



# TOWN COUNCIL POLICIES AND PROCEDURES

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**TOWN COUNCIL RULES AND PROCEDURES  
TOWN OF PARADISE VALLEY, ARIZONA**

**SECTION I - RULES OF PROCEDURE**

The Council shall determine its own rules, order of business, conduct of public meetings, and shall provide for keeping minutes of its proceedings. These minutes shall be a public record.

**SECTION II - MEETINGS**

The Council shall meet regularly twice each month, except for July and August. Meetings will be held on the second and fourth Thursday of each month, except for the months of November and December when meetings will be held on the first and third Thursdays. The meeting notice will list the start time, place, and agenda. The meeting may include the following: work session discussion items, executive sessions; public hearings, action items and other Town Council business. The agenda will be sent to the press, posted in a public place, and posted on the Town's internet website at least twenty-four hours in advance of the meeting. Special meetings may be held on the call of the Mayor or of three or more Council Members. All meetings shall be open to the public. Executive sessions may be held for the purposes allowed by law and shall not be open to the public. In the case of an emergency, notice will be given as early as is reasonable under the circumstances.

**SECTION III - AGENDA**

All reports, communications, ordinances, resolutions, contract documents, and other matters to be submitted to the Council shall be delivered to the Town Manager on Tuesday of the week prior to the Council meeting at which they are to be submitted. The Town Manager and the Mayor shall list the matters according to the order of business and furnish each Member of the Council, the Town Attorney, and department heads with a copy of the agenda prior to the Council meeting, as early as possible. The Town Manager or Mayor may place an item on the Council agenda or any Member of the Town Council may request that an item be placed on a future Council agenda pursuant to the provisions specified in Section VIII(b)(13).

**SECTION IV - PRESIDING OFFICER - DUTIES**

The Mayor shall be the presiding officer of the Council. The presiding officer shall preserve strict order and decorum at all regular and special meetings of the Council. He/she shall state every question coming before the Council, announce the decision of the Council on all subjects and decide all questions of order. Any decision or ruling of the Mayor may be appealed to the Council as a whole by request of any Member. The Mayor shall call for roll call to see if the chair shall be upheld; if the roll call loses, the Mayor is reversed.

**SECTION V - CALL TO ORDER - PRESIDING OFFICER**

The Mayor, or in his absence, the Vice-Mayor shall call the Council to order at the scheduled meeting time. In the absence of the Mayor or Vice Mayor, the Town Clerk shall call the Council to order. A temporary chairman then shall be elected by the Members of the Council present. When the Mayor or Vice Mayor arrives, the temporary chairman shall relinquish the chair when the business immediately before the Council is finished.

**SECTION VI - ROLL CALL**

Before proceeding with the business of the Council, the Town Clerk shall call the roll of the Members, and the names of those present shall be entered in the minutes.

**SECTION VII - QUORUM**

A quorum shall consist of a majority of the Members of Council; however, no action of the Council shall be valid or binding unless adopted by a majority of the quorum. If one or more Members of the Council are unable to be present in person at a public meeting, they may participate electronically by telephonic or video communication. However, in no event shall more than three (3) Council Members attend a public meeting electronically. Council Members shall notify the Town Clerk at least 4 hours prior to the meeting of their intent to attend electronically. The meeting agenda and minutes shall state that one or more Council Members will participate by telephonic or video communication.

**SECTION VIII - ORDER OF BUSINESS; SUBSTANCE OF EACH BUSINESS ITEM**

a) ORDER OF BUSINESS. The order of business at all regular meetings shall ordinarily be as follows; provided, however, the Council may, by majority vote, consider items out of sequence from the printed agenda order.

- 1) Call to Order/Roll Call
- 2) Study Session Items
- 3) Executive Session
- 4) Break
- 5) Reconvene
- 6) Roll Call
- 7) Pledge of Allegiance
- 8) Presentations
- 9) Call to the Public
- 10) Consent Agenda
- 11) Public Hearings
- 12) Action Items
- 13) Requests for Future Agenda Items
- 14) Comments from Mayor, Manager, and Council Members
- 15) Adjournment (and announcement of next scheduled meeting)

b) **SUBSTANCE OF EACH BUSINESS ITEM.** Each matter on the Order of Business shall be conducted in the manner and for the purposes noted.

- 1) Call to Order/Roll Call – The Mayor shall announce that the Council Meeting is called to order. The Town Clerk shall call the names of each sitting Council Member and note their attendance in the minutes.
- 2) Study Session Items – Matters listed as study session items are matters where the intent is to inform the Town Council about issues which are facing the Town for which formal action may be required in the future. Formal action cannot be taken during the study session. However, the Town Council can direct staff to prepare an item for consideration at a future Town Council meeting. New ordinances shall be reviewed as a study session item prior to consideration for adoption. A motion to suspend the rules is required to consider any ordinance which has not been discussed in study session at least one meeting in advance of its adoption.
- 3) Executive Session – A closed session of the Council to be held only for those limited purposes allowed to be discussed in closed session pursuant to state statutes.
- 4) Break – a short recess during which the Council typically moves from a smaller study session room to the larger Council Chamber.
- 5) Reconvene – The Mayor calls the Council to order in the Council Chamber.
- 6) Roll Call – The Town Clerk shall call the names of each sitting Council Member and note attendance for the main business meeting.
- 7) Pledge of Allegiance – The Mayor shall ask all the Council and audience to rise for the pledge of allegiance and shall lead or ask a Member of the Council or audience to lead the pledge of allegiance.
- 8) Presentations – The Mayor, or an appropriate designated Council Member or staff Member, shall make public presentations of awards or recognition of people, as appropriate and as designated in the agenda for the meeting.
- 9) Call to the Public – An opportunity for residents to address the Council on matters not on the agenda. The Council may not discuss or take action on any matters raised, but may respond to criticism, ask staff to review the matter, or ask that it be placed on a future agenda.
- 10) Consent Agenda - The consent agenda matters are routine and may be adopted by one motion. There will be no discussion of separate items, unless Members of the Town Council, staff, or the public request that a specific item be discussed or removed from the consent agenda for individual consideration. No ordinance or expenditure authorization request in excess of \$250,000 shall be placed on the consent agenda. Resolutions or expenditure requests for a lesser amount may be placed on either the consent agenda or as action items.
- 11) Public Hearings – Public Hearings shall be held for all business matters where state statutes require a public hearing prior to action, such as annexations, rezonings of property, wastewater rate increases, and other such matters. Specific procedures for public hearings shall comply with the provisions of Section XV.
- 12) Action Items - Action items shall include action on any subject requiring a

public hearing, expenditure requests of \$250,000 or more, ordinances, and any items the Mayor chooses to have considered as action items instead of consent agenda items.

- 13) Requests for Future Agenda Items - Requests for future agenda items are topics or issues of interest that at least four Council Members would like to have considered for discussion at a future meeting. Any member of the Council may move to have the Town Manager add a new agenda item to a future agenda. Upon the 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 sixty days. In the event that the Town Manager determines such a future agenda item request should be moved to a later date due to the need for the Council to address more critical agenda items, the Town Manager may move the requested item to a later Council Meeting date, but only to the next scheduled Council Meeting date. 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 not on the merits of such agenda item.
- 14) Comments from the Mayor, Manager and Council Members – A short time period where the Mayor, Manager and Council Members may present a brief summary of current events. The Town Council is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is otherwise separately and properly noticed for legal action.
- 15) Adjournment – A motion, second and a vote is required before adjournment. If the Town Council desires to adjourn at a later time, the Council must pass a motion specifying the date and time to which the regular meeting is being adjourned. A motion to adjourn shall always be in order except during roll call. When a motion is made and seconded to adjourn, any Member of the Council may state why it is improper for the Council to adjourn. That statement, however, shall not be debatable and shall not take more than two minutes.

## **SECTION IX - PROCEDURES FOR DEBATE ON ACTION ITEMS**

On those issues requiring debate, the presiding officer shall state the issue before the Council. Staff shall report on the issue and respond to Council questions, following which interested Members of the community shall also have an opportunity to express their positions on the issue before the Council. Section XI covers the proper method of addressing the Council. Council may limit the amount of time allotted for discussion.

A motion and second on the issue will be in order at any time during Council discussion. Discussion may continue after the motion is made for such period of time as is authorized elsewhere in these rules.

## **SECTION X - RULES OF DEBATE**

- a) **PRESIDING OFFICER MAY DEBATE AND VOTE, ETC.** The Mayor or Member of

the Council that is presiding may move, second and debate from the chair, subject only to such limitations of debate as are imposed on all Members. The presiding officer shall not be deprived of any of the rights and privileges of a Council Member.

- b) **GETTING THE FLOOR - IMPROPER REFERENCES TO BE AVOIDED.** Every Member desiring to speak shall address the chair, and upon recognition by the presiding officer, the Members shall be germane to the topic and shall avoid personal attacks and indecorous language.
- c) **INTERRUPTIONS.** A Member, once recognized, shall not be interrupted when speaking unless it is to call the Member to order. If a Member, while speaking, is called to order, he shall cease speaking until the question of order is determined, and, if in order, the Member shall be permitted to proceed.
- d) **PERSONAL PRIVILEGE.** The right of a Council Member to address the Council on a question of personal privilege shall be limited to cases in which his integrity, character or motives are questioned, or where the welfare of the Council is concerned. A Council Member may interrupt another speaker if the Mayor recognizes the privilege.
- e) **PRIVILEGE OF CLOSING DEBATE:** The Council Member moving the adoption of an ordinance or resolution shall have the privilege of closing the debate.

#### **SECTION XI - ADDRESSING THE COUNCIL**

Any person wishing to address the Council shall first secure permission of the presiding officer to do so. The Council may limit the length of time that a person is permitted to address the Council.

- a) **WRITTEN COMMUNICATIONS.** Interested parties or their authorized representatives may address the Council by written communications in regard to matters under discussion.
- b) **ORAL COMMUNICATIONS.** During the proper time on the agenda, taxpayers or residents of the Town, or their authorized representatives, may address the Council on any matter concerning the Town's business, or any matter over which the Council has control. Oral presentations shall not be repetitious and shall be confined to three minutes maximum duration.
- c) **AFTER MOTION MADE.** No person shall address the Council after a motion is made without first securing the permission of the Council to do so.

#### **SECTION XII - DECORUM**

- a) **BY COUNCIL MEMBERS.** While the Council is in session, the Members must preserve order and decorum. A Member shall neither by conversation or otherwise, delay or interrupt the proceedings or the peace of the Council nor disturb any Member while

speaking or refuse to obey the orders of the Council or its presiding officer, except as otherwise herein provided.

- b) **BY PERSONS.** Any person making personal, impertinent, or slanderous remarks, or who becomes boisterous while addressing the Council, or who interferes with the order of business before the Council, and who fails, upon request of the presiding officer to cease such activity, shall be barred from further audience before the Council, unless permission to continue is granted by a majority vote of the Council.

### **SECTION XIII - ENFORCEMENT OF DECORUM**

The Mayor shall appoint a sergeant-at-arms at the Council meetings. He, or they, shall carry out all orders and instructions given by the presiding officer for the purpose of maintaining order and decorum at the Council meeting. Upon instructions of the presiding officer, it shall be the duty of the sergeant-at-arms, to remove any person who violates the order and decorum of the meeting.

### **SECTION XIV - VOTING**

- a) **VOICE VOTE AND/OR ROLL CALL.** All votes shall be recorded in the minutes and shall be by voice vote (ayes and nays) or, if requested by the Mayor or any Council Member, or as otherwise required by these Rules, by roll call. Voting by proxy shall not be permitted.
- b) **PRECEDENCE OF MOTIONS.** When a motion is before the Council, no motion shall be entertained except:
  - 1) to amend
  - 2) to adjourn
  - 3) to fix hour of adjournment
  - 4) to lay on the table
  - 5) for the previous question
  - 6) to postpone to a certain day
  - 7) to refer
  - 8) to postpone indefinitely
  - 9) divide the question

These motions shall have precedence in the order indicated.

- c) **AMENDMENTS.** No more than one amendment to an amendment is permitted.
- d) **MOTION TO TABLE.** The purpose of this motion is to temporarily by-pass the subject. A motion to lay on the table is undebatable and shall preclude all amendments or debate of the subject under consideration. If the motion prevails, the matter may be taken off from the table at any time prior to the end of the next regular meeting.

- e) **MOTION FOR PREVIOUS QUESTION.** The purpose of this motion is to close debate on the main motion. It is undebatable, and no further discussion shall be permitted until the motion is acted upon. If the motion fails, debate is reopened; if motion passes, then the Council shall vote on the main motion.
- f) **DIVISION OF QUESTION.** If the question contains two or more divisible propositions, the Mayor may, or upon successful motion of the Council, shall divide the same.
- g) **WITHDRAWAL OF MOTION.** When a motion is made and seconded, it shall be so stated by the Chair. A motion may not be withdrawn by the mover without the consent of the Member seconding it.
- h) **CONFLICT OF INTEREST.** Council Members shall abide by the provisions of A.R.S. Chapter 38, Article 3. When a Council Member determines he or she has a conflict of interest, he or she shall announce such conflict and refrain from discussing or voting upon the matter.
- i) **COUNCIL MEMBER REQUIRED TO VOTE.** Council Members are required to vote on all issues placed before them. A failure to vote or a voluntary abstention shall be counted an "aye" vote unless excused by State Conflict of Interest Laws.
- j) **RECORDING VOTES; TIE VOTES.** The minutes of the proceedings of the Council shall record individual's votes on all ordinances, resolutions, and franchises. In the case of a tie in votes on any motion, the motion shall be considered lost.
- k) **MOTION TO RECONSIDER.** A motion to reconsider any action taken by the Council may be made only on the day the action was taken or at the next regular meeting of the Council. It may be made during the same session or at a recessed or adjourned session. A motion to reconsider must be made by one of the prevailing side, but may be seconded by any Member. A question failing by virtue of a tie vote may be reconsidered by motion of any Member of the Council. The motion may be made at any time. It shall be debatable. Nothing herein shall be construed to prevent any Member of the Council from making or remaking the same or any other motion at a subsequent meeting of the Council.

**SECTION XV - PROCEDURE FOR DEBATE DURING PUBLIC HEARING**

The following shall be the procedure during public hearings:

- 1) Mayor shall read the title of the action item.
- 2) Staff report, if any, by the appropriate staff members and relevant questions by Council Members.
- 3) Statement by the Applicant explaining and advocating the item (maximum of fifteen (15) minutes).
- 4) Testimony by members of the public who support the item.
- 5) Testimony by members of the public who oppose the item.
- 6) Written Communications filed with the Town regarding the item.

- 7) At Council's discretion, a brief closing statement by the Applicant).
- 8) Discussion by Council Members. The order of recognition of Council Members desiring to speak other than the Council Member who authored the item shall be determined by the chairman.
- 9) Motion and second.
- 10) Motion to amend (if any).
- 11) Vote.

## **SECTION XVI – ORDINANCE: EMERGENCY CLAUSES**

Ordinances shall be prepared as provided for in Article 1-2 of the Town Code. An emergency clause shall not be utilized for any routine matter such as establishment of fines or penalties, the authorization for contracts, rezoning of property, creation of taxes, lease of Town land, amendment of the Town Code, or the levy of assessments unless harm to the public can be expected from a delay of action.

## **SECTION XVII - SPECIAL COMMITTEES**

When the Council determines that a board, commission or committee is needed the following procedure shall be used:

- a) The party proposing the creation of the board, commission or committee will prepare a resolution defining the purpose, duties and objectives of the committee and whether it is to be an ad hoc or continuing committee.
- b) That resolution will be submitted to the Mayor or Town Manager for placement on an agenda for Council discussion.
- c) The Council shall approve, modify, or reject the resolution.
- d) Once a board, commission, or committee is approved the Mayor shall prepare nominations for members including their length of terms (not to exceed three years).
- e) The Mayor's nominations shall be submitted to the Council at least seven days prior to the meeting at which nominations will be confirmed.
- f) Council Members may suggest alternate nominations during the meeting. Each Member shall be approved by a majority of the Council.

### **SECTION XVIII - USE OF STAFF**

No Council Member shall request from the Town Manager any staff project that entails over two hours of staff work without seeking approval of the full Town Council. This rule pertains only to an individual research request by an individual Council person.

### **SECTION XIX - ENFORCEMENT SUSPENSION, AND AMENDMENT OF RULES**

Enforcement of these rules shall be incumbent upon the Town Council of Paradise Valley. These rules may be suspended or amended by a majority vote of the Town Council.

### **SECTION XX - RULES OF ORDER**

The rules of parliamentary practice, comprised in the most recent edition of Roberts Rules of Order, shall govern the Council in all cases to which they are applicable, provided they are not in conflict with these Rules or with the Town Code of the Town of Paradise Valley.

# **TOWN OF PARADISE VALLEY ETHICS POLICY**

*The purpose of this ethics policy for the Town of Paradise Valley is to assure the quality of government through ethical principles which shall govern the conduct of the Town Council and members of the Town's boards, committees and commissions. We shall:*

- 1. Obey the Constitution and laws of the United States of America, the Constitution and Laws of the State of Arizona, and the laws of the Town of Paradise Valley.***
- 2. Be dedicated to the concepts of effective and democratic local government.***

***Democratic Leadership.*** We shall honor and respect the principles and spirit of representative democracy and set a positive example of good citizenship by scrupulously observing the letter and spirit of laws, rules, and regulations.

- 3. Affirm the dignity and worth of the services rendered by the Town government and maintain a deep sense of social responsibility as a trusted public servant.***
- 4. Be dedicated to the highest ideals of honor, ethics, and integrity in all public and personal relationships.***

***Public Confidence.*** We shall conduct ourselves so as to maintain public confidence in Town government and in the performance of the public trust.

***Impression of Influence.*** We shall conduct our official and personal affairs in such a manner as to give a clear impression that we cannot be improperly influenced in the performance of our official duties.

- 5. Recognize that the chief function of local government is at all times to serve the best interests of all the people.***

***Public Interest.*** We shall treat our office as a public trust, only using the power and resources of public office to advance public interests, and not to attain personal benefit or pursue any other private interest incompatible with the public good.

- 6. Keep the community informed on municipal affairs; encourage communication between the citizens and all municipal officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.***

***Accountability.*** We shall assure that government is conducted openly, efficiently, equitably, and honorably in a manner that permits the citizens to make informed judgments and hold Town officials accountable.

**Respectability.** We shall safeguard public confidence in the integrity of Town government by being honest, fair, caring and respectful, and by avoiding conduct creating the appearance of impropriety, or impropriety of which is otherwise unbecoming a public official.

- 7. Seek no favor; believe that personal benefit or profit secured by confidential or privileged information or by misuse of public time is dishonest.***

**Private Employment.** We shall not engage in, solicit, negotiate for, or promise to accept private employment or render services for private interests or conduct a private business when such employment, service, or business creates a conflict with or impairs the proper discharge of official duties.

**Confidential Information.** We shall not disclose to others, or use to further our personal interest, confidential information acquired in the course of our official duties.

**Gifts.** We shall not directly or indirectly, in connection with service to the Town, solicit any gift or accept or receive any gift - of any value - whether it be money, services, loan, travel, entertainment, hospitality, promise, or any other form of gratuity. This policy shall not apply to hospitality, transportation or other assistance provided to Town officials, which is directly related to their participation in community events as a representative of the Town.

**Investment in Conflict with Official Duties.** We shall not invest or hold any investment, directly or indirectly, in any financial business, commercial or other private transaction that creates a conflict with our official duties.

**Personal Relationships.** Personal relationships shall be disclosed in any instance where there could be the appearance of conflict of interest or a conflict of interest.

- 8. Conduct business of the Town in a manner which is not only fair in fact, but also in appearance.***

**Disclosure.** In quasi-judicial proceedings, we shall abide by the directives of Arizona Revised Statutes which require full disclosure of contacts by proponents and opponents of land use projects which are before the Town Council. The Town's Boards and Commissions are also subject to these same rules. In addition to these requirements of state statutes, we shall apply this same standard of disclosure to other discretionary actions of the Council.



# Town of Paradise Valley FY 2014-15 Budget

## **FINANCIAL MANAGEMENT POLICIES**

### **OPERATING BUDGET POLICIES**

1. Ongoing operating expenditures will be supported by ongoing, stable revenue sources.
2. Revenues will not be dedicated for specific purposes unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
3. The Town shall not rely on a local property tax to pay for its expenditures.
4. The Town's compensation policy shall provide for regular review of salary ranges and include a provision for merit based salary adjustments.
5. Operating expenses will not be funded by debt issuance.
6. Cost recovery fees, where appropriate, may be established to offset the cost of providing specific services, and will be reviewed at least on an annual basis.
7. All non-enterprise user fees and charges will be examined annually to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the Town Council.
8. Enterprise fund rate structures will be reviewed annually to ensure they are adequate for the funds to remain separately self-supporting, including the costs of operation, capital outlay, debt service, depreciation, and interdepartmental charges for services where practical and appropriate.
9. The Town shall prudently maximize its investment income; generally to be used for expenditures not subject to the State imposed expenditure limitation.
10. Shifts in appropriations within fund and department totals not exceeding \$50,000 may be done administratively on the authority of the Town Manager by transferring budgeted funds from one department to another department to avoid contingency fund expenditure. Procedures for appropriations transfers and delegation of budget responsibility will be set by the Town Manager.
11. Shifts within department appropriations between personnel expenditures, expenses, capital leases, and photo radar expenditures may be done administratively on the written authority of the Town Manager.

12. Electronic funds transfer may be used to pay payroll expenditures and employee benefits previously authorized by Council or required by law.
13. Construction sales tax in excess of \$0.5 million will be transferred from the operating budget to the CIP fund to provide a dedicated CIP funding.

### **CAPITAL BUDGET POLICIES**

1. A five-year capital improvement plan shall be prepared and updated each year.
2. The five-year capital improvement plan will be developed within the constraints of the Town's ability to finance improvements. Therefore, the CIP shall differentiate between those projects which will be financed from designated, recurring revenues and those which will be financed from the future capital project fund.
3. Operating costs to maintain capital improvements and additional resource needs will be estimated and identified as part of the capital project review process.
4. The Town Council shall designate revenue sources for financing recurring capital improvement projects such as street resurfacing. These revenue sources will be available to finance such projects on an ongoing basis.
5. A separate capital project fund shall be created. All funds accumulated in this fund shall be used exclusively for capital projects, but only after specific authorization by the Town Council.
6. Project appropriations and amendments shall be consistent with the capital improvement plan and must be approved by the Town Council.
7. Construction sales tax in excess of \$0.5 million will be transferred from the operating budget to the CIP fund to provide a dedicated CIP funding.

### **CONTINGENCY AND RESERVE POLICIES**

1. The following adopted budgets shall contain an operating contingency: General, Highway User Revenue, Alarm, Fire/EMS, and Wastewater Operating Funds. It shall be an amount of no less than 1% of the adopted budget total, but no more than 3% of the adopted budget total. The operating contingency account shall be funded from current revenues, just as any other planned operating expenses. Contingency appropriations supported by current revenues which are less than \$25,000 do not require Town Council approval. All uses of contingency appropriations not supported by current revenues must be approved by the Town Council.
2. A reserve equal to at least 90%, but not more than 110%, of the annual operating budget (General and HURF funds) operating expenditures will be maintained. The amount will be calculated using the budgeted expenses for the following year. The reserve is to be used for unforeseen emergencies, such as a significant loss of revenues or catastrophic impacts on the Town. At the time the Town Council

approves the use of the reserve below 90%, it will also identify the time period over which the reserve will be replenished.

3. The Town desires to develop new reserve policies for major liabilities such as employee healthcare and risk management.
4. The Town desires to develop new sinking funds to accumulate funds for the replacement of major Town assets such as streets, facilities, vehicles, major equipment and technology.
5. Reserves equal to a minimum of 90 days of expenses will be maintained for the following funds: Alarm, Fire/EMS, and Wastewater Operations. The amount will be calculated using the budgeted expenses for the following year and will be used for revenue stabilization and major repairs.
6. The Contingency Fund is intended to create budget authority for the Town's remaining spending authority under the State of Arizona's Annual Expenditure Limit. Use of this authority requires approval of the Town Council.
7. All fund reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the Town's five-year financial plan.

#### **DEBT SERVICE POLICIES**

1. Long-term debt shall not exceed the Town's resources for repaying the debt.
2. Capital lease purchasing shall generally be used for financing capital equipment and land purchases and building improvements to remove the expenditures from the State imposed expenditure limitation.
3. Bond issuance shall be limited to capital improvement projects too large to be financed from current revenues, or too large to be included in the State imposed expenditure limitation.
4. Long-term debt payment schedules shall not exceed the expected useful life of the project.

#### **FINANCIAL REPORTING POLICIES**

1. The Town's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
2. A budgetary control system will be maintained to ensure compliance with the budget. Monthly reports will be distributed to the Town Manager and Departments for management of the budget. Quarterly reports will be prepared for Council for review.

3. Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.
4. An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the Town's published Comprehensive Annual Financial Report (CAFR).
5. The Town's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

# **TOWN OF PARADISE VALLEY**

## **INVESTMENT POLICY**

### **PURPOSE**

The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management of the investment funds of the Town of Paradise Valley.

This Investment Policy was adopted by the Town Council of Paradise Valley, Arizona on September 14, 2006. It replaces all previous Investment Policies or Resolutions pertaining to the cash management or investment of Town funds.

### **SCOPE**

The provisions of this Policy shall apply to all Town Funds as accounted for in the Town's Comprehensive Annual Financial Report.

There shall be a separate accounting for the following: General Fund; Sewer Fund – Reserves; Sewer Fund – Development Fee. All purchases, sales and investment income shall be accounted for separately.

### **OBJECTIVES**

The principal investment objectives of the Town are:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.
5. Compliance with the Town Code and with all applicable Arizona statutes and Federal regulations.

## **DELEGATION OF AUTHORITY**

The Council has delegated responsibility for management of the Town's investment program to the Management Services Director. The Management Services Director may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The Management Services Director shall maintain a list of persons authorized to conduct investment transactions for the Town. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Management Services Director shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the Town's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the Town

The Town may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the Town's financial resources.

## **PRUDENCE**

The standard of prudence to be used for managing the Town's assets is the "prudent investor rule" set forth in Arizona Revised Statutes (A.R.S.) section 14-7610 which states that investments shall be made "using the judgment and care under the circumstances then prevailing that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital."

The Town's investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Town recognizes that no investment is totally without risk and that the investment activities of the Town are a matter of public record. Accordingly, the Town recognizes that occasional measured losses may be desirable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security before maturity is in the best long-term interest of the Town.

Personnel acting in accordance with this Investment Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit, market, and liquidity risks.

## **ETHICS AND CONFLICT OF INTEREST**

Elected officials and Town employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the Town's investment program, or that could create the appearance of an impairment of their ability

to make impartial investment decisions. Elected officials and employees shall disclose to the Town Manager any material financial interest they have in financial institutions that conduct business with the Town and they shall subordinate their personal investment transactions to those of the Town.

## **AUTHORIZED INVESTMENTS AND TRANSACTIONS**

All investments for the Town of Paradise Valley shall be made in accordance with A.R.S. Title 35, Public Finances, Sections 35-321 through 35-327. Any revisions or extensions of these statute sections will be assumed to be part of this Investment Policy immediately upon being enacted. Only the following types of securities and transactions shall be eligible for use by the Town:

1. U. S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips with a final maturity not exceeding three years from the date of purchase.
2. Federal Agency Securities: Debentures and mortgage-backed securities with a stated final maturity not exceeding three years from the date of purchase issued by the Government National Mortgage Association (GNMA).
3. Federal Instrumentality Securities: Debentures, discount notes, callable, step-up, and stripped principal or coupons with a final maturity not exceeding three years from the date of purchase issued by the following only: Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA).
4. Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed above with a final maturity not exceeding five years. The purchased securities shall have a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. With the exception of transactions done with the Town's approved depository banks, collateral shall be held in the Town's third-party custodian bank as safekeeping agent. Without exception, the market value of the collateral securities shall be marked-to-the market daily.

Repurchase Agreements shall be entered into only with primary dealers reporting to the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure or with Town approved depository banks. Repurchase Agreement counterparties shall execute an approved Master Repurchase Agreement with the Town. Approved repurchase agreement counterparties, if rated, shall have at least a short-term debt rating of A-1 or the equivalent and a long-term debt rating of A or the equivalent. The Management Services Director shall maintain a list of financial institutions that have executed a Master Repurchase Agreement with the Town.

5. Pooled Investment Funds maintained by the State Treasurer pursuant to A.R.S. 35-326. The aggregate investment in Pooled Investment Funds shall not exceed \$7.5 million.

6. Time Certificates of Deposit with a maturity not exceeding one year that have been bid and awarded in accordance with A.R.S. 35-323, Subdivisions B through F, in Town approved depository banks. Certificates of Deposit exceeding FDIC insurance limits shall be collateralized in accordance with A.R.S. 35-323, Subdivisions G through M.

### **INVESTMENT DIVERSIFICATION**

It is the intent of the Town to diversify the investments within its portfolio to avoid unreasonable risks through excess investment in specific instruments, individual financial institutions, or maturities. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy, the securities markets, and the Town's anticipated cash flow needs. The Management Services Director may establish diversification guidelines as market conditions warrant.

### **PORTFOLIO MATURITIES AND LIQUIDITY**

To the extent possible, investments shall be matched to anticipated cash flow requirements. The Management Services Director shall maintain sufficient liquidity in the portfolio to meet anticipated disbursements. Investments shall be limited to maturities not exceeding three years from the date of purchase.

### **SELECTION OF BROKER/DEALERS**

The Management Services Director shall maintain a list of broker/dealers approved for investment purposes, and securities shall be purchased only from those authorized firms. To be eligible for authorization, a firm must:

- a) be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure; or
- b) report voluntarily to the Federal Reserve Bank of New York; or
- c) qualify under Securities and Exchange Commission (SEC) Rule 15c-3-1 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Management Services Director based on their expertise of public cash management and their ability to provide services for the Town's account. Approved broker/dealer representatives and the firms they represent shall be licensed to do business in the State of Arizona and shall be subject to the provisions of A.R.S. Title 44, Chapter 12 relating to sales of securities.

Each authorized broker/dealer must complete and annually update a Town approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. Authorized broker/dealers shall provide written certification that they have received a copy of this Investment Policy.

### **COMPETITIVE TRANSACTIONS**

Each investment transaction shall be competitively conducted with authorized broker/dealers. Whenever possible, at least three broker/dealers or issuers shall be contacted for each transaction and their bid and offering shall be recorded. If the Town is offered a security for which there is no other readily available competitive offering, then quotations on comparable or alternative securities shall be recorded.

### **SELECTION OF BANKS**

The Management Services Director shall maintain a list of banks, authorized for Repurchase Agreements and for the purchase of Time Certificates of Deposits. . Authorized banks must qualify as an eligible depository as defined in A.R.S. 35-321. Banks that in the judgment of the Management Services Director no longer offer adequate safety to the Town, shall be removed from the list.

### **SAFEKEEPING AND CUSTODY**

The Town shall approve one or more banks to provide safekeeping and custodial services for the Town. To be eligible, a bank must qualify as an eligible depository as defined in A.R.S. 35-321. The Town shall execute a written Safekeeping Agreement with each custodian bank, prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the Town's account and the competitive pricing of their safekeeping related services.

Title to all investment securities shall be perfected in the name of the Town. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the Town will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a Town approved custodian bank, its correspondent bank or in its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities shall be held in the Federal Reserve system in a customer account for the custodian bank which will name the Town as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the Town as "customer."

All non-book entry (physical delivery) securities shall be held by the custodian bank or its correspondent bank and the custodian bank shall provide evidence that the securities are held for the Town as "customer."

### **PORTFOLIO PERFORMANCE**

The Town's investment portfolio shall be designed to attain a market value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements.

### **REPORTING**

The Management Services Director shall prepare and submit to the Council a report of the Town's purchases of investments. The report shall include the security type, the par value, settlement date, maturity date, yield, and broker utilized.

### **POLICY REVISIONS**

This Investment Policy shall be reviewed periodically by the Management Services Director and may be amended by the Town Council as conditions warrant.

# PROCUREMENT POLICY

## PROCUREMENT

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

### Section 1      Purpose.

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

### Section 2      Definitions.

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

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

## PROCUREMENT POLICY

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

# PROCUREMENT POLICY

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

## Section 3      Exceptions.

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

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

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- h. The purchase of real property.

## Section 4 Council Approval; When Required.

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

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

## Section 5 Purchasing Authority; Duties.

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

## Section 6 Emergency Purchases; Procedure.

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

## Section 7 Informal Purchases; Procedure.

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

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

## Section 8      Formal Procurement Limits and Process.

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

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

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

# PROCUREMENT POLICY

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

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

## Section 9 Professional Services. (Request for Qualifications)

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

# PROCUREMENT POLICY

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

## Section 10 Bid and Contract Surety.

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

## Section 11 Sole Source Procurement.

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

## Section 12 Cancellation of Solicitations and Rejection of Bids.

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

## Section 13 Cooperative Purchasing.

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

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## Section 14    Final Contract Approval.

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

## Section 15    Ethics.

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

# **TOWN OF PARADISE VALLEY TAX AUDIT POLICY**

## **SECTION I - PURPOSE**

This policy establishes the delegation of authority and procedures for conducting the Town's supplemental tax audit program.

## **SECTION II - STATUTORY AUTHORITY**

The Town's supplemental tax audit program ("Program") will at all times be governed by the Model City Tax Code as adopted and amended by the Town Council.

## **SECTION III - ADMINISTRATION**

The Management Services Director shall administer the Program and shall be considered the "tax collector" for all purposes under the Tax Code. The Management Services Director may designate other employees or agents of the Town to carry out Program operations.

## **SECTION IV - POLICY**

### **A. Scope**

1. In addition to the audits conducted by the Arizona Department of Revenue, the Town may conduct audits pursuant to Appendix IV of the Model City Tax Code. The Town may 1) use its own personnel to perform audits of local receipts and/or conduct joint audits with the Department of Revenue; or 2) hire an independent contract auditor to perform audits. If the Town contracts with an independent auditor, the Arizona Department of Revenue shall be notified in accordance with the "Program City" Intergovernmental Agreement.
2. The Program includes all local taxes including transaction privilege (sales and use) taxes and transient lodging (bed) taxes.

### **B. Objectives**

1. The Program's objectives are to provide education and awareness to taxpayers regarding tax code requirements including licensing, reporting, and filing requirements; and
2. Identify non-reporting, under-reporting, and incorrectly reporting taxpayers; issue assessments; and secure delinquent tax, penalty, and interest payments.

### **C. Audit Priorities**

1. The Program's first priority is to identify unlicensed or underpaying businesses. Generally, records will be reviewed dating back 48 months. If the business under-reported by more than 25% the auditor may go back an additional two years. If it is found that the business never reported, the auditor may review records dating back to the start of the business.

These audits may be identified by researching public information and comparing known liabilities to tax reporting history. This includes recorded documents, property transfers, and building permit records.

2. The second priority will be to identify businesses that have shown a propensity for error.
3. The third priority is to conduct random audits as a means of encouraging voluntary compliance.

### **D. Tax Installment Payment Plans**

1. The Town may enter into an agreement with taxpayers to allow them to satisfy a liability imposed by the Tax Code by means of installment payments. Payment agreements shall be subject to interest and calculated in accordance with Section 4A-540 of the Tax Code.
2. The maximum length of a payment agreement shall be twelve (12) months. In extraordinary circumstances the Town Manager may authorize a payment agreement with a longer term if the taxpayer can provide evidence that a shorter payment term would result in default.
3. The Program administrator, at her discretion, may abate penalties if the taxpayer was given erroneous information by the Arizona Department of Revenue, the Town, or from some other knowledgeable source.

## **SECTION V – CONFIDENTIALITY**

All tax returns are confidential pursuant to Arizona Revised Statutes, §42-2001 et. seq. This includes all information related to the filing, processing, examining, or auditing of tax returns. Such information in the possession of the Town or its agents shall be used for legitimate tax administration and collection activities only. All confidential tax information shall be kept in locked cabinets or file drawers. Electronic data must be maintained in such a way that it is not accessible to unauthorized persons.

Statistical information about tax collection may be disclosed if it does not reveal confidential facts attributable to any one taxpayer; but no information may be released that contains information from fewer than ten taxpayers in a grouping unless all members of the group sign waivers agreeing to release the information.

# **TOWN OF PARADISE VALLEY VIDEO STREAMING GUIDELINES AND BEST PRACTICES**

## **Purpose**

These guidelines provide best practices for staff members and elected and appointed officials with regard to video streaming of public meetings.

## **Mission Vision Values**

The decision to webcast public meetings is consistent with the Town's Statement of Organizational Values: *Professionalism, High Quality Customer Service, Teamwork, Respect, Accountability, Transparency, and Appreciation of Town's Heritage.*

## **Terms**

Encoding is the process of preparing the webcast for streaming to viewers. In the encoding process, the audio and video is compressed and converted to a various download formats. The programming can then be sent across the Internet to multiple computers, without the need for dedicated circuits or equipment.

Webcast or Video Streaming is a live video broadcast of a meeting transmitted across the internet.

Video On-Demand enables individuals to select previously recorded videos from a central server for viewing on computers or mobile devices anywhere internet access is available.

## **Meeting Video to Be Provided Online**

Town Council, Planning Commission, and other public meetings held in the Town Hall Boardroom and Council Chambers as the Council may deem appropriate shall be streamed live and archived online for on-demand viewing. The videos of public meetings are public records and shall remain published on the Town's website for the period of time set by the Arizona Department of Library, Archives, and Public Records but not less than six years.

## **Staffing and Resources**

The Town Clerk shall be the primary audio/video coordinator for public meetings. Information Technology staff shall be trained as back up in all aspects of public meeting preparations.

Video, audio, and computer components should be set up and tested before each meeting. Backup microphones and audio recorders should be available in the event of equipment failure.

Information Technology staff should budget funds each year for equipment replacement and upgrades as necessary.

Information Technology staff should ensure that the broadband internet connection is working adequately and monitor the bandwidth speed.

### **Best Practices – Meeting Setup and Meeting Management**

- All presentations should be loaded on the same laptop.
- If another laptop or presentation device is to be used during a meeting, it should be tested prior to the meeting to resolve any problems
- During meetings in the Boardroom a “confidence monitor” will be placed in a location that can be seen by all meeting participants and will display the live streaming video.
- Before the start of executive sessions, the meeting organizer shall stop streaming and recording the meeting and either activate the audio/video “kill switch” or physically disconnect the video encoder.
- The window blinds in the Boardroom should be closed prior to the public meeting in the Council Chambers to reduce glare and reflection from the glass.

### **Best Practices – Presenters and Participants**

- The Mayor or meeting chair should announce at the start of each meeting that it is being streamed live and will be available for download online. Meeting participants should be aware that all comments and gestures made during meetings will be streamed live. It may be possible to edit out background conversations captured before and after meetings, but unintentional comments made during a meeting cannot be edited. Meeting participants should govern themselves accordingly.
- It is recommended that presenters and participants wear dark and solid colored-clothing. Striped or plaid clothing may be distracting. Also, reflective jewelry may cause glare and should be avoided.
- Presenters should limit walking around during presentations. While movement may be fine for the audience present in the room, it is not desirable for webcasts. A constantly panning camera can be a distraction for remote viewers.
- Higher lighting levels improve video quality and clarity. Boardroom and Council Chamber lights should not be turned off or reduced during meetings.
- PowerPoint presentations should be posted on the website in advance of the meeting so that viewers can refer to it while watching the video.
- Meeting participants should speak directly into a microphone. This includes audience members and guests who address the public body during Call to the Public or Public Hearings. Even though speakers can be heard by those present in the meeting room, their comments will not be streamed and recorded unless

they speak into a microphone. Meeting speakers should be reminded of this before the start of the meeting webcast.

### **Availability of On-Demand Video**

To the extent possible, video of public meetings shall be encoded and published to the Town's website by the end of the following business day.

### **Notice of Waiver of Privacy Rights**

The following disclaimer shall appear on all agendas for public meetings that will be webcasted:

*Notice is hereby given, pursuant to A.R.S. §1-602.A.9, that 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, subject to certain specified statutory exceptions. 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.*