liability (b)	586,531
Unfunded Actuarial Accrued Liability (Funding Excess) (b) - (a)	122,786
Funded Ratio (a) / (b)	79.10%
Annual Covered Payroll (c)	2,706,916
Unfunded Actuarial Accrued Liability (Funding Excess) as a Percentage of Covered Payroll (b) - (a) / (c)	4.54%

**TOWN OF PARADISE VALLEY, ARIZONA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

Public Safety Personnel Retirement System (PSPRS) (Continued)

The funded status of the all the PSPRS health insurance premium benefit plans in the June 30, 2016 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

PSPRS - OPEB Funded Status

Actuarial Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed for underfunded actuarial accrued liability, open for excess
Remaining Amortization Period	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 20% corridor
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	4.0% - 8.0%
Wage Growth	4.0%

REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF PARADISE VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
COST SHARING PENSION PLANS
JUNE 30, 2017 AND TWO YEARS PRIOR**

	(Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
Town's Proportion of the Net Pension Liability	0.04197%	0.04041%	0.03913%
Town's Proportionate Share of the Net Pension Liability	\$ 6,774,380	\$ 6,294,396	\$ 5,789,961
Town's Covered Payroll	\$ 3,811,031	\$ 3,699,764	\$ 3,983,759
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	177.76%	170.13%	145.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.06%	68.35%	69.49%

See accompanying Notes to the Required Supplementary Information.

**TOWN OF PARADISE VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2017 AND TWO YEARS PRIOR**

Agent Pension Plans

PSPRS Police

	Reporting Fiscal Year (Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability			
Service Cost	\$ 503,757	\$ 413,268	\$ 359,518
Interest on the Total Pension Liability	2,201,463	2,160,197	1,795,059
Changes of Benefit Terms	745,131	-	710,651
Differences Between Expected and Actual Experience in the Measurement of the Pension Liability	692,654	24,766	514,325
Changes of Assumptions or Other Inputs	1,116,822	-	3,303,865
Benefit Payments, Including Refunds of Employee Contributions	(2,453,037)	(1,782,549)	(2,335,144)
Net Change in Total Pension Liability	2,806,790	815,682	4,348,274
Total Pension Liability - Beginning	29,018,758	28,203,076	23,854,802
Total Pension Liability - Ending (a)	31,825,548	29,018,758	28,203,076
Plan Fiduciary Net Position			
Contributions - Employer	3,056,411	1,708,529	1,045,144
Contributions - Employee	312,821	411,948	303,349
Net Investment Income	57,574	307,573	917,883
Benefit Payments, Including Refunds of Employee Contributions	(2,453,037)	(1,782,549)	(2,335,144)
Administrative Expenses	(8,686)	(7,885)	(7,393)
Other Changes	679,608	(5,169)	34,308
Net Change in Plan Fiduciary Net Position	1,644,691	632,447	(41,853)
Plan Fiduciary Net Position - Beginning	7,705,189	7,072,742	7,114,595
Plan Fiduciary Net Position - Ending (b)	9,349,880	7,705,189	7,072,742
Town's Net Pension Liability (Asset) - Ending (a) - (b)	\$ 22,475,668	\$ 21,313,569	\$ 21,130,334

PSPRS Police

	Reporting Fiscal Year (Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.38%	26.55%	25.08%
Covered Payroll	\$ 2,706,916	\$ 2,290,190	\$ 2,200,154
Town's Net Pension Liability (Asset) as a Percentage of Covered Payroll	830.31%	930.65%	960.40%

See accompanying Notes to the Required Supplementary Information.

TOWN OF PARADISE VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2017 AND THREE YEARS PRIOR

Arizona State Retirement System

	Reporting Fiscal Year			
	2017	2016	2015	2014
Statutorily Required Contribution	\$ 416,736	\$ 465,354	\$ 405,309	\$ 377,424
Town's Contribution in Relation to the Statutorily Required Contribution	416,736	465,354	405,309	377,424
Town's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Town's Covered Payroll	\$ 3,883,764	\$ 3,811,031	\$ 3,699,764	\$ 3,983,759
Town's Contributions as a Percentage of Covered Payroll	10.73%	12.21%	10.95%	9.47%

PSPRS Police

	Reporting Fiscal Year			
	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,056,411	\$ 1,780,529	\$ 1,220,161	\$ 1,126,297
Town's Contribution in Relation to the Actuarially Determined Contribution	8,009,063	3,042,273	1,708,529	1,126,297
Town's Contribution Deficiency (Excess)	\$ (4,952,652)	\$ (1,261,744)	\$ (488,368)	\$ -
Town's Covered Payroll	\$ 3,017,666	\$ 2,706,916	\$ 2,290,190	\$ 2,200,151
Town's Contributions as a Percentage of Covered Payroll	265.41%	112.39%	74.60%	51.19%

**TOWN OF PARADISE VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
NOTES TO PENSION SCHEDULES
JUNE 30, 2017**

NOTE 1 ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial Cost Method	Entry age normal
Amortization Level	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining Amortization Period as of the 2015 Actuarial Valuation	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset Valuation Method	7-year smoothed market value; 20% corridor
Actuarial Assumptions	
Investment Rate of Return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected Salary Increases	In the 2014 actuarial valuation, projected salary increases were from 4.5%-8.5% to 4.0%-8.0%
Wage Growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006-June 30, 2011
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

NOTE 2 FACTORS THAT AFFECT TRENDS

In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the PSPRS and CORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases. These changes are included in the PSPRS' changes in total pension liability for fiscal year 2015 (measurement date of 2014) in the schedule of changes in the Town's net pension liability and related ratios. These changes also increased the PSPRS required contributions beginning in fiscal year 2016 in the schedule of Town pension contributions.

Additionally, in the current year, the Town reported a \$5.0 million payment to the PSPRS unfunded liability. This payment will affect future year required contributions, assumptions and total net pension liability.

NOTE 3 INFORMATION PRIOR TO MEASUREMENT DATE

Information prior to the measurement date (June 30, 2014) was not available.

NOTE 4 PENSION CONTRIBUTIONS

The Town prepaid June 30, 2017 required contributions, resulting in pension contributions exceeding the required contributions.

TOWN OF PARADISE VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2017

Other Postemployment Benefit (Health Insurance Subsidy)

Valuation Date June 30,	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Percent Funded	Over (Under) Funded AAL	Annual Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2012	\$ -	\$ 552,772	0.0%	\$ (552,772)	\$ 2,035,841	-27.2%
2013	-	531,952	0.0%	(531,952)	1,848,061	-28.8%
2014	415,682	566,330	73.4%	(150,648)	2,200,151	-6.8%
2015	454,063	552,438	82.2%	(98,375)	2,290,190	-4.3%
2016	463,745	586,531	79.1%	(122,786)	2,706,916	-4.5%

See accompanying Notes to the Schedule of Agent OPEB Plans' Funding Progress.

**TOWN OF PARADISE VALLEY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
NOTES TO SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2017**

NOTE 1 FACTORS THAT AFFECT THE IDENTIFICATION OF TRENDS

Beginning in Fiscal year 2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's pension fund to the new health insurance fund.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Donations Fund - accounts for contributions and donations received by the Town.

Grants Fund - accounts for all grants received by the Town.

Mummy Mountain Preserve Trust Fund - accounts for the activity of the Mummy Mountain Preserve Trust including acquiring, maintaining, preserving, and protecting undeveloped property on and around the Mummy Mountain Preserve.

DEBT SERVICE FUNDS

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs for newly issued debt.

MPC Debt Service Fund - accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

TOWN OF PARADISE VALLEY, ARIZONA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Special Revenue Funds			
	Donations Fund	Grants Fund	Mummy Mountain Preserve Trust Fund	Total Special Revenue Funds
ASSETS				
Cash and Investments	\$ 29,768	\$ -	\$ 40,251	\$ 70,019
Restricted Cash and Investments	-	-	-	-
Accounts Receivable (Net)	-	24,135	-	24,135
Total Assets	<u>\$ 29,768</u>	<u>\$ 24,135</u>	<u>\$ 40,251</u>	<u>\$ 94,154</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,820	\$ 527	\$ -	\$ -
Interest Payable	-	-	-	-
Unearned Revenue	-	12,916	-	12,916
Due to Other Funds	-	10,692	-	10,692
Total Liabilities	<u>1,820</u>	<u>24,135</u>	<u>-</u>	<u>25,955</u>
Deferred Inflows of Resources:				
Unavailable Revenues	<u>-</u>	<u>16,600</u>	<u>-</u>	<u>16,600</u>
Fund Balances:				
Restricted	27,948	-	40,251	68,199
Assigned	-	-	-	-
Unassigned	-	(16,600)	-	(16,600)
Total Fund Balances	<u>27,948</u>	<u>(16,600)</u>	<u>40,251</u>	<u>51,599</u>
Total Liabilities, Deferred inflows of Resources, and Fund Balances	<u>\$ 29,768</u>	<u>\$ 24,135</u>	<u>\$ 40,251</u>	<u>\$ 94,154</u>

Debt Service Funds

<u>Debt Service Fund</u>	<u>MPC Debt Service Fund</u>	<u>Total Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 1,285,897	\$ 1,285,897	\$ 1,355,916
67,612	24,304	91,916	91,916
-	-	-	24,135
<u>\$ 67,612</u>	<u>\$ 1,310,201</u>	<u>\$ 1,377,813</u>	<u>\$ 1,471,967</u>
\$ -	\$ -	\$ -	\$ 2,347
66,586	24,304	90,890	90,890
-	-	-	12,916
-	-	-	10,692
<u>66,586</u>	<u>24,304</u>	<u>90,890</u>	<u>116,845</u>
-	-	-	16,600
-	-	-	68,199
1,026	1,285,897	1,286,923	1,286,923
-	-	-	(16,600)
<u>1,026</u>	<u>1,285,897</u>	<u>1,286,923</u>	<u>1,338,522</u>
<u>\$ 67,612</u>	<u>\$ 1,310,201</u>	<u>\$ 1,377,813</u>	<u>\$ 1,471,967</u>

**TOWN OF PARADISE VALLEY, ARIZONA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds			
	Donations Fund	Grants Fund	Mummy Mountain Preserve Trust Fund	Total Special Revenue Funds
REVENUES				
Intergovernmental Revenue	\$ -	\$ 161,339	\$ -	\$ 161,339
Contribution and Donations	17,677	-	-	17,677
Investment Income	-	-	19	19
Total Revenues	17,677	161,339	19	179,035
EXPENDITURES				
Current:				
General Government	10,315	41,203	-	51,518
Public Safety	1,905	63,296	-	65,201
Highway and Streets	-	73,440	-	73,440
Debt Service:				
Principal Retirement	-	-	-	-
Interest on Long-Term Debt	-	-	-	-
Total Expenditures	12,220	177,939	-	190,159
Excess (Deficiency) of Revenues Over Expenditures	5,457	(16,600)	19	(11,124)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Net Change in Fund Balances	5,457	(16,600)	19	(11,124)
FUND BALANCES				
Beginning of Year	22,491	-	40,232	62,723
End of Year	\$ 27,948	\$ (16,600)	\$ 40,251	\$ 51,599

Debt Service Funds			
Debt Service Fund	MPC Debt Service Fund	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 161,339
-	-	-	17,677
-	-	-	19
-	-	-	179,035
-	-	-	51,518
-	-	-	65,201
-	-	-	73,440
-	927,995	927,995	927,995
133,173	71,802	204,975	204,975
133,173	999,797	1,132,970	1,323,129
(133,173)	(999,797)	(1,132,970)	(1,144,094)
134,199	-	134,199	134,199
1,026	(999,797)	(998,771)	(1,009,895)
-	2,285,694	2,285,694	2,348,417
\$ 1,026	\$ 1,285,897	\$ 1,286,923	\$ 1,338,522

TOWN OF PARADISE VALLEY, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment Income	\$ -	\$ -	\$ 2,439	\$ 2,439
EXPENDITURES				
Capital Outlay	8,862,069	4,812,069	3,924,735	887,334
Excess (Deficiency) of Revenues Over Expenditures	(8,862,069)	(4,812,069)	(3,922,296)	889,773
OTHER FINANCING SOURCES (USES)				
Transfers In	-	3,384,200	4,211,839	827,639
Transfers Out	-	(116,200)	(134,199)	(17,999)
Total Other Financing Sources (Uses)	-	3,268,000	4,077,640	809,640
Net Change in Fund Balance	(8,862,069)	(1,544,069)	155,344	1,699,413
FUND BALANCE				
Beginning of Year	-	-	7,974,717	7,974,717
End of Year	<u>\$ (8,862,069)</u>	<u>\$ (1,544,069)</u>	<u>\$ 8,130,061</u>	<u>\$ 9,674,130</u>

TOWN OF PARADISE VALLEY, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DONATIONS FUND
YEAR ENDED JUNE 30, 2017

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Contributions and Donations	\$ 15,000	\$ 17,677	\$ 2,677
EXPENDITURES			
Current:			
General Government	10,000	10,315	(315)
Public Safety	5,000	1,905	3,095
Total Expenditures	<u>15,000</u>	<u>12,220</u>	<u>2,780</u>
Excess (Deficiency) of Revenues Over Expenditures	-	5,457	5,457
FUND BALANCE			
Beginning of Year	-	22,491	22,491
End of Year	<u>\$ -</u>	<u>\$ 27,948</u>	<u>\$ 27,948</u>

TOWN OF PARADISE VALLEY, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GRANTS FUND
YEAR ENDED JUNE 30, 2017

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 161,339	\$ 161,339
EXPENDITURES			
Current:			
General Government	38,000	41,203	(3,203)
Highways and Streets	-	73,440	(73,440)
Public Safety	-	63,296	(63,296)
Total Expenditures	<u>38,000</u>	<u>177,939</u>	<u>(139,939)</u>
Excess (Deficiency) of Revenues Over Expenditures	(38,000)	(16,600)	21,400
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>5,393</u>	<u>-</u>	<u>(5,393)</u>
Net Change in Fund Balance	(32,607)	(16,600)	16,007
FUND BALANCE			
Beginning of Year	-	-	-
End of Year (Deficit)	<u>\$ (32,607)</u>	<u>\$ (16,600)</u>	<u>\$ 16,007</u>

TOWN OF PARADISE VALLEY, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES			
Debt Service:			
Interest on Long-term Debt	<u>\$ 116,200</u>	<u>\$ 133,173</u>	<u>\$ (16,973)</u>
Excess (Deficiency) of Revenues Over Expenditures	(116,200)	(133,173)	(16,973)
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>116,200</u>	<u>134,199</u>	<u>17,999</u>
Net Change in Fund Balance	-	1,026	1,026
FUND BALANCE			
Beginning of Year	-	-	-
End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,026</u></u>	<u><u>\$ 1,026</u></u>

TOWN OF PARADISE VALLEY, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MPC DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES				
Debt Service:				
Miscellaneous	\$ 116,200	\$ -	\$ -	\$ -
Principal Retirement	927,900	927,990	927,995	(5)
Interest on Long-term Debt	71,807	71,807	71,802	5
Total Expenditures	<u>1,115,907</u>	<u>999,797</u>	<u>999,797</u>	<u>-</u>
Net Change in Fund Balance	(1,115,907)	(999,797)	(999,797)	-
FUND BALANCE				
Beginning of Year	-	-	2,285,694	2,285,694
End of Year	<u>\$ (1,115,907)</u>	<u>\$ (999,797)</u>	<u>\$ 1,285,897</u>	<u>\$ 2,285,694</u>

STATISTICAL SECTION (UNAUDITED)

This section of the Town of Paradise Valley, Arizona's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, sales tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

See the table of contents for page numbers of the schedules that encompass the above sections.

TOWN OF PARADISE VALLEY, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2008	2009	2010	2011
Governmental Activities:				
Net Investment in Capital Assets	\$ 65,329,267	\$ 70,546,752	\$ 70,077,412	\$ 69,676,668
Restricted	4,179,307	3,498,527	2,595,469	1,786,639
Unrestricted	29,279,737	20,776,493	22,373,381	22,487,936
Total Governmental Activities				
Net Position	<u>\$ 98,788,311</u>	<u>\$ 94,821,772</u>	<u>\$ 95,046,262</u>	<u>\$ 93,951,243</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 14,937,435	\$ 15,875,113	\$ 16,176,951	\$ 16,757,765
Restricted	3,639,972	3,393,316	2,746,466	2,075,256
Unrestricted	3,876,571	3,556,209	3,855,763	4,194,195
Total Business-Type Activities				
Net Position	<u>\$ 22,453,978</u>	<u>\$ 22,824,638</u>	<u>\$ 22,779,180</u>	<u>\$ 23,027,216</u>
Primary Government:				
Net Investment in Capital Assets	\$ 80,266,702	\$ 86,421,865	\$ 86,254,363	\$ 86,434,433
Restricted	7,819,279	6,891,843	5,341,935	3,861,895
Unrestricted	33,156,308	24,332,702	26,229,144	26,682,131
Total Primary Government				
Net Position	<u>\$ 121,242,289</u>	<u>\$ 117,646,410</u>	<u>\$ 117,825,442</u>	<u>\$ 116,978,459</u>

Source: Town's Finance Department.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 69,407,881	\$ 68,209,762	\$ 73,318,948	\$ 79,895,872	\$ 78,383,694	\$ 79,851,973
1,221,024	608,907	102,778	53,739	224,308	455,140
23,627,937	20,852,943	5,908,977	3,338,007	10,434,716	13,495,213
<u>\$ 94,256,842</u>	<u>\$ 89,671,612</u>	<u>\$ 79,330,703</u>	<u>\$ 83,287,618</u>	<u>\$ 89,042,718</u>	<u>\$ 93,802,326</u>
\$ 17,292,596	\$ 25,706,810	\$ 26,022,037	\$ 26,446,442	\$ 26,904,413	\$ 26,808,710
1,362,476	567,431	-	-	-	-
4,736,253	5,402,355	901,947	999,604	1,034,839	1,233,402
<u>\$ 23,391,325</u>	<u>\$ 31,676,596</u>	<u>\$ 26,923,984</u>	<u>\$ 27,446,046</u>	<u>\$ 27,939,252</u>	<u>\$ 28,042,112</u>
\$ 86,700,477	\$ 93,916,572	\$ 99,340,985	\$ 106,342,314	\$ 105,288,107	\$ 106,660,683
2,583,500	1,176,338	102,778	53,739	224,308	455,140
28,364,190	26,255,298	6,810,924	4,337,611	11,469,555	14,728,615
<u>\$ 117,648,167</u>	<u>\$ 121,348,208</u>	<u>\$ 106,254,687</u>	<u>\$ 110,733,664</u>	<u>\$ 116,981,970</u>	<u>\$ 121,844,438</u>

TOWN OF PARADISE VALLEY, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2008	2009	2010	2011
EXPENSES				
Governmental Activities:				
General Government	\$ 7,504,799	\$ 9,318,797	\$ 5,857,493	\$ 6,826,239
Public Safety	8,578,890	9,127,589	8,040,162	7,787,743
Highways and Streets	3,698,363	6,150,305	2,151,001	2,225,274
Interest on Long-Term Debt	190,310	424,849	301,622	267,022
Total Governmental Activities				
Expenses	19,972,362	25,021,540	16,350,278	17,106,278
Business-Type Activities:				
Sewer	2,141,828	2,327,149	2,207,903	2,144,491
Fire Service	-	-	-	-
Alarm Monitor System	135,774	129,335	125,529	117,568
Total Business-Type Activities	2,277,602	2,456,484	2,333,432	2,262,059
Total Primary Government				
Expenses	\$ 22,249,964	\$ 27,478,024	\$ 18,683,710	\$ 19,368,337
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	\$ 3,956,275	\$ 3,185,130	\$ 2,564,613	\$ 2,748,788
Public Safety	105,585	102,323	143,867	221,550
Highways and Streets	16,036	-	53,349	-
Operating Grants and Contributions	1,156,860	929,564	856,445	844,615
Capital Grants and Contributions	400,000	502,684	152,699	-
Total Governmental Activities				
Program Revenues	5,634,756	4,719,701	3,770,973	3,814,953
Business-Type Activities:				
Charges for Services:				
Sewer System	2,827,143	2,469,706	2,066,141	2,254,806
Fire Service	-	-	-	-
Alarm Monitor System	218,940	216,459	245,390	265,656
Capital Grants and Contributions	409,800	681,569	31,500	92,500
Total Business-Type Activities				
Program Revenues	3,455,883	3,367,734	2,343,031	2,612,962
Total Primary Government				
Program Revenues	\$ 9,090,639	\$ 8,087,435	\$ 6,114,004	\$ 6,427,915

Source: The Town's Finance Department.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 7,708,607	\$ 7,289,224	\$ 7,276,076	\$ 7,776,745	\$ 8,605,414	\$ 9,458,609
7,628,580	7,055,389	6,286,763	8,745,404	9,054,408	10,249,410
2,076,040	3,346,762	3,201,369	3,669,224	3,568,394	3,669,088
239,802	282,387	182,224	147,314	281,348	192,227
17,653,029	17,973,762	16,946,432	20,338,687	21,509,564	23,569,334
2,111,254	2,264,536	2,351,590	2,324,369	2,185,714	2,124,328
-	1,414,177	2,961,269	3,045,071	2,921,260	3,037,830
108,520	85,698	103,975	59,277	100,719	128,521
2,219,774	3,764,411	5,416,834	5,428,717	5,207,693	5,290,679
\$ 19,872,803	\$ 21,738,173	\$ 22,363,266	\$ 25,767,404	\$ 26,717,257	\$ 28,860,013
\$ 2,540,900	\$ 4,111,615	\$ 5,189,006	\$ 4,290,508	\$ 6,845,255	\$ 4,648,109
303,571	210,837	124,464	37,395	82,694	71,787
-	-	-	-	-	-
746,903	763,844	807,404	874,773	1,121,420	1,144,233
27,321	118,064	10,000	234,000	-	208,085
3,618,695	5,204,360	6,130,874	5,436,676	8,049,369	6,072,214
2,292,392	2,258,513	2,227,314	2,498,749	2,250,608	2,415,051
-	1,538,314	3,112,850	3,099,652	3,101,634	3,121,961
253,253	242,072	231,984	217,953	199,750	190,727
-	198,000	-	80,000	76,875	-
2,545,645	4,236,899	5,572,148	5,896,354	5,628,867	5,727,739
\$ 6,164,340	\$ 9,441,259	\$ 11,703,022	\$ 11,333,030	\$ 13,678,236	\$ 11,799,953

(Continued)

TOWN OF PARADISE VALLEY, ARIZONA
CHANGES IN NET POSITION (CONCLUDED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

(Concluded)	Fiscal Year			
	2008	2009	2010	2011
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (14,337,606)	\$ (20,301,839)	\$ (12,579,305)	\$ (13,291,325)
Business-Type Activities	1,178,281	911,250	9,599	350,903
Total Primary Government Net Expense	<u>\$ (13,159,325)</u>	<u>\$ (19,390,589)</u>	<u>\$ (12,569,706)</u>	<u>\$ (12,940,422)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities:				
Taxes:				
Sales Taxes	\$ 10,499,929	\$ 9,386,335	\$ 8,051,632	\$ 7,944,769
Franchise Taxes	1,003,231	1,001,103	999,785	1,007,634
State Shared Revenue	3,225,005	3,180,361	2,807,201	2,402,963
Auto Lieu Tax Revenue Sharing	557,250	504,145	465,343	453,010
Investment Income	1,406,610	1,569,907	358,326	231,090
Special Item - Capital Asset Moved to Fire Fund	-	-	-	-
Transfers	-	693,449	121,508	156,840
Total Governmental Activities	<u>16,692,025</u>	<u>16,335,300</u>	<u>12,803,795</u>	<u>12,196,306</u>
Business-Type Activities:				
Investment Income	294,179	152,859	66,451	53,973
Capital Contributions	-	-	-	-
Special Item - Capital Asset Moved to Fire Fund	-	-	-	-
Transfers	-	(693,449)	(121,508)	(156,840)
Total Business-Type Activities	<u>294,179</u>	<u>(540,590)</u>	<u>(55,057)</u>	<u>(102,867)</u>
Total Primary Government	<u>\$ 16,986,204</u>	<u>\$ 15,794,710</u>	<u>\$ 12,748,738</u>	<u>\$ 12,093,439</u>
CHANGE IN NET POSITION				
Governmental Activities	\$ 2,354,419	\$ (3,966,539)	\$ 224,490	\$ (1,095,019)
Business-Type Activities	1,472,460	370,660	(45,458)	248,036
Total Primary Government	<u>\$ 3,826,879</u>	<u>\$ (3,595,879)</u>	<u>\$ 179,032</u>	<u>\$ (846,983)</u>

Source: The Town's Finance Department.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ (14,034,334)	\$ (12,769,402)	\$ (10,815,558)	\$ (14,902,011)	\$ (13,460,195)	\$ (17,497,120)
325,871	472,488	155,314	467,637	421,174	437,060
<u>\$ (13,708,463)</u>	<u>\$ (12,296,914)</u>	<u>\$ (10,660,244)</u>	<u>\$ (14,434,374)</u>	<u>\$ (13,039,021)</u>	<u>\$ (17,060,060)</u>
\$ 10,627,184	\$ 11,963,535	\$ 13,136,325	\$ 14,564,835	\$ 14,553,528	\$ 17,151,386
1,055,473	1,061,725	1,061,660	1,037,258	1,146,142	1,056,547
2,083,775	2,358,876	2,544,840	2,723,544	2,760,822	2,980,931
411,604	429,075	457,878	490,206	530,413	548,523
161,897	174,833	94,521	91,159	274,390	185,141
-	(7,803,872)	-	-	-	-
-	-	4,915,177	(48,076)	(50,000)	334,200
<u>14,339,933</u>	<u>8,184,172</u>	<u>22,210,401</u>	<u>18,858,926</u>	<u>19,215,295</u>	<u>22,256,728</u>
38,238	8,911	7,251	6,349	22,032	-
-	198,000	-	-	-	-
-	7,803,872	-	-	-	-
-	-	(4,915,177)	48,076	50,000	(334,200)
<u>38,238</u>	<u>8,010,783</u>	<u>(4,907,926)</u>	<u>54,425</u>	<u>72,032</u>	<u>(334,200)</u>
<u>\$ 14,378,171</u>	<u>\$ 16,194,955</u>	<u>\$ 17,302,475</u>	<u>\$ 18,913,351</u>	<u>\$ 19,287,327</u>	<u>\$ 21,922,528</u>
\$ 305,599	\$ (4,585,230)	\$ 11,394,843	\$ 3,956,915	\$ 5,755,100	\$ 4,759,608
364,109	8,908,064	(4,752,612)	522,062	493,206	102,860
<u>\$ 669,708</u>	<u>\$ 4,322,834</u>	<u>\$ 6,642,231</u>	<u>\$ 4,478,977</u>	<u>\$ 6,248,306</u>	<u>\$ 4,862,468</u>

TOWN OF PARADISE VALLEY, ARIZONA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Function/Program	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental Activities:					
General Government	\$ 4,467,270	\$ 3,217,704	\$ 2,592,630	\$ 2,767,852	\$ 2,671,657
Public Safety	134,211	150,885	149,236	255,768	305,350
Highways and Streets	1,033,275	1,351,112	1,029,107	791,333	641,688
Subtotal Governmental Activities	5,634,756	4,719,701	3,770,973	3,814,953	3,618,695
Business-Type Activities:					
Sewer System	3,236,943	3,151,275	2,097,641	2,347,306	2,292,392
Fire Service	-	-	-	-	-
Alarm Monitor System	218,940	216,459	245,390	265,656	253,253
Subtotal Business-Type Activities	3,455,883	3,367,734	2,343,031	2,612,962	2,545,645
Total Primary Government	\$ 9,090,639	\$ 8,087,435	\$ 6,114,004	\$ 6,427,915	\$ 6,164,340

Source: The Town's Finance Department.

Fiscal Year				
2013	2014	2015	2016	2017
\$ 4,288,121	\$ 5,275,399	\$ 4,600,325	\$ 6,950,634	\$ 4,913,534
214,512	131,761	42,579	269,877	188,098
701,727	723,714	793,772	828,858	970,582
5,204,360	6,130,874	5,436,676	8,049,369	6,072,214
2,258,513	2,227,314	2,578,749	2,327,483	2,415,051
1,538,314	3,112,850	3,099,652	3,101,634	3,121,961
242,072	231,984	217,953	199,750	190,727
4,038,899	5,572,148	5,896,354	5,628,867	5,727,739
\$ 9,243,259	\$ 11,703,022	\$ 11,333,030	\$ 13,678,236	\$ 11,799,953

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**TOWN OF PARADISE VALLEY, ARIZONA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year		
	2008	2009	2010
General Fund:			
Unreserved	<u>\$ 26,023,277</u>	<u>\$ 19,055,184</u>	<u>\$ 14,865,748</u>
All Other Governmental Funds:			
Unreserved, Reported in:			
Special Revenue Funds	\$ 4,199,455	\$ 3,147,999	\$ 2,444,644
Debt Service Funds	232	1,712,329	6,314,592
Capital Projects Funds	<u>4,069,161</u>	<u>1,130,425</u>	<u>1,864,879</u>
Total All Other Governmental Funds	<u>\$ 8,268,848</u>	<u>\$ 5,990,753</u>	<u>\$ 10,624,115</u>

	Fiscal Year						
	2011	2012	2013	2014	2015	2016	2017
General Fund:							
Nonspendable	\$ 6,972	\$ 143,415	\$ 1,039,473	\$ 1,157,133	\$ 818,308	\$ 709,554	\$ 2,748,409
Assigned	-	-	-	-	-	-	494,500
Unassigned	<u>13,995,539</u>	<u>14,393,182</u>	<u>14,206,372</u>	<u>23,391,719</u>	<u>25,421,178</u>	<u>29,666,433</u>	<u>26,547,108</u>
Total General Fund	<u>\$ 14,002,511</u>	<u>\$ 14,536,597</u>	<u>\$ 15,245,845</u>	<u>\$ 24,548,852</u>	<u>\$ 26,239,486</u>	<u>\$ 30,375,987</u>	<u>\$ 29,790,017</u>
All Other Governmental Funds:							
Nonspendable							
Prepaid Items	\$ -	\$ -	\$ 16,025	\$ -	\$ -	\$ 6,528	\$ -
Restricted	1,786,639	1,221,024	592,882	102,778	53,739	5,694,934	5,921,497
Assigned	8,905,955	9,268,513	11,165,163	8,274,256	3,821,554	4,960,708	4,337,958
Unassigned	<u>(16,600)</u>	<u>-</u>	<u>-</u>	<u>(619,309)</u>	<u>(282,949)</u>	<u>-</u>	<u>(16,600)</u>
Total All Other Governmental Funds	<u>\$ 10,675,994</u>	<u>\$ 10,489,537</u>	<u>\$ 11,774,070</u>	<u>\$ 7,757,725</u>	<u>\$ 3,592,344</u>	<u>\$ 10,662,170</u>	<u>\$ 10,242,855</u>

Source: The Town's Finance Department.

Note: During the fiscal year 2011, the Town implemented GASB Statement No 54. Therefore, starting in the fiscal year ended June 30, 2011, governmental fund balances will be presented based on the GASB Statement No. 54 hierarchy.

TOWN OF PARADISE VALLEY, ARIZONA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2008	2009	2010	2011
REVENUES				
Taxes	\$ 11,503,160	\$ 10,387,438	\$ 9,051,417	\$ 8,952,403
Intergovernmental	4,921,207	4,835,686	4,272,612	3,692,516
Fines and Forfeitures	1,630,753	1,351,919	1,133,627	1,201,432
Licenses and Permits	2,197,361	1,159,347	982,740	1,080,207
Charges for Services	-	-	490,095	356,650
Indirect Charges	-	-	-	-
Rents and Royalties	-	-	-	320,907
Investment Income	1,406,610	1,569,914	358,326	231,090
Other	302,014	769,388	9,076	8,072
Total Revenues	<u>21,961,105</u>	<u>20,073,692</u>	<u>16,297,893</u>	<u>15,843,277</u>
EXPENDITURES				
General Government	7,661,674	7,346,335	5,686,505	5,987,892
Public Safety	8,836,058	8,968,496	7,864,339	7,504,468
Highways and Streets	1,901,078	2,077,779	1,616,151	1,444,530
Capital Outlay	3,946,895	11,155,915	128,752	832,181
Debt Service:				
Issuance Costs	-	130,596	-	-
Principal Retirement	151,842	715,506	388,383	773,329
Interest on Long-Term Debt	101,896	346,510	291,345	252,475
Total Expenditures	<u>22,599,443</u>	<u>30,741,137</u>	<u>15,975,475</u>	<u>16,794,875</u>
Excess of Revenues				
Over (Under) Expenditures	(638,338)	(10,667,445)	322,418	(951,598)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,455,825	10,985,963	6,289,267	2,584,469
Transfers Out	(4,455,825)	(10,292,514)	(6,167,759)	(2,427,629)
Issuance of Long-Term Debt	-	7,599,249	-	-
Premium on Issuance of Long-Term Debt	-	339,067	-	-
Payment of Escrow Agent	-	(2,032,486)	-	-
Payment on Capital Leases	-	(5,770,711)	-	-
Proceeds from Capital Leases	7,037,011	592,689	-	-
Total Other Financing Sources (Uses)	<u>7,037,011</u>	<u>1,421,257</u>	<u>121,508</u>	<u>156,840</u>
Net Changes in Fund Balance	<u>\$ 6,398,673</u>	<u>\$ (9,246,188)</u>	<u>\$ 443,926</u>	<u>\$ (794,758)</u>
Debt Service as a Percentage of				
Non-Capital Expenditures	1.3%	4.3%	4.5%	6.6%

Source: The Town's Finance Department.

Fiscal Year

2012	2013	2014	2015	2016	2017
\$ 11,682,657	\$ 13,025,260	\$ 14,197,985	\$ 15,602,093	\$ 15,699,670	\$ 18,576,603
3,251,086	3,537,464	3,791,372	4,074,853	4,393,807	4,712,850
801,897	2,346,166	1,161,685	2,085,650	3,697,261	2,364,100
1,021,911	1,203,370	1,322,052	1,426,883	2,071,846	2,285,398
427,269	328,019	354,680	259,689	261,829	-
-	-	322,000	-	-	-
325,220	307,987	154,220	158,410	159,360	307,779
161,897	174,833	94,521	91,159	274,390	185,141
51,730	461,264	1,812,082	520,978	579,469	118,706
17,723,667	21,384,363	23,210,597	24,219,715	27,137,632	28,550,577
5,581,346	6,168,281	6,700,704	6,963,210	7,794,295	7,925,090
7,594,737	6,816,444	6,215,932	7,291,649	8,972,593	13,930,804
1,204,634	2,677,491	2,635,007	3,014,861	2,786,005	2,860,702
2,149,953	2,699,004	6,522,394	8,080,876	2,737,601	3,924,735
-	-	-	-	125,697	-
800,825	824,885	998,944	1,114,569	1,155,556	1,022,598
228,857	204,477	216,131	181,221	189,558	226,133
17,560,352	19,390,582	23,289,112	26,646,386	23,761,305	29,890,062
163,315	1,993,781	(78,515)	(2,426,671)	3,376,327	(1,339,485)
3,481,659	6,293,189	9,685,071	6,593,422	4,831,055	6,446,038
(3,481,659)	(6,293,189)	(4,769,894)	(6,641,498)	(4,881,055)	(6,111,838)
-	-	450,000	-	7,880,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
167,714	-	-	-	-	-
167,714	-	5,365,177	(48,076)	7,830,000	334,200
\$ 331,029	\$ 1,993,781	\$ 5,286,662	\$ (2,474,747)	\$ 11,206,327	\$ (1,005,285)
6.4%	6.0%	7.3%	6.9%	6.4%	4.7%

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**TOWN OF PARADISE VALLEY, ARIZONA
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Sales & Use</u>	<u>Occupancy</u>	<u>Franchise</u>	<u>Total</u>
2008	\$ 8,401,809	\$ 2,098,120	\$ 1,003,231	\$ 11,503,160
2009	7,518,403	1,867,932	1,001,103	10,387,438
2010	5,972,752	2,078,880	999,785	9,051,417
2011	5,543,814	2,400,955	1,007,634	8,952,403
2012	8,103,896	2,523,288	1,055,473	11,682,657
2013	9,235,643	2,727,892	1,061,725	13,025,260
2014	10,300,810	2,835,515	1,061,660	14,197,985
2015	11,447,385	3,117,450	1,037,258	15,602,093
2016	11,345,902	3,207,626	1,146,142	15,699,670
2017	13,818,317	3,701,739	1,056,547	18,576,603

Source: The Town's Finance Department.

**TOWN OF PARADISE VALLEY, ARIZONA
LOCAL TAXES COLLECTED BY CATEGORY
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year				
	2008	2009	2010	2011	2012
Sales and Use Tax Collected by Category (1):					
Communications and Utilities	\$ 467,913	\$ 442,206	\$ 499,069	\$ 459,650	\$ 829,653
Construction	4,420,843	3,622,160	2,250,756	1,645,850	1,780,801
Manufacturing	101,628	85,475	85,959	81,724	119,098
Retail Trade	311,592	218,354	223,429	281,128	355,717
Finance, Insurance and Real Estate	377,621	226,801	165,509	201,843	251,196
Hospitality	2,253,947	2,510,902	2,464,680	2,527,486	4,007,195
Services	206,628	200,520	147,522	154,748	224,531
Other	261,637	211,986	135,828	191,385	535,705
Total	<u>\$ 8,401,809</u>	<u>\$ 7,518,404</u>	<u>\$ 5,972,752</u>	<u>\$ 5,543,814</u>	<u>\$ 8,103,896</u>
Bed Tax Collected	<u>\$ 2,098,120</u>	<u>\$ 1,867,932</u>	<u>\$ 2,078,880</u>	<u>\$ 2,400,955</u>	<u>\$ 2,523,288</u>

Source: Arizona Department of Revenue

- (1) Sales tax increased from 1.2% to 1.4% effective January 1, 1999, and from 1.4% to 1.65% effective September 1, 2004, and from 1.65% to 2.50% effective August 1, 2011 (Temporarily until August 1, 2014). Use tax of 1.4% added effective April 1, 1999.
- (2) Bed tax increased from 3.0% to 3.4% effective August 1, 2010.

Fiscal Year				
2013	2014	2015	2016	2017
\$ 881,141	\$ 890,417	\$ 922,244	\$ 965,755	\$957,578
2,340,481	3,048,856	3,049,241	3,181,485	4,327,639
133,431	128,060	135,788	158,886	44,432
451,136	559,294	724,235	856,216	2,082,847
262,889	288,739	375,473	341,602	397,083
4,338,311	4,536,958	4,981,595	4,931,846	5,287,561
268,514	320,097	333,592	313,346	13
559,740	528,389	925,217	596,766	721,164
<u>\$ 9,235,643</u>	<u>\$ 10,300,810</u>	<u>\$ 11,447,385</u>	<u>\$ 11,345,902</u>	<u>\$ 13,818,317</u>
<u>\$ 2,727,892</u>	<u>\$ 2,835,515</u>	<u>\$ 3,117,450</u>	<u>\$ 3,207,626</u>	<u>\$ 3,701,739</u>

**TOWN OF PARADISE VALLEY, ARIZONA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Privilege (Sales) Tax Rates			
Town Direct			
<u>Fiscal Year</u>	<u>Rate</u>	<u>County Rate</u>	<u>State Rate</u>
2008	1.65%	0.00%	5.60%
2009	1.65%	0.00%	5.60%
2010	1.65%	0.00%	6.60%
2011	1.65%	0.00%	6.60%
2012	2.50%	0.00%	6.60%
2013	2.50%	0.00%	5.60%
2014	2.50%	0.00%	5.60%
2015	2.50%	0.00%	5.60%
2016	2.50%	0.00%	5.60%
2017	2.50%	0.00%	5.60%

Use Tax Rates			
Town Direct			
<u>Fiscal Year</u>	<u>Rate</u>	<u>County Rate</u>	<u>State Rate</u>
2008	1.65%	0.00%	5.60%
2009	1.65%	0.00%	5.60%
2010	1.65%	0.00%	6.60%
2011	1.65%	0.00%	6.60%
2012	2.50%	0.00%	6.60%
2013	2.50%	0.00%	5.60%
2014	2.50%	0.00%	5.60%
2015	2.50%	0.00%	5.60%
2016	2.50%	0.00%	5.60%
2017	2.50%	0.00%	5.60%

Bed Tax Rates			
Town Direct			
<u>Fiscal Year</u>	<u>Rate</u>	<u>County Rate</u>	<u>State Rate</u>
2008	3.00%	1.77%	5.50%
2009	3.00%	1.77%	5.50%
2010	3.00%	1.77%	6.50%
2011	3.40%	1.77%	6.50%
2012	3.40%	1.77%	6.50%
2013	3.40%	1.77%	5.50%
2014	3.40%	1.77%	5.50%
2015	3.40%	1.77%	5.50%
2016	3.40%	1.77%	5.50%
2017	3.40%	1.77%	5.50%

Source: Maricopa County Treasurer.

TOWN OF PARADISE VALLEY, ARIZONA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS EXCEPT PER CAPITA AND POPULATION)
(UNAUDITED)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Per Capita	Population
	Excise Tax Revenue Bonds	Note Payable	Capital Leases	Excise Tax Revenue Bonds	Note Payable				
2008	\$ 2,192	\$ -	\$ 8,045	\$ 3,798	\$ 3,369	\$ 17,404	\$ 1,224	14,215	
2009	7,938	-	1,595	3,610	3,006	15,656	1,084	14,444	
2010	7,516	-	1,073	3,418	2,628	14,191	966	14,686	
2011	6,709	-	798	3,050	2,235	12,792	998	12,820	
2012	5,874	-	600	2,671	1,824	10,969	846	12,972	
2013	5,015	-	432	2,281	1,396	8,828	674	13,106	
2014	4,133	300	347	1,879	951	7,610	573	13,282	
2015	3,222	-	259	1,466	485	5,234	389	13,457	
2016	10,154	-	168	1,034	-	11,356	832	13,653	
2017	9,192	-	73	597	-	9,862	708	13,930	

Source: The Town's Finance Department.

**TOWN OF PARADISE VALLEY, ARIZONA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (DOLLARS IN THOUSANDS)
 (UNAUDITED)**

Fiscal Year	Excise Tax Revenue Bonds				Coverage
	Excise Tax*	Principal	Interest		
2008	\$ 17,483	\$ 415	\$ 278		25.23
2009	14,727	435	261		21.16
2010	12,841	565	414		13.12
2011	12,436	1,125	367		8.36
2012	14,787	1,165	333		9.90
2013	17,199	1,200	297		11.50
2014	18,065	1,235	261		12.20
2015	19,899	1,275	217		13.34
2016	20,679	1,330	227		13.40
2017	23,883	1,350	238		15.04

*Excise Tax revenue is comprised of local taxes, franchise fees, business license fees, state shared sales tax and state shared income taxes.

Source: The Town's Finance Department.

TOWN OF PARADISE VALLEY, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid with Property Taxes			
Maricopa County	None	2.19%	None
Maricopa County Special Health Care District	\$ 37,000,000	2.19%	\$ 810,300
Maricopa County Community College District	445,570,000	2.19%	9,757,983
East Valley Institute of Technology District No. 401 ^b	None	4.93%	None
Creighton Unified School District No. 14	38,105,000	14.50%	5,525,225
Phoenix Union High School District No. 210	263,185,000	1.13%	2,973,991
Scottsdale Unified School District No. 48	220,988,750	15.57%	34,407,948
Other Debt			
Maricopa County ^c	None	2.19%	None
Maricopa County Hospital District No. 1	None	2.19%	None
Maricopa County Community College District - revenue bonds	None	2.19%	None
East Valley Institute of Technology District No. 401 ^b	None	4.93%	None
Creighton Unified School District No. 14	None	14.50%	None
Phoenix Union High School District No. 210	None	1.13%	None
Scottsdale Unified School District No. 48	None	15.57%	None
Subtotal, Overlapping Debt			53,475,447
Town of Paradise Valley Direct Debt (Including Bonds and Capital Leases)			9,861,836
Total Direct and Overlapping Debt			<u>\$ 53,475,447</u>

Source: The various jurisdictions

^a Proportion applicable to the Town of Paradise Valley, Arizona is computed on the ratio of secondary assessed valuation for fiscal year 2015/16.

^b Based on the East Valley Institute of Technology's secondary assessed valuation and does not include amount of secondary assessed valuation in Pinal County.

^c Includes Public Finance Corporation lease revenue bonds outstanding in the aggregate principal amount of \$80,705,000 and Stadium District revenue bonds outstanding in the aggregate principal amount of \$14,660,000.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**TOWN OF PARADISE VALLEY, ARIZONA
POPULATION STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Household Income</u>	<u>Per Capita Income</u>
2008	14,215	\$ 187,128	\$ 100,251
2009	14,444	(a)	(a)
2010	14,686	(a)	(a)
2011	12,820	(a)	(a)
2012	12,972	(a)	(a)
2013	13,106	(a)	(a)
2014	13,282	(a)	(a)
2015	13,457	(a)	(a)
2016	13,673	(a)	(a)
2017	13,930	(a)	(a)

Source: U.S. Census Bureau and Arizona Economic Estimates Commission.

Source: Median household income and per capita incomes are estimates provided by City-Data.com.
The state of Arizona does not track personal income or unemployment data for populations of less than 25,000.

(a) Information was not available.

**TOWN OF PARADISE VALLEY, ARIZONA
PRINCIPAL EMPLOYERS
2016 AND 2003
(UNAUDITED)**

	2016		2003	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Camelback Inn	648	17.9%	580	24.3%
Doubletree of Phoenix (Formerly InterContinental Montelucia Resort and Joya Spa)	300	8.3%	-	0.0%
Sanctuary on Camelback Mountain	300	8.3%	250	10.5%
Scottsdale Plaza Resort	292	8.1%	388	16.3%
Marriott's Mountain Shadows	-	0.0%	307	12.9%
Doubletree La Posada Resort	-	0.0%	207	8.7%
Phoenix County Day School	144	4.0%	138	5.8%
Hermosa Inn	92	2.5%	100	4.2%
Town of Paradise Valley	92	2.5%	95	4.0%
Early Learning Childhood Center	82	2.3%	-	0.0%
Total	<u>2,230</u>	<u>61.5%</u>	<u>2,385</u>	<u>100.0%</u>
Total Town Employment	3,626			

Source: Maricopa Association of Governments 2016 Employer Database.

Note: 2016 and 2003 is the most recent information available.

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TOWN OF PARADISE VALLEY, ARIZONA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Full-Time Equivalent Employees									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
Town Manager	3.0	4.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Attorney	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	7.2	8.2	7.0	7.0	4.0	5.0	7.0	7.0	7.0	7.0
Community Development	13.0	13.0	12.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Court	5.7	5.9	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Engineering	3.0	3.0	2.0	1.0	-	1.0	3.0	3.0	4.0	4.0
Public Works	3.0	4.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0
Police:										
Officers	36.0	36.0	30.0	23.0	25.0	27.0	27.0	33.0	33.0	33.0
Civilians	10.5	10.5	11.0	13.0	9.0	7.0	12.0	8.0	8.0	8.0
Fire Service:										
Civilians	1.0	1.0	-	-	-	-	-	-	-	-
Highways and Streets	14.0	14.0	13.0	12.0	12.0	12.0	10.0	10.0	10.0	10.0
Sewer System	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Alarm Monitoring System	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Total	102.4	105.6	93.0	83.0	76.0	79.0	79.0	86.0	87.0	87.00

Source: Town's Finance Department.

TOWN OF PARADISE VALLEY, ARIZONA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Fiscal Year				
	2008	2009	2010	2011	2012
General Government:					
Building Permits Issued	950	665	499	536	517
Value of Building Permits Issued	\$ 177,127,174	\$ 86,505,523	\$ 54,467,751	\$ 59,607,205	\$ 68,448,551
Police:					
Physical Arrests	270	242	240	199	258
Parking Violations	582	285	1,789	1,142	1,199
Traffic Violations	2,529	1,509	2,203	2,049	1,995
Other Public Works:					
Street Resurfacing (Miles)	9	31	-	-	7
Sidewalks (Linear Feet)	24,725	-	-	-	216
Potholes Repaired	115	70	17	23	10
Sewer System:					
Number of Customers	2,016	2,065	2,086	2,094	2,095

Source: The Town of Paradise Valley.

Fiscal Year				
2013	2014	2015	2016	2017
559	638	615	706	649
\$ 74,147,285	\$ 85,481,811	\$ 88,396,985	\$ 142,370,728	\$ 122,718,034
218	378	456	206	351
445	529	567	408	362
1,914	2,399	1,940	1,829	3,036
19.78	12.80	27.90	27.9	26.4
24	2,333	2,333	2,333	2,333
11	14	18	10	7
2,115	2,136	2,165	2,162	2,173

**TOWN OF PARADISE VALLEY, ARIZONA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function	Fiscal Year				
	2008	2009	2010	2011	2012
Police:					
Stations	1	1	1	1	1
Patrol and Detective Vehicles	25	28	25	25	25
Fire Service:					
Stations	2	2	2	2	2
Fire Pumpers, Support Vehicles	4	4	3	3	3
Other Public Works:					
Streets (Miles)	140	140	140	140	140
Traffic Signals	12	12	12	12	12
Wastewater:					
Sanitary Sewers (Feet)	320,890	325,029	325,029	325,029	325,029
Treatment Capacity (Thousands of Gallons)	1,026	1,026	1,026	1,026	1,026

Source: The Town of Paradise Valley.

Fiscal Year				
2013	2014	2015	2016	2017
1	1	1	1	1
24	24	20	20	20
2	2	2	2	2
3	3	3	3	3
140	147	147	147	147
12	12	12	12	12
326,349	326,349	326,649	327,624	327,624
1,026	1,026	1,026	1,026	1,026

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RESOLUTION NUMBER 2018-01

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE
TOWN OF PARADISE VALLEY, ARIZONA ACCEPTING
THE FY 2016-17 COMPREHENSIVE ANNUAL FINANCIAL
REPORT (CAFR) AND ASSOCIATED FINANCIAL
REPORTS**

WHEREAS, the Town of Paradise Valley endeavors to manage its financial affairs in a prudent and professional manner, consistent with Generally Accepted Accounting Principles and Practices; and

WHEREAS, an annual audit conducted by independent auditors is an essential method to ensure this goal of fiscal prudence is met; and

WHEREAS, the accounting firm of CliftonLarsonAllen LLP conducted the audit and concluded Town's financial statements present fairly in all material respects the financial positions of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Paradise Valley, except the Town recorded the PSPRS unfunded pension liability as a prepaid expense in error; and

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Paradise Valley, Arizona, as follows.

Section 1. The Town Council does hereby accept the SAS 114 Communication with Governance, Comprehensive Annual Financial Report, Annual Expenditure Limitation Report, Highway User Revenue Fund (HURF) Report, SAS 115 Internal Control Communication for the fiscal year ending June 30, 2017 incorporated herein by reference.

PASSED, ADOPTED AND APPROVED by the Town Council of the Town of Paradise Valley this 11th day of January 2018.

Michael Collins, Mayor

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew M. Miller, Town Attorney

Town of Paradise Valley Financial Audit for the Fiscal Year Ended June 30, 2017

Dennis J. Osuch, CPA

Principal

January 11, 2018

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | ©2017 CliftonLarsonAllen LLP



What is an Audit?

Examine and verify management's assertions...provide an opinion

Includes findings & recommendations

Auditors evaluate risk

Auditors work for and should communicate results to the governing board (City Council)



The Reporting Package

1. Communication to Governance

2. Comprehensive Annual Financial Report (CAFR) – Includes audit opinion

3. Annual Expenditure Limitation Report

4. HURF Report

5. Internal Control Communication



Comprehensive Annual Financial Report (CAFR)

- Components of the CAFR
 - Basic financial statement (audit opinion)
 - Combining and individual fund financial statements and schedules (“in-relation-to” opinion)
 - Required supplementary information, statistics section, and introductory section (Disclaimer)

**We rendered an Unmodified Opinion
on the Financial Statements**



Annual Expenditure Limitation Report

- Provide an opinion on the Town's compliance with the Uniform Expenditure Limitation Reporting requirements. (Examination Report)
- The Annual Expenditure Limitation Report (AELR) provides a reconciliation of the GAAP basis financial statements to the basis of accounting used for the AELR.

**We rendered a clean opinion on the Annual
Expenditure Limitation Report**



Control Deficiencies (in plain English)

- Deficiency – either an error occurred or the design of the Organization's internal controls may not prevent or detect an error
- Significant Deficiency – a deficiency occurred, but it is not material and in all likelihood would not cause something to be materially misstated, but it's important enough that it should be reported to governance
- Material Weakness – a deficiency is present and it is either material or it could cause a material misstatement



Internal Control Communication

- Material Weaknesses Reported – Material audit adjustment to recognize a pre-funded contribution to the Public Safety Personnel Retirement System as an expenditure in the fund financial statements for the year ended June 30, 2017.
- Significant Deficiencies Reported – None



Questions or Comments?

Dennis J. Osuch, CPA, Principal

Dennis.Osuch@CLAconnect.com

CLAconnect.com





Action Report

File #: 18-034

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Paul Mood, P.E., Town Engineer
Jeremy Knapp, Engineering Services Analyst

DATE: January 11th, 2018

DEPARTMENT: Engineering

AGENDA TITLE:

Authorize the Town Manager to Execute a Contract to DWL Architects in an Amount Not to Exceed \$420,000.00 for Architectural Services Related to the Town Complex Remodel

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☒ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☒ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

The remodeling of the Town Hall Complex will improve the aesthetics and functionality of all buildings on campus, the main point of contact between our residents and town staff.

Council Goals or Statutory Requirements:
Responsiveness to Residents
Infrastructure

RECOMMENDATION:

Authorize the Town Manager to execute a contract with DWL Architects.

SUMMARY STATEMENT:

This Action Report and attached PowerPoint Presentation are place holders for this agenda item. Updated information will be provided on Tuesday January 9th.

BUDGETARY IMPACT:

This project is budgeted over four line items in three fiscal years within the Capital Improvement Plan.

File #: 18-034

The line items include Town Hall Remodel, Public Works Remodel, Police Department Remodel, and the Public Works/Police Department Back Up Generator Replacement. Combined, these projects budgeted \$420,000 for design in Fiscal Year 2017/18. Approval of this agenda item will cost the Town \$420,000.

ATTACHMENT(S):
PowerPoint Presentation

TOWN OF PARADISE VALLEY

**Contract for Architectural Services
Town Campus Remodel
January 11, 2017**



Architectural Service Contract

Agenda

- Why the Project
- Selection Process
- Terms and Conditions



Architectural Service Contract

- Why the Project
 - Town has four main service areas
 - Public Safety – Visible, Infrequent Contact
 - Public Works – Touch Streets Daily, Infrequent Contact
 - Courts – High Contact, Few Residents
 - Town Hall/Engineering – High Contact, Mostly Residents



Architectural Services Contract

- Town Hall is not Intuitive
 - Entrance
 - Office Locations
 - Post Office vs. Reception
- Approx. 75,000 People Visit Town Hall/YR
 - Driven by Post Office – Holidays and Tax Season
 - Community Development/Utility Bills/Meetings



Architectural Service Contract

- Inefficient Use of Space
 - 53% of Town Hall is shared space
 - Council Chamber used ~2-4 hours a week
 - Community Room used ~ 2 hours per week
 - Board Room used ~40+ hours per week (including after hours) but poor access
- Insufficient Space for Employees and Storage



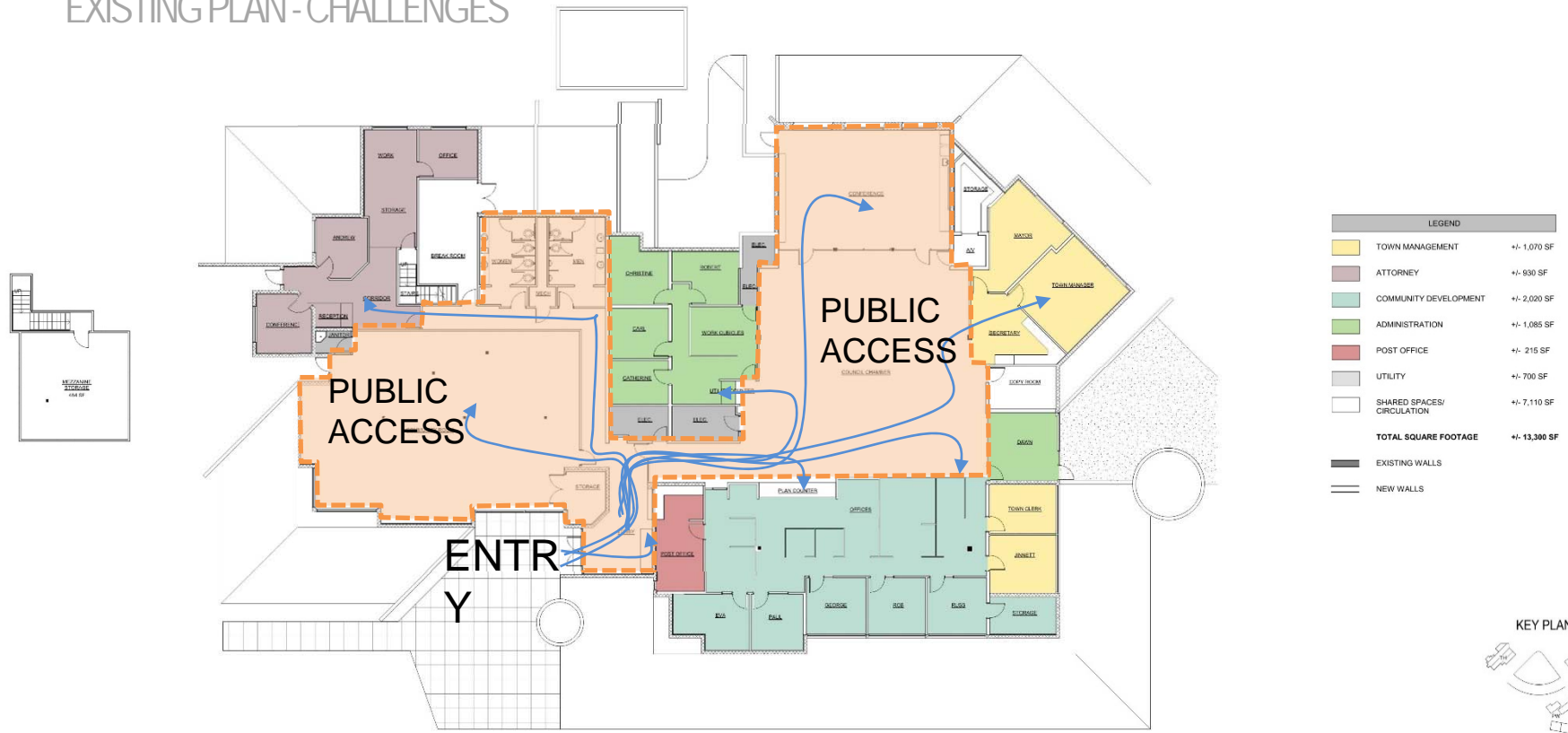
Check Dates

- Outdated – Periodically need a realignment
 - Town Hall
 - Built – Early 70's; 1980 west addition for Police and P.O.; Remodeled 1996 (PD and PW move out); 2012 Court Moves Out (but didn't realign space)
 - Police Building – Built 1996; 2003 remodel
 - Public Works – Built 1996; 2003 Added Offices



TOWN HALL

EXISTING PLAN - CHALLENGES



TOWN HALL

OPTION 2



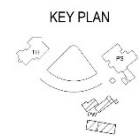
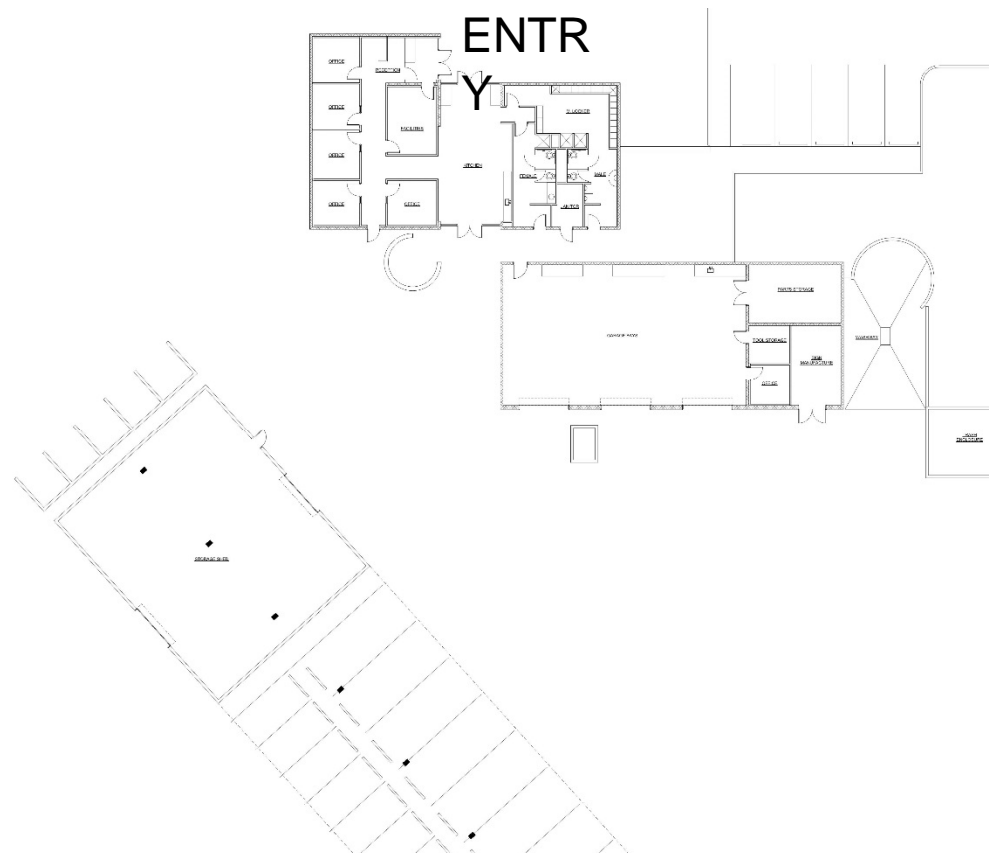
Architectural Service Contract

- Engineering/Public Works Building
 - Minimal Space to Service Customers
 - Minimal Counter Space
 - No Waiting Space
 - Insufficient Work Space
 - Employee Work Space
 - Sign shop



PUBLIC WORKS & ENGINEERING

EXISTING PLAN

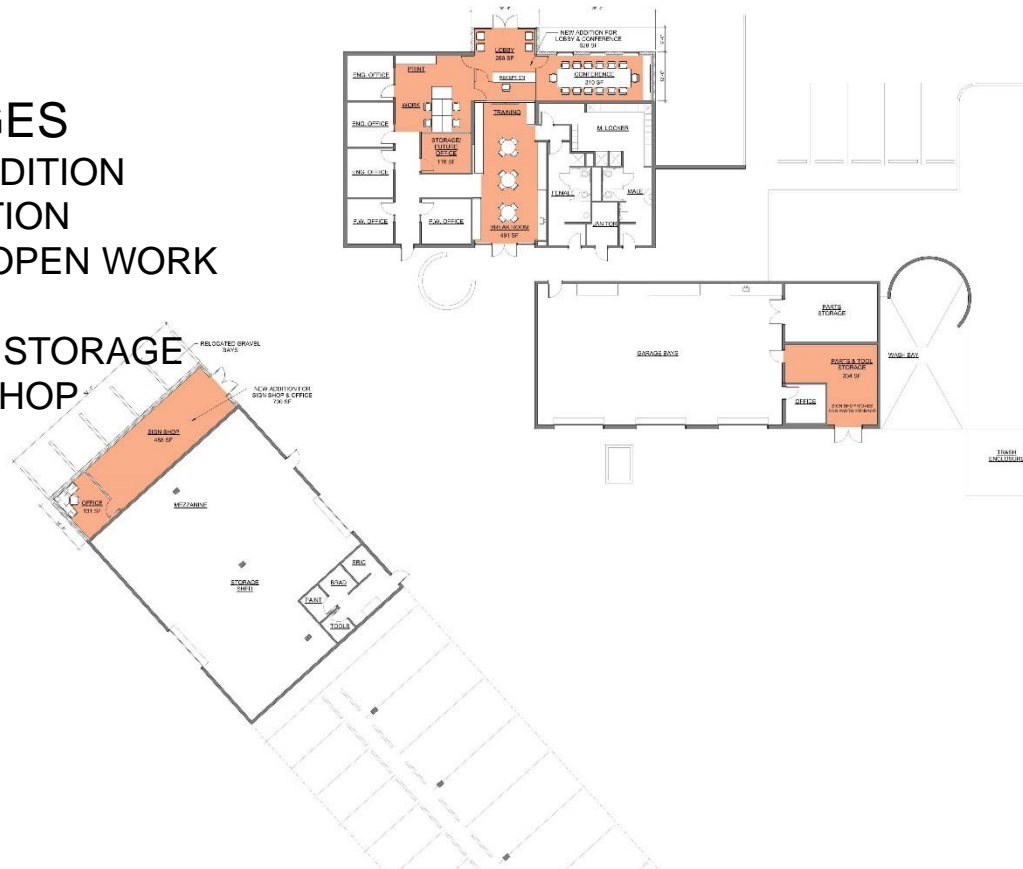


PUBLIC WORKS & ENGINEERING

PROPOSED OPTION

MAJOR CHANGES

- MAIN ENTRY ADDITION
- CONF RM ADDITION
- CONSOLIDATE OPEN WORK AREA
- EXPAND PARTS STORAGE
- EXPAND SIGN SHOP



POLICE DEPARTMENT

SPACE NEEDS

WELCOMING ENTRY

SHOOTING RANGE

DEFENSIVE TACTICS/MILO TRAINING ROOM

SECURED ACCESS TO PRIVATE VS PUBLIC

- EGRESS PATHS
- SHARED CONFERENCE ROOM
- ENTRY WAY

EFFICIENT OPEN OFFICE SPACE

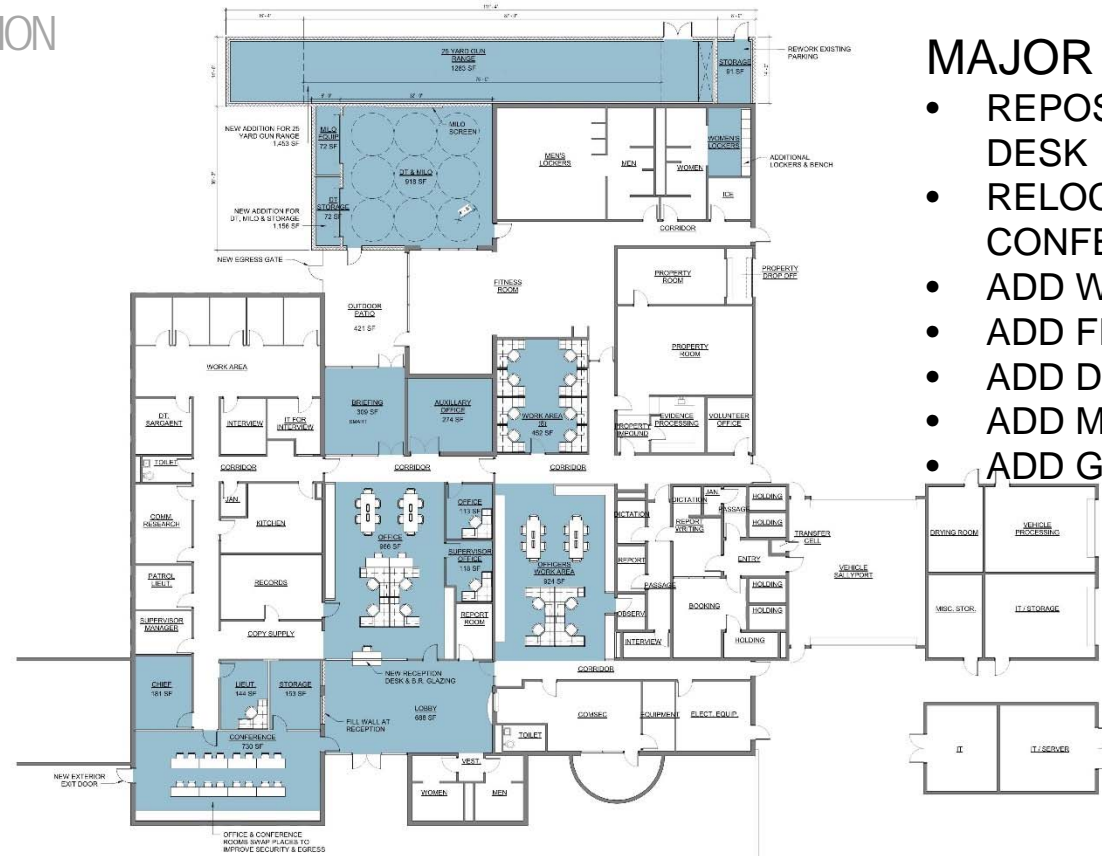
POLICE DEPARTMENT

EXISTING PLAN



POLICE DEPARTMENT

PROPOSED OPTION



MAJOR CHANGES

- REPOSITION MAIN ENTRY DESK
- RELOCATE LARGE CONFERENCE
- ADD WORKSTATIONS
- ADD FEMALE LOCKERS
- ADD DEFENSIVE TACTICS
- ADD MILO TRAINING
- ADD GUN RANGE



Architectural Services Contract

- CIP

Building	Architectural FY18	Construction FY19	Construction FY20
Town Hall	\$210,000	\$775,000	\$775,000
Public Works	\$ 50,000	\$400,000	
Police	\$110,000	\$300,000	\$590,000
Generator	\$300,000*		

*Design and Construction



• Total Budget Over 3 Years = \$3.51 M

Architectural Service Contract

- Procurement Process [Jeremy]





















Action Report

File #: 18-015

TO: Mayor Collins and Town Council Members

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

DATE: January 11, 2018

DEPARTMENT: Town Manager

AGENDA TITLE:
Election of Vice Mayor

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Council Goals or Statutory Requirements:
Town Code Section 2-2-2

RECOMMENDATION:
Elect a Council Member to serve as vice mayor for calendar year 2018.

SUMMARY STATEMENT:

Paradise Valley Town Code Section 2-2-2 states that, "At the first regular meeting in January of each year, the Council shall designate one of its members as Vice Mayor, subject to a term limit of no more than 2 consecutive yearly terms for any individual member."

Council Member Bien-Willner, the current vice mayor, has served one term.

The powers and duties of the Vice Mayor are:

- A. In the absence of the Mayor, the Vice Mayor shall execute the duties of Mayor.
- B. The Vice Mayor shall serve as the Council's liaison to the Planning Commission.

- C. The Vice Mayor shall be responsible for coordinating the annual performance reviews for the Town Manager and Town Attorney.

Process to Elect the Vice Mayor

1. The Mayor will open the floor for nominations. Seconding a nomination is not required
2. The Mayor will close nominations
3. The nominee(s) will make their remarks
4. The Council will discuss the nominees
5. The Mayor will call for a roll call vote unless only one member has been nominated in which case a motion to elect the member by acclamation is in order.
6. The newly elected vice mayor will take the oath of office

BUDGETARY IMPACT:

No budgetary impact.



Action Report

File #: 18-030

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

January 2, 2018

01/25	02/08	02/22	03/08
3 PM STUDY SESSION <ul style="list-style-type: none"> Cell Service Update Alarm Monitoring Service RFP Hillside Code Update 	4 PM STUDY SESSION <ul style="list-style-type: none"> Hillside Rules of Procedure Plats Parking Ordinance Swimming Pool Drainage 	4 PM STUDY SESSION <ul style="list-style-type: none"> Committee Commission and Board Interviews Unruly Gathering Fees 	4 PM STUDY SESSION <ul style="list-style-type: none"> Committee Commission and Board Interviews
EXECUTIVE SESSION	EXECUTIVE SESSION <ul style="list-style-type: none"> Standard Terms & Conditions -Master Lease Agreements 	EXECUTIVE SESSION	EXECUTIVE SESSION
PRESENTATION	PRESENTATION	PRESENTATION	PRESENTATION
CONSENT <ul style="list-style-type: none"> Amended Wilkinson Lot Split Amend MPC Articles of Incorporation 	CONSENT	CONSENT	CONSENT
PUBLIC HEARING	PUBLIC HEARING <ul style="list-style-type: none"> Hillside Code Update 	PUBLIC HEARING	PUBLIC HEARING
ACTION ITEMS/COMMUNITY CONVERSATION <ul style="list-style-type: none"> Trash Service License Agreement 	ACTION ITEMS <ul style="list-style-type: none"> Alarm Monitoring Contract Minor/Managerial SUP Fees 	ACTION ITEMS <ul style="list-style-type: none"> Hillside Rules of Procedure Plats & Parking Ordinance Swimming Pool Drainage Annual Street Maintenance Contract 	ACTION ITEMS <ul style="list-style-type: none"> Ordinance on Unruly Gatherings
	STUDY SESSION CONTINUED <ul style="list-style-type: none"> Storm Drainage Design Manual 	STUDY SESSION CONTINUED <ul style="list-style-type: none"> Council Goals TBD 	STUDY SESSION CONTINUED <ul style="list-style-type: none"> Council Goals TBD



Action Report

File #: 18-039

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager

DATE: January 11, 2018

DEPARTMENT: Town Manager

AGENDA TITLE:
Manager Comments

Council Goals or Statutory Requirements:

I wanted to use this time to check in on the Mayor and Council 2017-2018 Initiatives. The attached is the expanded list of initiatives drafted at the March 2017 Retreat. The yellow highlights identifies those items that the Town manager believed were possible to achieve during the term using 2 hours of study session each meeting. Obviously the Council has far exceeded that time commitment.

The item is intended to be a simple report-out of progress on this list.



Draft Mayor and Town Council Initiatives 2017-2018

The 2017-2018 Mayor and Town Council recognize their work is built upon the outstanding accomplishments of those who have preceded them and the goals articulated in the adopted General Plan. The longstanding fundamental Town values of public safety, preservation of natural open space and mountains, limited government, financial responsibility and long-term sustainability, low density residential land use, world-class resorts and the constant desire to improve and protect the Paradise Valley quality of life, will always be forefront and assumed in this governing body's work and deliberations. The priorities below represent additional commitments or areas of work to improve existing conditions and promote these values.

Responsiveness to Residents – Identify and consider resident concerns in a timely manner and seek solutions to the best of the Town's ability. (19 Study Session Hours)

1. Cell Service – Community Conversation (4 study session hours)
 - a. ~~Review and Adopt PWSF Rewrite by Planning Commission (2 study session hours)~~
 - b. Town Facilitated Solution (4 study session hours) **Working with American Tower. Presentation planned for January 25.**
2. Trash - Explore Single Hauler Solution
 - a. ~~Provide Council direction on a Request For Proposal (1 study session hour)~~
 - i. ~~Explore potential cost savings~~
 - ii. ~~Separate special services~~
 - iii. ~~Citizen survey of service levels~~
 - b. Consider RFP Results, Community Conversation, Direction (3 study session hours) **Community Conversation and Direction on January 25**
3. Alarm monitoring
 - a. ~~RFP Updates to Council (1 study session hour)~~
 - b. Review and provide direction on RFP results (2 study session hours) **Study session to review RFP results on January 25. Possible action on February 8.**
4. Neighbor Services
 - a. Explore a mediation program (2 study session hours)
 - b. Expand new resident welcome letter topics

Governance – Review and seek improvement to processes and procedures for our community. (9-10 study session hrs)

1. Review, discuss, revise/draft Rules of Procedure for Council, Commission, BOA, and Hillside Committee
 - a. Address submittal requirements, timing, Code/Rules time deadlines, continuances, and speaker times, and number of Members to add an item to the agenda (2 study session hours for Council rules, 3 study session hours to review others)
 - b. **Train regularly on the Rules and on other codes or laws impacting the body and have expanded orientation**
2. **Broaden use of the Statement of Direction process when Council delegates project (?? Hours)**
3. **Review appointment process committee by committee & residency (2 study session hours)**
4. **Update ethics policy and related documents (2-3 study session hours)**
5. **Identify costs associated with all projects at an early phase to determine whether to spend the extra dollars on experts or more detailed studies. Have discussed all of these and implemented or in process of implementing various actions associated with the discussions.**



Draft Mayor and Town Council Initiatives 2017-2018

Infrastructure – For efficient and effective execution, review and seek improvements for the planning, timing, and coordination of infrastructure maintenance and enhancement. (11-16 study session hours)

1. Complete (6-8 study session hours)

- a. Ped/bike – In development. Anticipated 2nd Qtr 2018
- b. VSC – In development – Expected second quarter 2018
- c. Lincoln Sidewalk Project – Grant dollars associated with FY19

2. Report out staff coordination efforts (1 study session hour)

- a. Conduct regular and detailed coordination meetings on long range (5-7 years) planning efforts and projects
- b. among Departments, and
- c. involve internal and external stakeholders
- d. consider project overlap

3. Evaluate CIP priorities (2 study session hours)

- a. Good cost development
- b. Realistic schedules
- c. Re-evaluate at key project phases – cost vs. need

4. Identify and evaluate traffic conditions and intersections (2-5 study session hours)

- a. Alternative traffic management

Hillside – Preserve and protect the resident safety and intrinsic scenic value of the Hillside environment. (8-13 study session hours)

1. Define Statement of Direction (what's the problem we are trying to solve) for Hillside Ordinance review, including lighting (2 study session hours for SOD, 2 hours to review draft)

2. Amend committee member criteria to highlight Hillside knowledge (1 study session hour)

3. Evaluate additions to Mummy Mountain Trust (1-3 study session hours)

4. Evaluate best practices for safety on Hillside projects (2-5 study session hours) - In development. Review at January and February Council meetings.

Intergovernmental Relations – Maximize our ability to successfully advocate for the values of Paradise Valley.

1. Work proactively to accomplish legislative agenda

- a. Set legislative agenda annually (3 study session hours)
- b. Annual Legislative Breakfast (2 hours)
- c. Establish a standing council agenda item to update legislation (15 min study session)
- d. Establish timely communication,
 - i. Legislative alerts for critical information
 - ii. Deploy regular updates via town manager email
 - iii. Ability to launch members of the governing body to assist (2 study session hours)
- e. Recognize Efforts of Legislators (1 Study session hours)
- f. PV Forum on Construction Sales Tax (stakeholders: builders, resorts, legislators, donors) (2 hours)
- g. PV Forum on Photo Enforcement (stakeholders: legislators, tours) (2 hours)
- h. Coordinate meetings with similarly interested cities and towns (2 hours each)
- i. Participate in relevant consortiums, stakeholder groups, and caucuses (on your own)
 - i. Attend League Conference

2. Invest in professional services when warranted (1 study session hour)



Action Report

File #: 18-032

TO: Mayor Collins and Town Council Members

FROM: J. Tyrrell Taber, Presiding Judge
Jeanette Wiesenhofer, Court Director

DATE: January 11, 2018

DEPARTMENT: Municipal Court

AGENDA TITLE:

Consideration of Paradise Valley Municipal Court's Appointment and Retention of Volunteer Judges Policy

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☒ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

To provide a more transparent process for the recruitment and retention of the Paradise Valley Municipal Court's volunteer judges.

Council Goals or Statutory Requirements:

- Governance

RECOMMENDATION:

Consider the Appointment and Retention of Volunteer Judges Policy

SUMMARY STATEMENT:

The Paradise Valley Municipal Court developed a policy to outline the selection and retention process of the court's volunteer judicial officers. The purpose of the policy is to provide transparency to the judicial appointment process; to be used in conjunction with established Town Code; and to assist the Presiding Judge and Town Council in judicial appointments.

The policy proposes the establishment of a Judicial Selection Committee (JSC) similar to what the

majority of Maricopa County Courts have implemented to provide a more transparent selection process for recruitment and to allow greater public input and participation in the process.

The proposed JSC will be assembled when a volunteer judicial vacancy or opening becomes available at the Paradise Valley Municipal Court. These individuals are appointed by the Presiding Judge of Paradise Valley Municipal Court, and operate under the guidance and authority of Arizona Code of Judicial Administration (ACJA), § 1-305 Selection of Special Judicial Officers. The ACJA is set by Order of the Arizona Supreme Court.

The JSC will review applications, interview selected applicants and make recommendations for appointment to the Presiding Judge. The Presiding Judge and two appointed judges currently serving the Paradise Valley Municipal Court would then interview applicants recommended by the committee. Following the interviews and background checks, the Presiding Judge will recommend one of the finalists to Council for appointment. The Town Council retains all appointment authority established by Town Code and may accept or reject the Presiding Judge's recommendation.

The evaluation of appointed judges will remain the same, the Presiding Judge will continue to routinely evaluate judges' performance and request feedback from professional and public participants in the legal process. Any complaints received concerning a judge shall be considered prior to reappointment.

BUDGETARY IMPACT:

There is no budget impact to the Town.

ATTACHMENT(S):

1. Appointment and Retention of Volunteer Judges Policy
2. Arizona Code of Judicial Administration § 1-305

PARADISE VALLEY MUNICIPAL COURT

Bench Policy: BP.1

APPOINTMENT AND RETENTION OF VOLUNTEER JUDGES

I. STATEMENT OF PRINCIPLE

This policy shall govern the selection of volunteer judges of the Paradise Valley Municipal Court in conjunction with the appointment process established in Chapter 12, Article 12-2 of Paradise Valley Town Code.

II. QUALIFICATIONS OF JUDGES

Applicants seeking appointment shall meet the minimum qualifications for the position pursuant to law and qualifications set forth in Chapter 12, Article 12-2-3(d) of the Paradise Valley Town Code.

III. NOTICE OF VACANCY

On the occurrence of a vacancy or opening in this court for a volunteer judge, the Town's Human Resource Manager on direction of the Presiding Judge shall advertise the position. The position of volunteer municipal court judge shall be advertised state-wide in one or more newspapers of general circulation in the state, Town's website, and in available legal media in a manner such that qualified persons would be reasonably expected to become aware of the advertisement. The advertisement shall inform potential applicants that the volunteer judge position serves without salary or compensation.

IV. APPLICATION

All applications shall be submitted on a form approved by the Presiding Judge to the Human Resources Department. All applicants shall provide information on all aspects of their background, qualifications and experience relevant to the judicial position. Applicants shall be advised of the ethical restrictions on the practice of law contained in the Code of Judicial Conduct which relate to service of a judicial officer.

V. CREATION OF JUDICIAL SELECTION COMMITTEE

Upon learning of a judicial vacancy, the Presiding Judge shall establish an ad-hoc Judicial Selection Committee to seek advice in recommending to Town Council the best-qualified person(s) to appoint as a special judicial officer (appointed judge). This is foreseen under the Arizona Code of Judicial Administration Section 1-305D (3) a:

The judge shall establish a selection committee. In appointing that committee, the judge shall be sensitive to representation reflecting the racial, ethnic, gender and political diversity of the community

served by that judge's court. The process shall require that selection committee members disclose to each other and to the judge any cause for bias in favor or against any applicant reviewed. The judge shall assure that selection committee members are informed of their responsibility to recruit qualified applicants, including qualified minority and women applicants, who may not otherwise apply.

VI. APPOINTMENT AND OPERATION OF JUDICIAL SELECTION COMMITTEE

1. The Presiding Judge shall appoint a committee of no more than seven individuals to review all applications, interview selected applicants, and make recommendations for appointment.
2. The Judicial Selection Committee shall have the following members:
 - a. Two (2) members in good standing of the State Bar of Arizona who resides within the Town of Paradise Valley recommended by the President of the State Bar.
 - b. A municipal court judge from another Arizona city or town.
 - c. Two public members who are residents of the Town of Paradise Valley recommended by the Mayor.
 - d. The Court Director or Court Supervisor of the Town of Paradise Valley Municipal Court.
 - e. The Human Resource Manager of the Town of Paradise Valley.
3. Committee members should be encouraged to actively seek out and encourage applications from qualified individuals and may enlist in the aid of community groups and organizations in this effort.
4. Committee members shall be required to disclose to each other and the Presiding Judge any cause for bias in favor or against any applicant reviewed.
5. A committee member shall in no manner commit in advance to vote for any applicant.
6. The committee may be convened to preliminary evaluate applications in light of this policy and select those applicants to be interviewed.
7. Interviews shall be scheduled and applicants notified by the Town's Human Resource Manager or Court Director.
8. The Judicial Selection Committee shall be guided through the selection process and shall receive guidance on personnel law and procedures from the Town's Human Resource Manager.
9. On completion of interviews, the committee may elect to contact references given by the applicants. Ultimately, the committee shall recommend no more than three

applicants to fill the position. These recommendations shall be forwarded to the Presiding Judge with no indication of preference.

VII. DUTIES OF PRESIDING JUDGE

1. The Presiding Judge and two appointed judges currently serving the Paradise Valley Municipal Court (as selected by the Presiding Judge) will interview each applicant recommended by the Judicial Selection Committee.
2. Following the interviews, the Presiding Judge shall authorize a background check of each applicant prior to making a selection for recommendation to the council. This background check shall be consistent with the Town's background check process but may also consist of inquiries with the State Bar of Arizona, the Arizona Commission on Judicial Conduct and any other agency deemed necessary by the Presiding Judge.
3. Following the background checks, the Presiding Judge upon advice and consent of the two appointed judges, shall recommend one of the finalists recommended by the selection committee to Town Council for appointment.

VIII. EDUCATION

The Presiding Judge shall assure that all judges serving as judicial officers in the Paradise Valley Municipal Court receive orientation and on-going education appropriate to the judges' duties.

IX. EVALUATION

The Presiding Judge shall periodically evaluate appointed volunteer judges prior to the re-appointment of each judge. The evaluation shall be based upon information both by professional and public participants in the legal process. Any complaints received concerning a judge shall be considered prior to re-appointment.

EFFECTIVE DATE

January ____, 2018

APPROVED:

J. Tyrrell Taber, Presiding Judge

ARIZONA CODE OF JUDICIAL ADMINISTRATION

Part 1: Judicial Branch Administration

Chapter 3: Judicial Officers and Employees

Section 1-305: Selection of Special Judicial Officers

- A. Applicability.** The following standards shall govern the selection of all special judicial officers including judges pro tempore, commissioners, hearing officers and juvenile court referees appointed by the chief justice or by any judge or on the recommendation of any chief judge, presiding judge, chief magistrate or justice of the peace. Judges responsible for appointing or recommending appointment of special judicial officers shall adopt written selection procedures and file them with the Clerk of the Supreme Court. The procedures for city courts shall be consistent with existing provisions of city charters and ordinances.
- B. Purpose.** This section is intended to result in selection of special judicial officers, through an open process, who are highly competent and highly respected by their peers and clients and who bring a diversity of background and experience to the bench. Those who seek the aid of the courts are entitled to the same quality of justice from the judiciary whether the judicial officer is a regularly elected or appointed judge or a person temporarily serving as a judge.
- C. Qualifications.** Persons applying for judicial office shall meet the minimum qualifications required by law and such special qualifications for the position as may be established by the chief justice, the chief judge, the presiding judge or the chief magistrate. Persons applying for judge pro tempore offices, except justice of the peace pro tempore, shall be at least 30 years of age, of good moral character, and admitted to the practice of law in and a resident of the State of Arizona for five years next preceding their taking office as required by article 6, § 31 of the Arizona constitution.
- D. Procedures.**
1. **Public Announcement.** The judge shall adopt procedures that provide for public announcement of an opening for any judicial position. The announcement shall include, at a minimum, the qualifications for the position, an equal opportunity statement and the hiring authority. The judge shall assure that the announcement is publicized in such a manner that all attorneys, including minority and women attorneys, and other qualified persons within the jurisdiction of the applicable court would be reasonably expected to become aware of the announcement.
 2. **Application.** The judge shall adopt procedures that establish an open application process. The procedures shall require that applicants for full-time special judicial office complete a written application in which they indicate all aspects of their background, qualifications and experience relevant to the judicial position. The procedures may require that applicants for part-time special judicial office complete an application or, alternatively, that they submit a letter of application. Applicants shall have the opportunity to submit letters of reference. The judge shall assure that applicants are advised of the ethical restrictions on the practice of law contained in the Code of Judicial Conduct which relates to service as a special judicial officer.

3. Selection.

- a. **Full-time Special Judicial Officers.** The judge shall establish a selection committee. In appointing that committee, the judge shall be sensitive to representation reflecting the racial, ethnic, gender and political diversity of the community served by that judge's court. The procedures shall require that selection committee members disclose to each other and to the judge any cause for bias in favor or against any applicant reviewed. The judge shall assure that selection committee members are informed of their responsibility to recruit qualified applicants, including qualified minority and women applicants, who may not otherwise apply.

The procedures adopted pursuant to this section shall establish a screening process which provides for the selection committee to review applications, interview selected applicants and recommend one or more applicants. The screening process may include review of advisory committee recommendations and comment by other judges of the court on which the appointee will serve.

- b. **Part-Time Special Judicial Officers.** A judge who uses part-time special judicial officers shall adopt a procedure for selecting one or more persons to serve as part-time special judicial officers. This procedure shall include review by the appointing authority or a designated person or committee of applications or letters of application and any letters of reference submitted.

E. Temporary Appointment. The procedures shall provide for appointment of judges pro tempore on a temporary full-time basis without following the adopted selection process and shall provide that the selection process shall be followed before a continuing appointment is made.

F. Education. The procedures shall require that all special judicial officers receive orientation and; for full-time special judicial officers, ongoing education appropriate to the special judicial officer's duties and comparable to that received by other judges on the same court.

G. Evaluation. The procedures shall require periodic evaluation of full-time special judicial officers governed by this rule at least prior to the reappointment of each special judicial officer. The procedures shall require that information is obtained from both professional and public participants in the legal process. Any complaints received concerning a part-time special judicial officer shall be considered prior to reappointment.

Adopted by Administrative Order 2000-80 effective November 9, 2000. Amended by Administrative Order 2002-66 effective June 21, 2002. Amended by Administrative Order 2004-101, effective December 15, 2004.



Action Report

File #: 18-017

Memo

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Dawn Marie Buckland, Deputy Town Manager

DATE: January 11, 2018

DEPARTMENT: Administration and Government Affairs Department

Dawn Marie Buckland

AGENDA TITLE:
Cost Recovery for Fees and Charges

Council Goals

SUMMARY STATEMENT:

In FY 2017, the Town undertook a comprehensive cost of service study to determine levels of fees required to recover 100% of the costs for planning, building, engineering, and fire prevention. On March 23, 2017, Council adopted most fees at 100% of cost recovery. As a policy decision based on areas of general public benefit, certain specific fees were adopted at a rate of 50% of cost recovery. These are: Board of Adjustment related fees for applications for variance, appeals of administrative decision, and administrative relief from zoning; Planning Commission related fee for vacating a street or alley; and within the category of Special Use Permits (SUP): SUP, Major Amendment, or Intermediate Amendments for schools, government buildings, and places of worship. All other fees were set at full cost recovery.

Under the new fees, the fee for a minor amendment to an SUP is more than that of an intermediate amendment for "schools, government buildings, and places of worship", a category that had previously existed for intermediate and major amendments but not for managerial or minor. On December 7, 2017 Council discussed Resolution 2017-23 which would consistently apply this policy decision to managerial and minor amendments as well, reducing the fee for a managerial amendment from \$1,900 to \$950 and the fee for a minor amendment from \$5,250 to \$2,625 for schools, government buildings, and places of worship. Following discussion on this item, staff was asked to bring back a study session item for more in-depth discussion.

ATTACHMENT(S):

File #: 18-017

PowerPoint

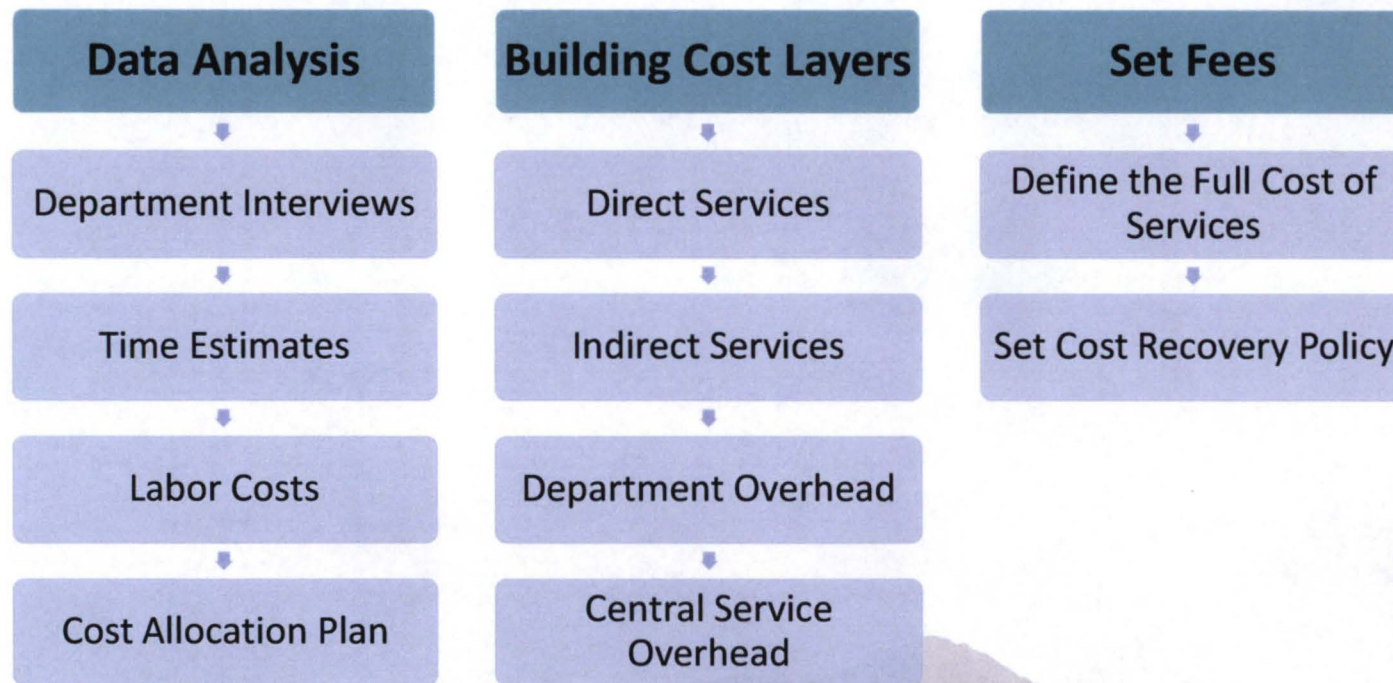
TOWN OF PARADISE VALLEY

Cost Recovery for Fees and Charges

January 11, 2018



Summary Steps of the Study



Components of the Study

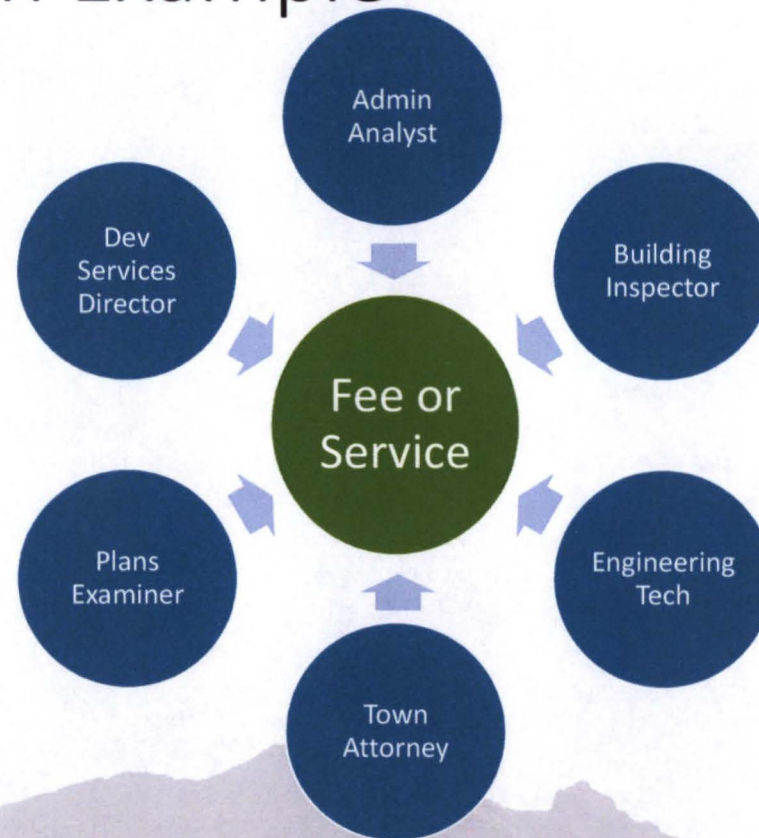
Willdan used the following data and information provided by staff to determine full cost of providing each service:

- Department budgets , other cost and revenue data
- Salary and benefit information
- Central Service/Indirect Cost Overhead
- Productive/billable hours
- Time estimates per program or fee
- Department input, feedback and policies



Fee Cost Composition Example

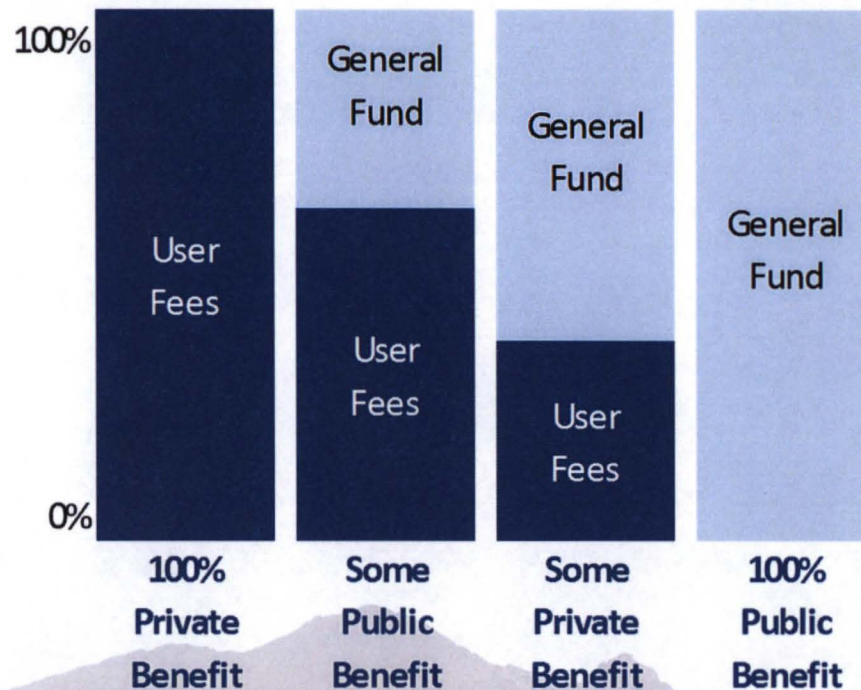
- Departmental fully burdened hourly rates were used to calculate full cost for fees
- It is important to keep in mind all processes and personnel involved in a fee to get calculate the full cost



Policy Considerations

- In certain situations, subsidization of fees is an effective public policy tool:

- Encourage participation
- Facilitate compliance
- Allow access to services



Policy Considerations

- General standard: individuals or groups who receive private benefit from service should pay 100% of cost
- Use care with strict benchmarking with neighboring jurisdictions
 - Not an “apples-to-apples” comparison
 - Services called the same thing may be vastly different
 - Staffing levels and processes vary from town to town
 - Subsidies not known
- Recommended that Town include an annual inflation factor which will allow Town Council by resolution to annually adjust fees based on CPI or other factor



March 23, 2017 Council Action Report

- Staff recommends as a policy decision that certain specific fees be adopted at a rate of 50% of cost recovery. These are: Board of Adjustment related fees for applications for variance, appeals of administrative decision, and administrative relief from zoning; Planning Commission related fee for vacating a street or alley; and within the category of Special Use Permits: SUP, Major Amendment, or Intermediate Amendments for schools, government buildings, and places of worship. All other fees are set at full cost recovery.



Existing Categories for Special Use Permit Review

2.1 Special Use Permit Review								
#	Description	Fee	Unit	Notes	Full Cost	Unrecovered %	Suggested Fee	Fee Δ
1	Managerial Amendment	500.00			\$ 1,898.20	0%	\$ 1,900.00	1,500.00
2	Minor Amendment	2,500.00			\$ 5,249.91	0%	\$ 5,250.00	2,750.00
3	Intermediate Amendment for Schools, Government Buildings, and Places of Worship	4,500.00			\$ 8,294.37	50%	\$ 4,150.00	(350.00)
4.a	Intermediate Amendment for all other uses	5,500.00		plus per acre fee	\$ 8,327.94	0%	\$ 8,330.00	2,830.00
4.b	Intermediate Amendment for all other uses	110.00	per acre		Variable	NA	\$ 110.00	-
5	SUP or Major Amendment to SUP for Schools, Government Buildings, and Places of Worship	7,000.00			\$ 15,510.87	50%	\$ 7,750.00	750.00
6.a	SUP or Major Amendment to SUP for all other uses	8,000.00		plus per acre fee	\$ 19,896.14	0%	\$ 20,000.00	12,000.00
6.b	SUP or Major Amendment to SUP for all other uses	110.00	per acre		Variable	NA	\$ 110.00	-
7	For Private Road, Guardgate, Guardhouse, or Observation Booth	2,760.00			\$ 4,804.61	0%	\$ 4,800.00	2,040.00
8	Amateur Radio Antenna Permit	2,360.00			\$ 5,269.81	0%	\$ 5,275.00	2,915.00
9	Conditional Use Permit	2,360.00			\$ 5,661.16	0%	\$ 5,665.00	3,305.00
10	Temporary Use Permit	175.00			\$ 1,796.39	0%	\$ 1,800.00	1,625.00



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Cost Recovery for Fees and Charges

Questions and Discussion





Action Report

File #: 18-036

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Dawn Marie Buckland, Deputy Town Manager

DATE: January 11, 2017

DEPARTMENT: Town Manager

AGENDA TITLE:
Legislative Update

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☒ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Reviewing bills and resolutions from the Arizona Legislature in a timely manner is necessary to protect and preserve limited government in Paradise Valley.

Council Goals or Statutory Requirements:

Intergovernmental Relations - Maximize our ability to successfully advocate for the values of Paradise Valley. Establish a standing Council agenda item to update legislation.

RECOMMENDATION:

Review and provide direction to staff on current legislative issues.

SUMMARY STATEMENT:

This action report is a place holder as items under this topic will evolve between the time the packet is assembled and the actual Council meeting.

Topics likely to be discussed during this update include:

- Realtor Signs in Public Rights of Way
- Partisan Municipal Elections

File #: 18-036

BUDGETARY IMPACT:

Undetermined

ATTACHMENT(S):