

Budget Committee Minutes
Town of Queen Creek
22358 S. Ellsworth Road
Queen Creek, AZ 85242

DRAFT

October 6, 2009

1. Call to Order

The meeting was called to order at 3:38 p.m. by Vice Mayor Gordon Mortensen, Chair.

Committee members present: Vice Mayor Gordon Mortensen, Council Member Jeff Brown, and Vice Mayor Gail Barney

Absent: None

Also Attending: Town Manager John Kross, Assistant Town Manager Patrick Flynn, Budget Administrator Barbara Sena, Steve Sossaman (Finance Review Task Force Chairman), Nancy Pitney (London's Run), Tracy Corman, Amanda Keim (Tribune), Mike Pacelli, Debbie Gomez, Greg Flynn, Shane Dille

2. Items for Discussion and possible action

A. Consideration and possible approval of the April 21, 2009 minutes; the April 23, 2009 minutes and the May 12, 2009 minutes

Council Member Barney moved to approve the minutes of April 21, April 23 and May 12, 2009; second by Council Member Brown. Vote 3-0

B. Review of the Financial Review Task Force recommendations

Assistant Town Manager Flynn reviewed the background of the Financial Review Task Force. The committee heard updates and overviews from different departments, and finished in June with 33 recommendations. The Task Force wanted to continue the best practices items. Mr. Sossaman served as chair of the Task Force and Lance Decker served as the facilitator of the Task Force.

Steve Sossaman said staff was open to suggestions, and there was good interaction and collaboration with staff. The Transportation and Parks and Recreation recommendations were well received because staff was present at the meetings.

The Task Force recommendation included bond money for transportation because it is a major issue with the Town. The Task Force also discussed how transportation is tied with the economics of the town.

The Budget Committee members appreciated the work done by the Finance Review Task Force. Council Member Brown and Barney asked staff to find out what each recommendation will save or cost before forwarding to the Town Council. The committee would also like to have the recommendations prioritized.

Town Manager Kross said staff was looking at a couple of options for transportation because infrastructure is important to the economic corridors.

The Committee would like staff to present information on the bond election process at a Town Council work study session. The bond information should be for a specific purpose and not general bond information.

Town Manager Kross restated the consensus of the Budget Committee is for staff to come back with data on costs on categories on report. The Committee asked for staff to come up with a preliminary prioritization of the recommendations at an upcoming meeting. It is okay to present on process of a bond issue at an upcoming Town Council meeting. The other part is with respect to the Transportation Plan, Parks & Recreation Master Plan and economic development. Staff will start a preliminary analysis on their current status and will come back with more information on this plan to the budget committee and then to Town Council. There may be short term and/or long term categorization of the recommendations.

Council Member Brown moved to assign back to staff to associate costs and benefits for the 33 line item recommendations with the ability for staff to understand some may fall out. Bring back to the Budget Committee and they will parcel out to other committees. Vice Mayor Mortensen included prioritization on the 33 recommendations and seconded the motion. 3-0 voice vote.

Assistant Town Manager Flynn said earliest date for a bond election is November 2010 so we have time.

Town Manager Kross will come back to the committee with a presentation on the process of bonds. Vice Mayor Mortensen wants the bond presentation to be specific instead of generality.

C. Review of the Local Home Rule (Alternative Expenditure) Limitation option and required election

Assistant Town Manager Flynn said three decades ago the State imposed expenditure limits on local government. Part of this law allows towns to override the state-imposed expenditure limit because of differences in communities. The Local Home Rule option states the budget adopted by the Town Council each year is the expenditure limit for that year. This is the third time we will go for an override. The current home rule ends on June 30, 2010. The first public hearing would take place at the Town Council meeting on October 21. The second public hearing would be held at the first Town Council meeting in November. There will need to be a special meeting after the public hearings to consider the item. Staff will submit the summary and detailed analysis to the Auditor General. Publicity pamphlets need to be printed with pro and con information. Staff will project the Town's expenses out 4 years; however a lot is impacted by the state. You have to indicate to the voters where you are going to spend money and where revenues come from. When the Town incorporated in 1989, they looked at average county revenues. Back to the base, the State had a population of 2525 for the Town at that

time, the base year numbers change with population growth and inflation. For fiscal year 2010-11 our population number will be 27,700 according to the State.

Council Member Brown does not understand why this is still in place because Arizona has had a growth spurt for thirty years. Assistant Town Manager Flynn would be happy to work with the League of AZ Cities and Towns for possible changes.

Assistant Town Manager Flynn said if the Home Rule Option fails with the voters, the Town will go back to state-imposed expenditure numbers. Revenues may come in, but the Town will have an inability to spend those revenues.

Vice Mayor Mortensen said we should we look at a permanent solution. Assistant Town Manager Flynn said that the Home Rule Option is good for four years. Four years from now the Town could possibly look at a permanent base adjustment but would need to take into account newly incorporated cities.

Council Member Brown moved that the Budget Committee recommend to the Town Council to go forward with Local Home Rule and the timeline for the local election. Vice Mayor Mortensen seconded the motion. 3-0 voice vote.

D. Discussion on non-profit funding and review process

Assistant Town Manager Flynn said what is before you is a schedule of the adopted not-for-profit funding. Listed on the chart is cash funding only. There are in-kind services provided in addition to the cash funding. The Town staff has helped Superstition Vistas with their Web services. The Town provides \$55,000 to the Queen Creek Chamber of Commerce, but the Town's Economic Development department assists the Chamber of Commerce. The funding for the Boys & Girls Club was increased to expand the teen program. There are also things in the Town's budget that we provide like Fire and Sheriff services.

Vice Mayor Mortensen did not want people to think we do not support the non-profit agencies.

Council Member Brown said there are two entities on the chart with no cash funding amount. Were there in kind services provided for these two entities? Town Manager Kross said yes, the Town provides staffing for the Boys and Girls Club Holiday Parade. The Public Works department provides barricading the roads and traffic control. There may also be sheriff deputy services along with Fire/EMS. An estimated dollar amount for the holiday parade in-kind services is \$7,000 dollars. The in-kind services for London's Run may include Sheriff and Fire services as an as needed call. The estimated cost for these in-kind services is less than \$1,000.

The Town looks at the Holiday Parade, London's Run, and the Performing Arts Center to make them a success and bring people into the community. These programs reflect well on the community, and we cannot put a dollar amount on that.

Vice Mayor Mortensen said we need to review expenditures and revenues. The Town has Horseshoe Park and Equestrian Centre that has potential to have a return on investment. The others have an economic development impact, but he sees that as two different issues. Council Member Barney said some of these monies are small for family rodeos.

Assistant Town Manager Flynn said each year the Town sends out packets to the not-for-profit agencies. Council Member Brown likes the current process for non-profit funding with the budget, but does not want to open the budget up every three months for additional funding requests. He feels the business community should be able to come up with \$1,800 to rent the park for the holiday parade.

Vice Mayor Mortensen asked what is process for an entity to make a request for additional funding? Assistant Town Manager Flynn said the process is sending communication to the Town Manager or the Mayor. There is a channel then, and we can evaluate the request. The recommendation would come before the Budget Committee and then would be forwarded to the Town Council.

Council Member Brown stated that these are public meetings we have representatives from the two groups present at this meeting. Vice Mayor Mortensen said that the representatives are here and can make that request at this time.

Vice Mayor Mortensen said this is for information only, no motion necessary

3. Announcements

None.

4. Adjournment

Vice Mayor Mortensen adjourned the meeting at 4:42 p.m.

TOWN OF QUEEN CREEK

Vice Mayor Gordon Mortensen, Chair

ATTEST:

Marsha Hunt, Sr. Administrative Assistant

I, Marsha Hunt, 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 October 6, 2009, meeting of the Queen Creek Town Budget Committee. I further certify that the meeting was duly called and that a quorum was present.

Marsha Hunt, Sr. Administrative Assistant

Passed and approved on _____