

TOWN *Of* **PARADISE VALLEY**



STAFF REPORT

TO: Mayor Bien-Willner and Town Council Members

FROM: Jill Keimach, Town Manager

DATE: February 11, 2021

DEPARTMENT: Town Manager
Jill Keimach, 480.348.3533

AGENDA TITLE:
Study Session Legislative Update

SUMMARY STATEMENT:

The Town of Paradise Valley annually develops a Legislative Agenda to outline and reaffirm the Town's legislative priorities for the year. The Town Council then meets with its Legislators from District 28 to go over the Town priorities. This year this meeting was held on January 4, 2021 with District 28 legislators Senator Christine March, and Representatives Kelli Butler and Aaron Lieberman to discuss with the Mayor and Council the impact of Short-Term Rentals, the continued need for Electronic Photo Enforcement in a limited government organization like Paradise Valley, the need for diversified TPT Sales Tax for Prime Contracting and a Tourism Marketing Authorization bill.

The Town's Legislative Contract Lobbyist, Doug Cole updated the Town Council during a Study Session on January 28th. Council gave direction during that meeting to return with recommendations so the Council could formally support and oppose bills most relevant to the values previously articulated by the Paradise Valley Town Council.

In addition to the bills discussed during the last meeting, the Police Chief has requested formal opposition to three bills that on the surface look to preempt Police Department 'defunding'. The unintended consequence of these bills is that if the police department is reduced any amount, 10% or at 25% depending on the bill, the Attorney General would investigate and potentially reduce the amount of State Shared Revenue the Town receives by the amount the Police Department Budget is reduced. In Paradise Valley, the large payments to payoff the Town's unfunded pension liabilities in the Police Department may be considered a budget reduction which would significantly impact the Town finances if an equal amount would be withheld from State Share Revenue when the Town stops needing to make those payments.

BUDGETARY IMPACT:

None at this time, although Short-Term Rental bills, if not locally regulated will continue to take Town resources to respond to party houses and other unruly and disruptive behaviors.

Legislation intended to preempt “defunding” of Police departments if adopted may have the unintended consequence of restricting State Shared revenue if Paradise Valley reduces the Police Department budget as the Town has effectively paid off its unfunded pension liabilities. PSPRS Unfunded Liabilities payments recorded in the PD have ranged from \$1,000,000 to \$9,000,000 in a single year with a total of \$18,000,000 from 2016/17 to 2019/20. \$0 has been paid in FY2020/21 to date. This fluctuation would be problematic as drafted, as would the variations year-to-year in vehicle and equipment replacement and capital expenditures.

RECOMMENDATION:

Provide direction and approve Summary of Bills and Recommendation during Town Council Meeting.

ATTACHMENT(S):

- A. Staff Report
- B. Summary of Bills and Recommendations for Council Adoption
- C. Presentation