



Minutes
Special Session
Queen Creek Town Council
Queen Creek Town Hall, 22350 S. Ellsworth Road
Council Chambers
March 8, 2011
6:00pm

1. Call to Order

The meeting was called to order at 6:05pm.

2. Roll Call

Council Members present: Alston; Benning; Brown; Oliphant; Wheatley; Vice Mayor Barnes and Mayor Barney.

3. Public Comment: Members of the public may address the Town Council on items not on the printed agenda and during Public Hearings. Please complete a "Request to Speak Card", located on the table at the rear of the Council Chambers and turn it in to the Town Clerk prior to the beginning of the meeting. There is a time limit of three minutes for comments.

None.

ITEMS FOR DISCUSSION: These items are for Council discussion only and no action will be taken. In general, no public comment will be taken.

4. Items for discussion and review:

a. Goal for the meeting: Town Manager John Kross discussed the use of Town committees to help develop the budget and the Special Council Meeting was scheduled to get early input from the Council in order to take back to the Departments. Mr. Kross reported that community outreach and notification of this meeting was through town committees, social media, website, employee notification and notification to Legislative Districts 21 & 23.

b. Overview of local economic climate: Discussion included permit levels; tax revenues (sales & property); average household income for Queen Creek and the estimated population, due to be updated with the census results.

c. Review of FY 01-11 budgetary changes: Information provided included the statistics for new single-family starts; full-time employees; population growth and budget cut levels beginning in FY05-06.

d. Expectations for the future: Discussion on resources used to estimate.

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e. Review of past budget adjustments: A four-year (FY06/07 through FY10/1) summary of budget adjustments to the General Fund and staffing levels including the continuing 6.25% pay reduction, was given.

f. Review of budget assumptions: Estimates and assumptions for FY11/12 through FY15/16 for general fund revenues (sales tax, shared revenues, vehicle license tax and building revenues); salaries including merit increases. Discussion was in regard to the state sales tax structure; and proposed legislative bills proposing to freeze shared revenues at current levels. Council asked questions regarding affects of reclassifications on salary levels and fringe benefits including healthcare costs and mandatory retirement contribution levels.

g. Review of 5-year long-range financial forecast by fund: Funds reviewed include: Emergency Services Fund, Sewer & Water, Development Fee funds.

h. Summary review of Town's overall financial surplus (deficit) by fund for FY11/12: An overview of the estimated fund reserves as of June 30, 2011 was provided.

i. Summary review of Town's estimated fund balances as of 6/30/11: (Included in H)

j. Review of Town-wide options for closing financial shortfall in different funds: Several options were discussed:

- Use of reserves: discussion was regarding how much to use; affect on bond ratings from drawing down reserves; enterprise funds-fees collected pay for program (i.e. water, sewer, recreation programs) and bonding requirements to cover costs
- Budget cuts: each department provided 5,10 & 25% budget cut scenarios
- Use of the Town Center Fund surplus and Water Enterprise Fund surplus-could be used towards the Library fund shortage
- Increasing sales tax by ¼%; equalizing sales tax town-wide to 2 ½%; increasing building fees etc.
- Property tax increase-would require a ballot measure increasing rate from \$1.95 to \$2.75. There was some discussion on the decrease property valuation resulting in lower tax revenues while the costs for providing service remained the same.

Council further discussed the information and options presented, including the limited use of reserves and recommending the consideration of all other options before increasing taxes or fees. Council also asked for resident input regarding the level of services desired and at what cost.

5. Adjournment : The meeting was adjourned at 8:06pm.

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TOWN OF QUEEN CREEK

Gail Barney, Mayor

Attest:

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 March 8, 2011 Special Session of the Queen Creek Town Council. I further certify that the meeting was duly called and that a quorum was present.

Jennifer F. Robinson, MMC

Passed and approved on April 6, 2011.