

**TOWN OF PARADISE VALLEY  
6401 E. LINCOLN DRIVE  
PARADISE VALLEY, ARIZONA 85253  
BUDGET POLICY WORKSHOP  
SUMMARY MINUTES  
DECEMBER 10, 2009**

**CALL TO ORDER**

Mayor Parker called to order the Council Budget Policy Workshop of the Town of Paradise Valley, Arizona, held in the Town Hall Boardroom, 6401 E Lincoln Dr, Paradise Valley on December 10, 2009 at 9:00 A.M.

**COUNCILMEMBERS PRESENT**

Mayor Vernon B. Parker  
Vice Mayor Virginia "Jini" Simpson  
Councilmember Bernie Barry  
Councilmember Ron Clarke  
Councilmember Mary Hamway  
Councilmember Pam Kirby  
Councilmember Scott LeMarr

**STAFF MEMBERS PRESENT**

Town Manager James C. Bacon, Jr  
Town Attorney Andrew M. Miller  
Management Services Director Lenore P. Lancaster

**Review of Revenue Forecast Assumptions**

Mr. Bacon stated that the Town's bed and sales tax revenues which represent about one-half of total revenues are decreasing. Revenues are no longer able to fund debt service and the capital budget. Budgeted governmental revenues for FY 2010-11 will be lower than this FY 2009-10. Estimated total revenue for FY 2009-10 is \$16.3 million. The range for next year is estimated at between \$14.394 million to \$16.273 million. Staff suggested that the budget estimate should be \$15.474. This means operating expenditures will need to be reduced to meet lower revenue totals. Moreover, no revenues are expected to be available for capital improvement projects or debt service.

Council discussed various revenue assumptions that will be used to build the budget. Staff recommended a 2.5% increase in resort sales and use tax and a 0% increase in bed tax. It was assumed that State shared revenues will decrease by approximately \$440,000.

**Service Changes in FY 2010-2011**

Mr. Bacon summarized potential service changes in the next fiscal year. The Municipal Court plans to offer service between 7:00 am and 6:00 pm Monday through Thursday and be closed on Fridays. The new schedule reduces costs and will take effect on February 1, 2010.

He recommended that the Town's contract post office adopt a Monday through Thursday schedule and open at 7:00 am. This would reduce costs. The Town is already subsidizing the current schedule while usage continues to decrease. He suggested that the Town Hall work schedule could also be converted to a 4 day -10 hour schedule.

He said there are currently two code enforcement officers. However, the recommended budget will only include one position. He said the impact on service delivery is unclear. He said long-term the Town should have two positions.

The Council discussed agency funding targets. Staff recommended budgeting \$50,000 for human services funding; \$450,000 for Scottsdale Convention and Visitors Bureau; and \$75,000 for the Fiesta Bowl.

**Discussion of Amendments to Financial Policies**

Mr. Bacon underscored that current revenues do not provide funding for this year or next year's capital budget. Debt service is being paid from the fund balance which will be entirely depleted in June 2011. He suggested that the Town's debt service fund needs a permanent, ongoing source of revenue to meet its needs. He recommended that the Council consider modifying the local sales tax rate to match the City of Phoenix rate effective July 1, 2011. Additionally, the Town should include the emergency appropriation in the fund balance and transfer the difference to the capital projects and debt service funds.

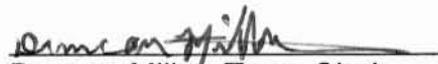
**ADJOURNMENT**

Mayor Parker adjourned the meeting at 12:50 p.m.



Vernon B. Parker, Mayor

ATTEST:

  
Duncan Miller, Town Clerk