



**Minutes**  
**Special Session**  
**Queen Creek Town Council**  
Queen Creek Town Hall, 22350 S. Ellsworth Road  
Council Chambers  
June 25, 2009  
6:00 p.m.

**1. Call to Order**

The meeting was called to order at 6:03pm.

**2. Roll Call**

Council Members present: Barnes; Barney (telephonically); Brown; Hildebrandt; Wootten; Vice Mayor Mortensen and Mayor Sanders.

**3. Discussion and possible direction** to staff on preparing options for addressing the impacts of the State budget on the Town.

Town Manager John Kross reviewed the impacts to the Town if the proposed State Legislative Budget is approved with the development fee moratorium. Mr. Kross reported that if approved, the revenue loss from development fees would be \$4.6 million/year; loss from vehicle license tax would be \$400,000 but a property tax rollback on secondary assessed value wouldn't have a direct impact on the Town. His report included how development fees are assessed and what they are used for including libraries, roads, parks and trails and fire services that new residents expect. He added that these facilities and services are financed over time with the development fees paying the debt service. Mr. Kross asked for Council to provide suggestions for closing the additional \$5 million gap per year and staff could analyze the proposals/ideas and the impact on the community.

There was some discussion on state shared revenues; the Town's balanced budget; and the State's budget deficit being paid by the taxpayers.

Council discussed a cost of service fee if a development fee moratorium was approved. Mr. Kross said that such a fee hasn't been tested yet, but the Town has an obligation to Town residents to maintain fiscal health and responsibilities. Council also discussed a possible building moratorium if the development fee moratorium was approved and a cost of service fee was found to be uncollectible.

The following issues were discussed:

- Public Safety: considered off the table but would have to provide services in order to remain a Town;
- Selling Town assets such as vacant park land: cash proceeds would keep some programs & services operating but Town may have to continue to pay for assets not owned; Town

**Minutes for the Special Session**  
**Queen Creek Town Council**  
**June 25, 2009**  
**Page 2**

wouldn't be able to recapture park land in the future; possibility of developer buying the land and building more houses;

- Temporary sales tax increase for general and construction: generate additional revenue; Council asked if an increase to construction sales tax could be imposed on residential building only – Town Attorney Cliff Mattice advised research would need to be done; possible negative effect of shopping in Queen Creek if sales tax was higher, especially if the State increased its sales tax rate; Assistant Town Manager Patrick Flynn reminded Council that the property tax rate was capped at \$1.95 and any proposed increase would have to go to the voters;
- Use Town's General Fund savings to close budget gap: negative bond ratings; savings needs to be used for emergencies, once depleted very difficult to regain;
- Increase sewer rates: concerned with impact on homeowners;
- Reduce contributions to other agencies: Council discussed how funding agencies such as the Boys & Girls Club, QCPAC and Chamber of Commerce has an impact on economic development. There was some discussion on having non-profit organizations take over some of the programs and/or scaling back on programs offered;
- Merging with other cities or unincorporating: The Council was unsupportive of this but there was some discussion on possibly sharing resources/services with other cities/towns;
- Review transportation program and possibly defer some projects: would look at individual projects and prioritize;
- Consideration of a building permit moratorium: Council supported residential/housing only;
- Deferring garbage service: Mr. Kross explained that garbage service would be self-supporting.

Other ideas discussed included providing subscription fire service to county islands. Mr. Kross briefly explained the County residents need to follow the procedure for forming a fire district and then it could be considered.

Mr. Flynn provided additional information on the timeline for approving a sales tax increase. Council discussed how businesses would be notified.

Council requested a follow-up Special Council Meeting be scheduled.

**4. Adjournment**

The meeting was adjourned at 7:55pm.

TOWN OF QUEEN CREEK

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Arthur M. Sanders, Mayor

Attest:

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Jennifer F. Robinson, MMC

I, Jennifer F. Robinson, do hereby certify that, to the best of my knowledge and belief, the foregoing Minutes are a true and correct copy of the Minutes of the June 25, 2009 Special Session of the Queen Creek Town Council. I further certify that the meeting was duly called and that a quorum was present.

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Jennifer F. Robinson, MMC

Passed and approved on August 5, 2009.