

Minutes of the Special Meeting held July 5, 2010 at 7:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Lopez-Rogers and Council Members

Jim McDonald, Vice Mayor
Jim Buster
Stephanie Karlin
Frank Scott
Charles Vierhout
Ken Weise

ALSO PRESENT

Charlie McClendon, City Manager
David Fitzhugh, Assistant City Manager
Rogene Hill, Assistant City Manager
Kevin Artz, Finance and Budget Director
Carmen Martinez, City Clerk

1 ROLL CALL

2 UNSCHEDULED PUBLIC APPEARANCES

3 PUBLIC HEARING AND RESOLUTION 2919-710 - PROPERTY TAX LEVY AND FY 2010-2011 FINAL BUDGET IN THE AMOUNT OF \$185,880,860

A public hearing on the 2010-2011 final budget and property tax and a resolution adopting the final budget and fee schedule for the 2010-2011 fiscal year.

Charlie McClendon, City Manager, introduced Kevin Artz, Finance and Budget Director, to present this item.

Kevin Artz indicated that there are only a couple of minor changes from the tentative budget presented to Council previously which are identified in the council report. He indicated that there is a request to transfer \$1.3 million from the general fund contingency to the parkland fund that is necessary for the sports center and \$400,000 from contingency to the transit fund because the transit fund was inadvertently left out from the CIP budget.

Mr. Artz reviewed the two types of property tax and explained that there are two components that determine what property owners actually pay. The primary tax rate is based on valuation done by the county assessor and the tax rate set by the City. The primary property tax can be used for general fund operations; the secondary property tax can only be used for debt service on bonds. He indicated there has been a decrease of 15% in assessed valuation for the primary property tax and an 18% decrease in assessed valuation for the secondary property tax which means that most property owners will see a decrease in their assessed valuation. The combined tax rate will remain the same but the primary tax rate is increasing by 25% while the secondary tax rate is decreasing by 12%.

Council Member Buster commented that the City has done a good job in managing tax payer dollars. General fund expenditures have been reduced incrementally for a few years. In response to a question from Council Member Buster, Mr. Artz indicated that of the entire property tax bill, 12-15% goes to the City with the rest goes to schools and other taxing districts. Council Member Buster reiterated the point made by Mr. Artz that the average

homeowner will see a decrease in their property tax bill due to the decreased in assessed valuation.

In response to a question from Council Member Weise, Charlie McClendon indicated that the voters last approved an increase to the sales tax rate in 2003. Council Member Weise commented that while he would have liked to see the overall property tax rate decrease, he knows that it is necessary at this time.

In response to a question from Council Member Buster, Mr. Artz confirmed that Avondale has been one of the cities with the lowest employee to population ratio.

Vice Mayor McDonald commented that the City started taking measures to address the declining economy a few years ago and while some decisions have been hard to make, it has allowed the City to be in a better position than other cities in the state. He complimented staff on their foresight and efforts to cut expenses wherever possible.

Council Member Scott commented that the city has been very prudent with the taxpayers' money.

Mayor Rogers opened the Public Hearing.

Sandra Neering indicated that she recognizes the city has been diligent with the taxpayer's money and wishes the school districts were as diligent. She indicated that their priorities include for police, fire and community parks. Ms Neering commented that full color pamphlets are not necessary and savings could be realized by printing the inside more economically and suggested they should be included as inserts in the West Valley View rather than mailed to residents. She commented that the argument that the increase in the primary tax rate will be offset by a decrease in the secondary tax rate is only a rationalization and redistribution of taxes.

Chris LeBlanc submitted a card indicating he is opposed to this item but did not wish to speak.

Tina LeBlanc commented that she agreed with the last speaker's comments and suggested a statute of limitations be placed on the increased tax rate so that it rolls back to the current rate. She indicated that families have to make their budget work and cannot ask their neighbors for money when they are short.

Charlie McClendon indicated that most property owners should not see an increase in their property tax bill to the city.

Mayor Lopez Rogers closed the public hearing.

Vice Mayor McDonald clarified that the City only has control over a portion of the total tax bill.

Mayor Lopez Rogers asked Pier Simeri to clarify the issue regarding the City's mailings to Ms Neering after the meeting.

Vice Mayor McDonald moved to adopt Resolution 2919-710 approving the final budget in the amount of \$185,880,860 including the transfers presented by staff. Council Member Weise seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

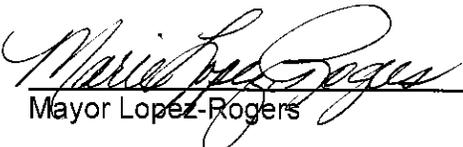
Vice Mayor McDonald	Aye
Council Member Scott	Aye
Council Member Vierhout	Aye
Mayor Lopez-Rogers	Aye
Council Member Weise	Aye
Council Member Karlin	Aye
Council Member Buster	Aye

Motion carried unanimously.

5 ADJOURNMENT

There being no further business before the Council, Council Member Weise moved to adjourn the special meeting. Council Member Scott seconded the motion. Motion carried unanimously.

Meeting adjourned at 7:34: p.m.



Mayor Lopez-Rogers



Carmen Martinez, CMC
City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Council of the City of Avondale held on the 5th day of July, 2010. I further certify that the meeting was duly called and held and that the quorum was present.



City Clerk

