

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

DRAFT

April 26, 2010

Call to Order

The meeting was called to order at 4:06 p.m. by Vice Mayor Gordon Mortensen, Chair.

Committee members present: Vice Mayor Gordon Mortensen, Council Member Jeff Brown, and Council Member Jon Wootten

Absent: None

Also Attending: Town Manager John Kross, Assistant Town Manager Patrick Flynn, Budget Administrator Barbara Sena, Samantha McPike, Yolanda Bracamonte, Marsha Hunt, Council Member Craig Barnes, Jennifer Todd, Troy White, Debbie Gomez, Greg Flynn, Rustyn Sherer, Doreen Cott, Dee Anne Thomas, Lester Godsey, Kevin Johnson, Mike Pacelli, Mike Johnson, Greg Homol, Ron Knight, Bruce Johnson, Wayne Balmer, Traci Polk, Anthony Bauman, Wendy Kaserman, Tom Condit, Marnie Schubert, Joe LaFortune

Items for Discussion and Possible Action

A. Consideration and possible approval of the March 25 and April 8, 2010 minutes

Council Member Brown moved to approve the minutes of March 25 and April 8, 2010. Vice Mayor Mortensen seconded the motion. Motion carried 2-0-1 with Council Member Wootten not present at time of motion.

Vice Mayor Mortensen moved items C, D, E, & F to first on the agenda. Council Member Brown seconded the motion. Motion carried 2-0-1 with Council Member Wootten not present at time of motion.

C. Consideration and possible approval of Emergency Services FY2010-20-11 Operating Budget

Town Manager John Kross said the recommended budget includes MCSO and Fire which is \$6.8M and is at a 12.2% reduction. There are no recommended supplemental requests in the budget. The department has factored in the ¼ percent sales tax. There is no reduction in services with the 12.2% budget reduction because they have made internal adjustments.

Council Member Brown moved to approve the Emergency Services FY 2010-11 Operating Budget. Council Member Wootten seconded the motion. The motion carried 3-0 on a voice vote.

D. Consideration and possible approval of Water Enterprise FY2010-11 Operating Budget

Town Manager John Kross said the total revenue base is \$8.8 million. The total department budget is \$9.5 million with the difference being addressed using fund balances. This does include a transfer from the general fund of 2.5 positions.

Council Member Wootten moved to approve the Water Enterprise FY2010-11 Operating Budget. Council Member Brown seconded the motion. Motion carried on a 3-0 voice vote.

E. Consideration and possible approval of Sewer Enterprise FY 2010-2011 Operating Budget

Assistant Town Manager/CFO Patrick Flynn said the costs are covered by fees charged to the customers. The recommended budget is \$3.2 million.

Council Member Brown moved to approve the Sewer Enterprise FY 2010-2011 Operating Budget. Vice Mayor Mortensen seconded the motion. Motion carried on a 3-0 voice vote.

F. Consideration and possible approval of Solid Waste Enterprise FY2010-2011 Operating Budget

Assistant Town Manager/CFO Patrick Flynn said this is the Town's newest enterprise fund. This is the first operating budget for the sewer enterprise fund. There are some personnel services costs, but most of it is contractual services. We are contracting with RAD to pick up services.

Council Member Wootten moved to approve the Solid Waste Enterprise FY2010-2011 Operating Budget. Council Member Brown seconded the motion. The motion carried on a 3-0 voice vote.

B. Consideration and possible approval of the Queen Creek FY2010-2011 General Fund Operating Budget, including the long-range financial program, supplemental requests and remaining not-for-profit funding requests

Town Manager John Kross said the Town's salaries comprise 60% of this fund. In preparing the general fund budget a little over a year ago, staff started with a broad brush of their core services. The core services are based on three criteria which include need to do and nice to do. These core services helped shape the vision of this general fund. At the end of last summer, we had employee suggestions to reduce costs. Close to 90% of those suggestions are identified in this general fund budget. The 5 year financial plan identified gaps. This budget is balanced with the cost savings. We did look at other cost savings such as contract staff, furlough days, and no merit increase for staff. We did not see a cost savings to contract services. The Town's housing starts will increase each year by 10%, which seemed to represent a fair and reasonable increase. This year we estimated 100 housing permits and will see about 200 permits which will help with debt service costs.

The budget does have several supplemental requests including HPEC marketing plan and additional wash and right-of-way maintenance. The big unfunded supplemental request for FY11 is roadway maintenance. One revenue supplemental idea is equalizing the sales tax rate townwide.

Assistant Town Manager/CFO Patrick Flynn said we are dealing with a \$1.6 million gap. We will not see an increase in health care this year because of the schools health care trust that we have joined. In this fiscal year we are recommending no merit increase and no COLA for staff. We are recommending elimination of 11 staff positions. A week ago we offered a voluntary

separation plan to help eliminate potential layoffs. 8.5 staff will be transferred to other departments and funds.

One supplemental is in the branding area. Council has looked at a branding initiative. Staff is recommending \$48,000 which will include brochure work, social media and getting out to tradeshows.

The next supplemental is Horseshoe Park & Equestrian Centre marketing plan. This group has been placed under Economic Development.

Vice Mayor Mortensen moved to approve the general fund supplemental budget. Council Member Wootten seconded the motion. Motion carried on a 2-1 voice vote with Council Member Brown opposed.

Assistant Town Manager/CFO Patrick Flynn said on April 8 the Budget Committee heard requests from 3 groups that made application for funds. The East Valley Partnership (EVP) requested \$5,000 and the Budget Committee recommend no dollar funding. EVP did not need in-kind services. The Performing Arts Center, Boys & Girls Club, and the Chamber of Commerce request will be determined today. For the remainder of the requests we are doing a combination of in-kind and out-of-pocket services with in-kind being deducted first from the requested amount.

Vice Mayor Mortensen moved to keep Queen Creek Performing Arts Center at \$106,250. Council Member Wootten seconded the motion. Motion carried 3-0 on a voice vote.

Council Member Wootten moved to approve the funding request of \$81,250 for the Boys & Girls Club. Vice Mayor Mortensen seconded the motion. Motion carried 3-0 on a voice vote.

Council Member Brown asked for the Queen Creek Chamber of Commerce to be a Town Council retreat item.

Vice Mayor Mortensen moved to sustain the Queen Creek Chamber of Commerce funding at \$55,000. Council Member Wootten seconded the motion. Motion carried 3-0 on a voice vote.

Break from 6:15 p.m. to 6:35 p.m.

Council Member Wootten moved to approve the Queen Creek FY2010-2011 General Fund Operating Budget. Council Member Brown seconded the motion. Motion carried on a 3-0 voice vote.

G. Consideration and possible action on the Town's FY2011-2015 5 year Capital Improvement Plan, with emphasis on FY10/11 Capital Program

Town Manager John Kross said for several years we have prepared a 5 year Capital Improvement Plan. One thing that Queen Creek does is show all of the unfunded projects and they get published in our budget book, other cities do not show these unfunded projects.

Council Member Brown moved to approve FY2010-11 the first year of the 5 year Capital Improvement Plan with the incorporation of the TAC (Transportation Advisory Committee) prioritization projects. Vice Mayor Mortensen seconded the motion. Motion carried on a 3-0 voice vote.

H. Consideration and possible action on equalizing the Town's sales tax rate to 2.50%

Council Member Brown thought the concept of increases taxes will have people going to Gilbert or Pinal County to purchase items.

Council Member Brown moved to not accept the recommendation to equalize the Town's sales tax rate to 2.50%. Council Member Wootten seconded the motion. Motion carried 2-1 on a voice vote with Vice Mayor Mortensen opposed.

Announcements

None

Adjournment

Vice Mayor Mortensen moved to adjourn. Council Member Wootten seconded the motion. Motion carried and the meeting adjourned at 7:04 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 April 26, 2010 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 _____, 2010.