



MINUTES OF SPECIAL MEETING - MAYOR'S TOWN HALL, YOUNGTOWN, AZ

SATURDAY, October 23, 2010, TOWN CLUBHOUSE, 12033 CLUBHOUSE SQUARE

1. Call to Order Mayor Michael LeVault called the Special Meeting to order at 9:04 a.m.
2. Roll Call Council present: Mayor Michael LeVault, Councilmembers Dorena Mello, Susan MacKay and Judy Johnson.
Staff present: Town Manager Lloyce Robinson, Police Chief Terry McDonald, Deputy Town Clerk Diane Cordova, and Town Clerk/Treasurer Letty Goldberg.
3. Pledge of Allegiance
4. Business
 - A. Discussion Re: Municipal Finances
Mayor LeVault

- This is an unprecedented down turn in our economy the width and breadth unlike anything I've ever seen. I'm looking at as far out as 2016 before we see a turnaround. It is the worst in Arizona. We are #1 in housing foreclosures and unemployment. Youngtown is a microcosm of the State. Because we are small, the negatives show up quicker here. Our budget has gotten progressively smaller as Council made big decisions. We have positive attributes. To keep the Town viable and sustainable we must be proactive rather than reactive, vibrant and able to stand on our own.
- The Town Manager has talked about events in the Town's history as Milestones or Millstones. Loss of the age overlay meant younger families. Youngtown is no longer a retirement community. The Town's water department sale – given away with a loss of about \$1 million in revenue the first year. This would have been continuing revenue even with subtracting operations and maintenance (O&M). Construction of Agua Fria Ranch – more commercial development would have been better for the Town. The population increase was good for revenue sharing. The original plat had a much larger commercial area than exists today. The row of houses used for models should have been left for commercial development. Lack of annexation in the 80's and 90's when our neighbors were aggressively annexing for the future leaves the Town landlocked with no where to go. Agua Fria Ranch was built out largely residential. Many businesses at the north end of Town don't have frontage on a thoroughfare. These are inherently difficult issues. The mid-2000's with the building of Agua Fria Ranch brought revenues from impact fees and construction sales taxes. These revenues were spent as well as funds from savings. Difficult to track all the places it was spent. When I became Mayor in 2006 the Town was three months away from being out of cash. We know that some of the revenues were spent on change orders for renovations to the Police Department and the Clubhouse, and construction of the Public Works facility on Peoria Avenue. Every expense needs to be scrutinized. We accuse Town Manager Lloyce Robinson of micromanaging, but we need that scrutiny. Under her tenure, the Town has built up reserves. It was necessary to hire a consultant to do a forensic audit for the Public Works facility. It cost \$1.2 million to complete that facility. It was without electricity. There were not plans. It was done piece meal. A set of plans was never developed. Before a Certificate of Occupancy could be issued, the Town had to install sprinklers and an alarm system. Flammables and vehicles are stored there. To get electricity to the building, a hole had to be cut in the block wall to allow APS access. There should have been plans. The question should have been asked "How much will it cost?"
- I would like to create a task force that would brainstorm and come up with creative ideas on how we take this Town forward. 73% voted against the property tax last May. As Mayor, I would vote "No" on a Resolution to place a property tax on the ballot. It should be done by Initiative petition. It needs to happen from the citizens. I don't have all the answers. I look to you to help me with this. I have no illusions about being a big shot. I just want to take every effort for this Town to be better when I leave than when I found it.

Town Manager Robinson (PowerPoint attached)

- As Town Manager it is my responsibility to come to Council with recommendations. Past and present professionals have a respective concern for continuing the Town. To determine the Town's future, we must look at it's past.

- Mileposts or Millstones – Sale of the water company, loss of age overlay, and construction of Agua Fria Ranch. The goal of selling the water company was to reduce the cost for residents to less than \$4.95 per month. After 44 years as a retired adult environment, the Town had to embrace the challenges of being a community of all ages. The development of Agua Fria Ranch was short-sighted. It did not include enough commercial development. The funds obtained for impact fees and construction sales tax was quickly spent along with savings. Agua Fria Ranch also brought a Community Facilities District that must be managed for another 25 years to pay off the bonds used to pay for infrastructure. The Operations & Maintenance levy of 30 cents per \$100 net assessed value that accompanies the debt service levy, does not cover the expenses of O&M.
- While our neighbors annexed, annexation was not pursued leaving Youngtown landlocked. Fire flow as a public safety issue, is a big concern and will take about five years to complete.
- The Town needs a five-year plan. Then when you get to the sixth year you see that you've met your goals. Our budget this year is using 2004 revenues for 2010 expenses. We have reduced staff, realigned structure, and worked to make processes more efficient for greater operational impact. We are attempting to increase savings to the equivalent of one year's budget.
- Youngtown when developed should have had commercial property on 111th Avenue, not mirrored Sun City across the street. We are concerned about the Census. State revenue sharing is based on population. Housing is a problem. Everyone has been hit hard in Youngtown. We need to stabilize finances for the future.
- This year we asked for voters for a property tax of just over a half million dollars. It was an amount we thought they might be able to pay and it would give the Town local control and make up for revenues being cut by the Legislature.
- Some things to be considered: Establishing a Street Lighting Improvement District (SLID) in the northern part of Town to pay the costs of streetlights – about \$60,000 per year. Outsourcing services – might not be the level of service we are used to and may actually cost more as the economy improves. The Town might consider exploring the re-purchase of the water company. An executive from Sun City Water Co. has stated, "The Town sold its assets for a quick buck."

Mayor LeVault

- The State has a deficit of \$1 billion and if some propositions fail it could be down another \$1/2 billion. Our 2004 revenues are just not enough. We need to be realistic in what we have.

(1) Historical Perspective

(2) Current Finances

(3) Future Projections

(4) Alternatives

- (i) Imposition of Primary Property Tax
- (ii) Disincorporation
- (iii) De-annexation of Town Territory
- (iv) Chapter 9 Bankruptcy Filing

5. Citizens Comments/Appearances from the floor

June Miller, Youngtown Resident

- I would be interested in SLIDs. I have a streetlight by my garage. I love my streetlight and would be willing to pay the streetlight in front of my home. We know we are getting a school. Elmer and I are willing to pay our share. We are fortunate but we do have a limited income. What could each house pay and each business pay?

Mayor LeVault

- Implementation of a SLID would require 51% of the residents in the district.
- Peoria Unified School District, by statute was legally able to annex the older section of Youngtown into their district once 150 or more students attended schools in their district. If the Town were annexed to another municipality, residents would pay property tax without input. What are you willing to pay?
- The Agua Fria Ranch is as tough as the Town or tougher when it comes to Code violations. It is a real problem on the hill to take care of property. There are many repeat offenders. Many of them are landlords. If Town government were to go away, the older area would deteriorate within six months.

Marilyn Page, Manager of Best Western of Sun City, a Youngtown business on Grand Avenue.

- We are taxpayers. Our customers pay more for bedroom tax than many other communities. A couple months ago we were hours away from closing. Now we have a new influx of funds. The 73% who voted against the property tax should have voted for it. You need your Police Department. There is a lot of crime on the edge of Youngtown. We are tired of waiting for the Sheriff's Deputies when there aren't enough Police on duty to take the calls. Also kids need things to do. We had a problem recently where kids took over our swimming pool and chased out our guests and then our staff. Police had three calls before they could get to us. These kids are out of control.
- Shop your local businesses. If you don't like the condition of Denny's, tell the manager to clean it up. Some businesses were broken into recently. I have heard that lunchtime is the best time to rob the QT as there are no Police in Youngtown at that time.
- Agua Fria Ranch missed the ball on a lot of things. For one, the town should have had the developer build a school.
- Residents should have a property tax, we all need services.

Mrs. Miller

- We should be informed of crime in Town. Citizens ought to know. It should be in the newspapers.

Orville Druehl, Youngtown Resident

- If things are in the paper about Youngtown, it's usually negative.

Mayor LeVault

- We looked at comparisons of per capita spending. Litchfield Park spends \$1,536 per resident and has no Police Department. Youngtown spends \$646 per resident. Goodyear spends \$3,939 per resident. State revenue sharing is distributed two years after it is collected. The past two years have been down on revenues, so the next two years will be affected by that. At this rate the Town is not sustainable.

Councilmember MacKay

- Crime stats could be published in the Village Reporter. We can't control state shared sales tax and state revenue sharing and each year the State Legislature takes more and more. We can only cut services and staff only so much and still be a Town. If you spend savings, when it's gone, where do you get money? As Councilmember Mello said "Even if you are annexed to El Mirage or Peoria, residents are still going to be property tax." I'd rather pay \$400 to Youngtown than \$900 to Peoria, and keep the small town atmosphere.

Jim Shuh, Youngtown Resident

- The independent Newspaper says it serves the Sun Cities and Youngtown but it doesn't write about Youngtown. But they have articles about how you shouldn't go to Mexico for dental work. I have been going to Mexico for good dental work for years. I've worked with the Youngtown weather station for years. When we had a need for volunteers, the newspaper used to run it on the front page. Now we're luck if it's in there at all. Also I've visited the Public Works facility. Why did it need to be so big? It's like visiting Karchner Caverns.
- Are there 500 Youngtown children attending Peoria schools? Some people say I don't have kids in school why should I pay for schools. We need to educate the children. They are the future.

Town Manager Robinson

- I had media packages prepared for Thursday's Council meeting. I heard from a reporter for The Arizona Republic after the meeting. He interviewed Chief McDonald and me. I don't know when the article will be published. Usually the newspapers are only interested in us if it's controversial.

Mayor LeVault

- We don't know why they built the Public Works building. The Town may consider selling but not now. Prior Councils even had plans for a new Town Hall with underground parking.

Councilmember Mello

- Senior residents should take action now to freeze your taxes. This could help you save on school taxes. The forms are available at Town Hall.

Patrice Druehl, Youngtown Resident

- Annexation by Peoria would not be a bad thing. They have amenities. However, we would lose our identity. I've been looking at the Town's budget and 34 employees with personal services, salaries and benefits are 41% of the budget. I think that departments should be consolidated. Also Department Heads are overpaid. I don't want to see the Town die. Don't take a band aid approach. Property tax is not a cure.

Mayor LeVault

- Through incumbents out of office. While having breakfast I said to my wife, Kathryn French, "I didn't sign on for this stuff." She replied, "You signed on for anything that comes down the road while you are Mayor."

Town Manager Robinson

- If you subtract the Mayor and six Councilmembers from 34 the result is 27. The Town has to have people to provide the services. For any entity, a bulk of expenditures is for personal services. We have a large number of retirees (10) who are innovative, have a high level of experience and ability to bring their networks to us.

Mayor LeVault

- Forty-one per cent is not excessive for personal services. We are at the bottom of the pack in what we pay our staff. We don't want it to be only the guys who can't get a job somewhere else.
- The tax force will be looking at expenditures as well as revenues. We could outsource everything. As long as I am Mayor we are not going to lose our Town.

Chief McDonald

- Thank you for your comments and support. I'd like to shed some light. We don't know everything. Regarding the break-ins, some may have come from inside. Last week there was a truck stolen out of Kingman. Our officers were able to make an arrest on a stakeout. Our three officers did what it would take squads to do in Phoenix. It turned out the suspects were wanted for home invasions in Kingman and were hardcore criminals. We have one officer per shift with a little bit of overlap. We have one officer on the midnight shift. We don't have the eyes and ears of the public when something is happening at night. We are holding our own with reduced staff. Same job, less people. I don't have a second in command. Sergeants respond and write reports. Detective does the follow-up. We currently have 279 reports to be completed. Child molestations and sexual assaults take priority. They require a lot of investigation and documentation. We have had volunteers offer their assistance. Retired Sgt. Shirl Rogers and Retired Detective Robin Rennels, and retired Sgt. Bob Taugner. Sgt. Taugner has been with us a couple of weeks and has already made progress on a 2007 homicide. DNA testing has given us a potential suspect, located in California. ICE placed the suspect at a drop house in Surprise 10 days after the body was found.

Mrs. Druhl

- Does the Department have three reserve officers?

Chief McDonald

- We have three reserve officers that are all certified. One officer volunteers 10 hours per month, one volunteers 10 to 20 hours per month, and one has been giving us one day per week.
- We recently received a grant in the amount of \$50,000. These funds can be used to pay Reserve Officers and Reserve Investigative Officers. Some are certified to arrest and some are certified to shoot somebody.
- If the property tax had passed, I was looking at supervising a department of 18. Since it didn't pass I have a Department of 8. All are affected by the economy. We help the Sheriff's Office and they help us. I tell people that when Lloyce Robinson squeezes a quarter she gets six nickels. It's news when a Police Chief comes and a Police Chief goes.
- We have few major crimes here. We do have burglaries and drug houses. We do have Sgt. Dave Evans and Cisco with years of experience with drug dealers. We also have Sgt. Hunter. They do have paper work. Regarding the hotels, we appreciate management working with us.

Ms. Page

- There was a case where some people were stealing a boat, and were threatening to shoot the boat owner. He told them "Don't kill me on my son's birthday." Those same people were shooting in our parking lot. We also had an employee that stole money.
- El Mirage would love to annex Youngtown. They would put roads across the river at Cactus and Peoria. They would come through Youngtown. They need more ways across the river besides Grand Avenue and Olive Avenue. Annexation is good and bad. Peoria annexation would be good for us.

Town Manager Robinson

- Retiree personnel have experience and are willing to take less pay. We have been looking at succession. In two to three years there could be a big change in staff. Will the Town be able to find staff that will settle for amounts paid here? Many of us do multiple jobs and we do enjoy our jobs. You get a lot for your buck in your staff.

Councilmember Johnson

- The property tax was for public safety. With the "No" vote we had to do something. It meant RIFs. If we privatize, we lose services. I want to keep services here.

Mayor LeVault

- We need to know the level of service you want us to maintain. El Mirage has had an issue with staffing levels for their Fire Department. They RIF'd six firefighters. Council wants to re-hire all six or at least three. Where will the \$350,000 come from? How will they generate the funds required?
- We will soon be starting on next year's budget process. We already know it will be \$300,000 less than this year. Where do we make the cuts? I don't know.

Ursula Chamberlain, Youngtown Resident

- Friday, Saturday and Sunday I drive through Remembrance Park. Vandalism has really become a problem. They have repeatedly damaged the flag poles. I try to keep the park clean. We need to get more people involved.
- Also there is something going on in the alley on Connecticut at 1 to 2 a.m.

Chief McDonald

- We are aware and working on it. I am taking a different approach than my predecessors. The Phoenix model wouldn't work here. Brandon Hundly is doing a project for ATF using expended cartridges to identify a gun. It works like fingerprints. Youngtown will be involved in this program.
- Code Compliance Coordinator Lora Isaacs has a number of certifications in her specialty. Police Department supports Code, but they are the experts. Fire Marshal Ken Rice of the Sun City Fire Department was very articulate when he addressed the Council regarding the new state law on fireworks. We get people who are good at what they do. Before the layoff, Lt. Robertson said you are going to get a complaint about me. The story was that an 18 year girl who was having problems at home asked for assistance so she could get her birth certificate and her asthma inhaler. Officer Robertson said that in Peoria they don't do civil service standbys. I think this is a bad policy. Why wouldn't we want to do an assist, rather than it escalating into a family fight where we have a bigger problem? We get "thank you's". Phoenix is depersonalizing police service. I'm starting my fifth decade of law enforcement. I like the environment. I'd like to recruit some paid reserve officers. We don't have to pay benefits which are good for us.

Mr. Shuh

- We need a Wal-Mart in the area by the QT on Olive.

Mayor LeVault

- A big box wouldn't fit. We are partnering with El Mirage.

Town Manager Robinson

- We have been in touch with Wal-Mart about their Neighborhood Markets, but they are not expanding at this time.

Mike Fehlig, Youngtown Resident

- Property Tax – I don't think it will pass. \$300,000 down – will have to look at cuts. We need to expand the Code Department. Three part-time Code Officers is not enough. My wife dragged me through the northern part of Town. The alleys are complete junkyards. There are houses with doors and windows broken. I feel like I should strap a gun on. You may think I'm exaggerating. Code needs to be expanded. Cut somewhere else. It's your property values if other houses are not taken care of. If the Police Department needs more funds, lose something.

Terry Martinez

- I'd like payroll information and see the salaries of all staff compared to other towns. Can't people take salary cuts? Also The Independent leaves newspapers at empty houses.

Mayor LeVault

- The Independent won't even deliver to the homes in Agua Fria Ranch.

Tom McCormick, Business Owner, General Exterminating and Curly's Custom on 111th Avenue.

- We need to try to be open-minded, fix up our Youngtown properties, be proud of our property and forget about the past.
- I came to Youngtown as a young man. I will never get what I've put into my business property, but I'm proud of what I have. I like cops coming around. They are friends or I just don't know them. It is probably in my best interest to relocate. Old guys are buying motorcycles. Now those young guys are old guys. My Mom is 85 and lives over on Coggins Drive. She told me she has enough money to live another five years. I will take care of my Mom. I don't have a vote. I'm just a business owner and my only voice is at the meetings. For General Exterminating, I haven't raised my rates. My customers can't afford it. My wife Sherry said she didn't realize that businesses keep the Town going. I don't want to get broken into. Everyone needs to work together. Take your Town back. Fix it from this point. What do I do right now? 41% for payroll is a good thing. I could have retired if mine was that low.

Mayor LeVault

- I attended a seminar on Taxes and Real Estate on Thursday. One of the speakers said you're doing fine until you write a check for your casket and the check bounces.

Councilmember Mello

- On November 7 the Indian School Corridor is having its annual block party; they shut down Indian School Road. It took one person to drive the chain to get improvements and deal with Phoenix government, residents and businesses. My employees haven't had raises in two years. I pay more than 41% in my business for payroll costs. Everyone needs to work together.

Ms. Page

- You need to try to bring businesses to Youngtown. I have suggested that seniors open small businesses in Youngtown. I would love for someone to open a small flower shop. I can't tell you how often we have a customer ask if there is a flower shop near by.

Mayor LeVault

- Youngtown is known for cheap rents. We met with the Surprise Regional Chamber. Tom McCormick and Koppy's own their business properties, while others are tenants.

Lora Rice, Owner of Koppy's Body Shop and Towing

- I don't want to trump Tom, but I came to Youngtown when I was 15 years old and my Dad opened the business and said you will help out. I'm still here. I was 29 years old when I inherited the business. I know everybody and help everybody. The day my Dad died, I had to call a man and tell him his car won't be ready. A short time later that man showed up with a sandwich and coleslaw and worked by my side for the rest of the day. The mortuary took care of my Dad like he was part of their family. The Police Department has a key to our gate. That wouldn't happen in Phoenix. I live in Phoenix. If there is a problem in the yard, it would take me a while to get here. I ask you to shop your Town. I had a sign in my window asking people to vote for the property tax. Business went down. With fewer cars stopped for DUI's, few can be towed. Village Reporter is not being delivered to businesses. We need information. By the way Brenda is back at Brenda's.

Town Clerk Goldberg

- The Village Reporter is now available on the Town's website. www.youngtownaz.org. Click on the Newsletter button on the Home page to get the September or October issue. Future issues will be posted there.

Mrs. Miller

- To get anything done, we need to go door to door to educate our residents. I'll cover my block.

Betty Alton, Resident Manager of Youngtown House Apartments

- Where are Agua Fria Ranch people? Are they informed?

Mayor LeVault

- My wife is President of the Agua Fria Ranch Homeowners Association. They have had a lot of turnover of residents – a lot of new people and many vacant homes. We need to do a better job.

Councilmember MacKay

- I'm Treasurer of the HOA. We have bulletin boards at the post boxes. We publish an HOA newsletter informing them of meetings and events. We stress Town events and encourage them to get involved. The same five people attend our HOA meetings. We struggle with involvement. Many of our residents are renters. There is a huge divide. We need to bridge the gap.

Ms. Rice

- Why do we keep hearing Agua Fria Ranch and Youngtown? It's all Youngtown.

Ms. Page

- You need programs for kids. That's how you'll get the parents.

Council Johnson

- Compass Bible Church and the Agua Fria Ranch HOA are partnering on a youth outreach program every Wednesday after school at Uribe Park.

Mrs. Chamberlain

- Why are the lights on at the basketball court? It's a waste of money.

Councilmember Johnson

- The court is used and more now that the weather is cooler. We should form a Citizen Patrol. Residents could volunteer to help with Code Enforcement.

Councilmember Mello

- I have talked to a nonprofit about forming a Community Garden. I believe that this could unite south and north parts of Youngtown. The project has to be community driven. Also we could start an Adopt a Grandchild/Adopt a Grandparent Program.

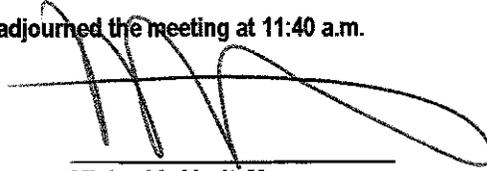
Ed Johnson, Youngtown Resident

- **Surprise charges its residents \$29 per year for streetlights.**

Announcement of next Work Session and Regular Meeting: Thursday, November 4, 2010, at 7:00 p.m.

Adjournment.

There being no further business, Mayor LeVault adjourned the meeting at 11:40 a.m.



Michael LeVault, Mayor

Attest:



Letty Goldberg, Town Clerk/Treasurer

Minutes approved at the November 4, 2010 Regular Meeting.



THE FUTURE OF THE TOWN OF YOUNGTOWN

WHERE HAVE WE BEEN?

WHERE ARE WE NOW?

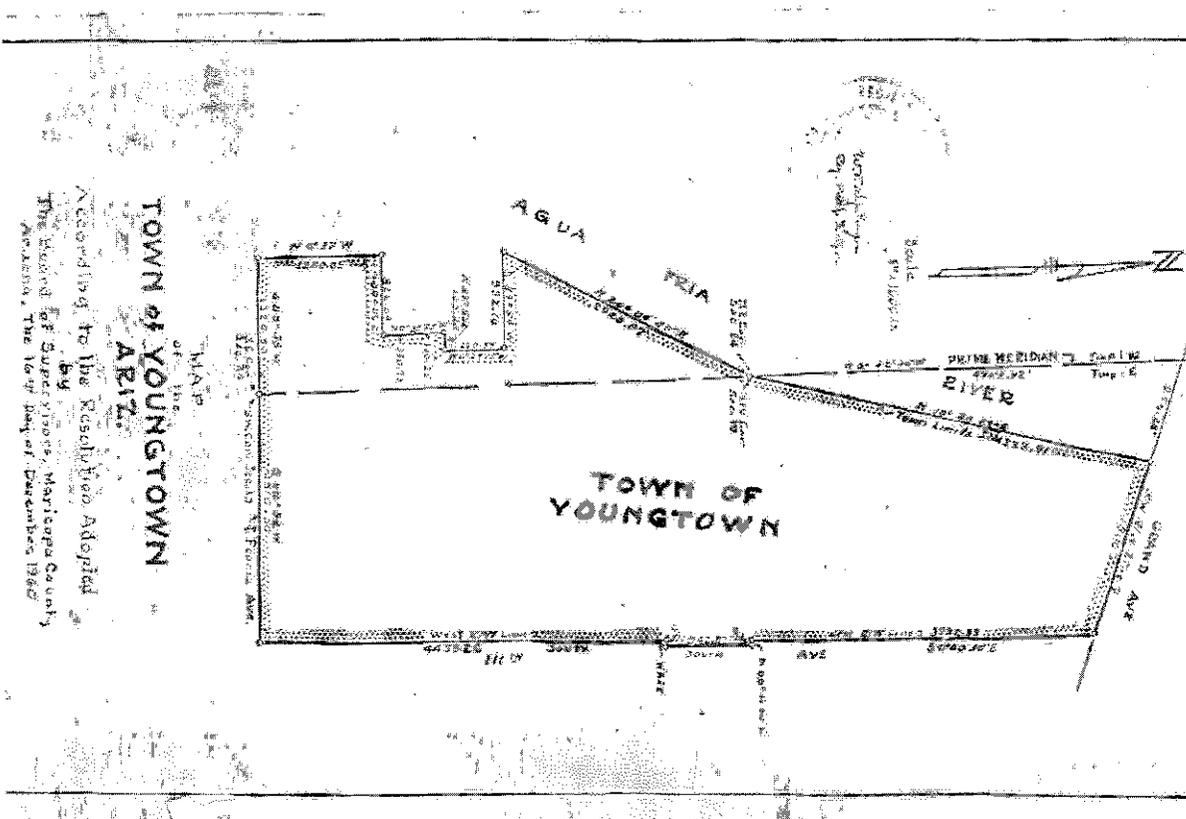
WHERE ARE WE PLANNING TO GO?

HOW WILL WE GET THERE?

HISTORY - 56 YEARS

- Developed in 1954 – Started with fundamental, legal flaws based on a good-intentioned philosophy for an adult planned community
- Incorporated in 1960 – Council-commissioner form of government, antiquated facilities, working class citizens with strong personal and community values
- Developed with a small town USA concept including parks, lake, library and social clubs

INCORPORATED IN 1960



MAP of the
TOWN of YOUNGTOWN
ARIZ.

According to the Resolution Adopted
by
The Board of Supervisors, Maricopa County,
Arizona, The 10th day of December 1960

MILEPOST OR MILLSTONE

Definitions per Merriam Webster's Dictionary:

- Milepost – *“A significant point in development”*
- Millstone – *“A heavy burden”*

Youngtown has experienced 3 significant, Town-wide events that have performed a substantial role to change the Town's character, focus and now the FUTURE.

- I. Sale of the Youngtown Water Company (1995)
- II. Loss of the Age Overlay (1998)
- III. Development of Agua Fria Ranch Subdivision (2003-2005)

MILLEPOST OR MILLSTONE?

YOUNGTOWN WATER COMPANY SALE

Sold in January 1995 by vote of Youngtown voters (392-342)

- **\$1,192,467 TOTAL** (\$932,862 Cash Sale + \$259,605 Escrow)
- \$1,958,391 Value of System (Land, land rights, plant, equip.)
- \$1,006,589 **LOSS** (Discontinued operations-1995 Audit)
15 years of **LOSS**

MILLEPOST OR MILLSTONE?

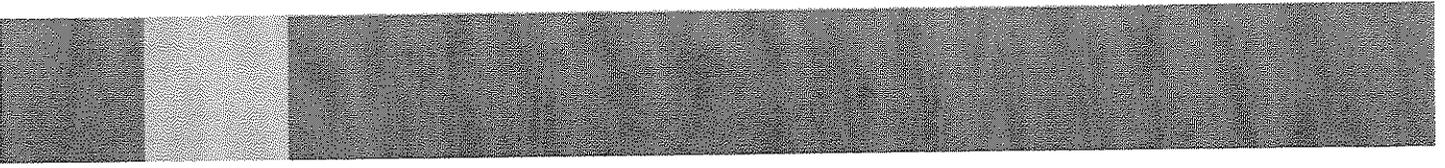
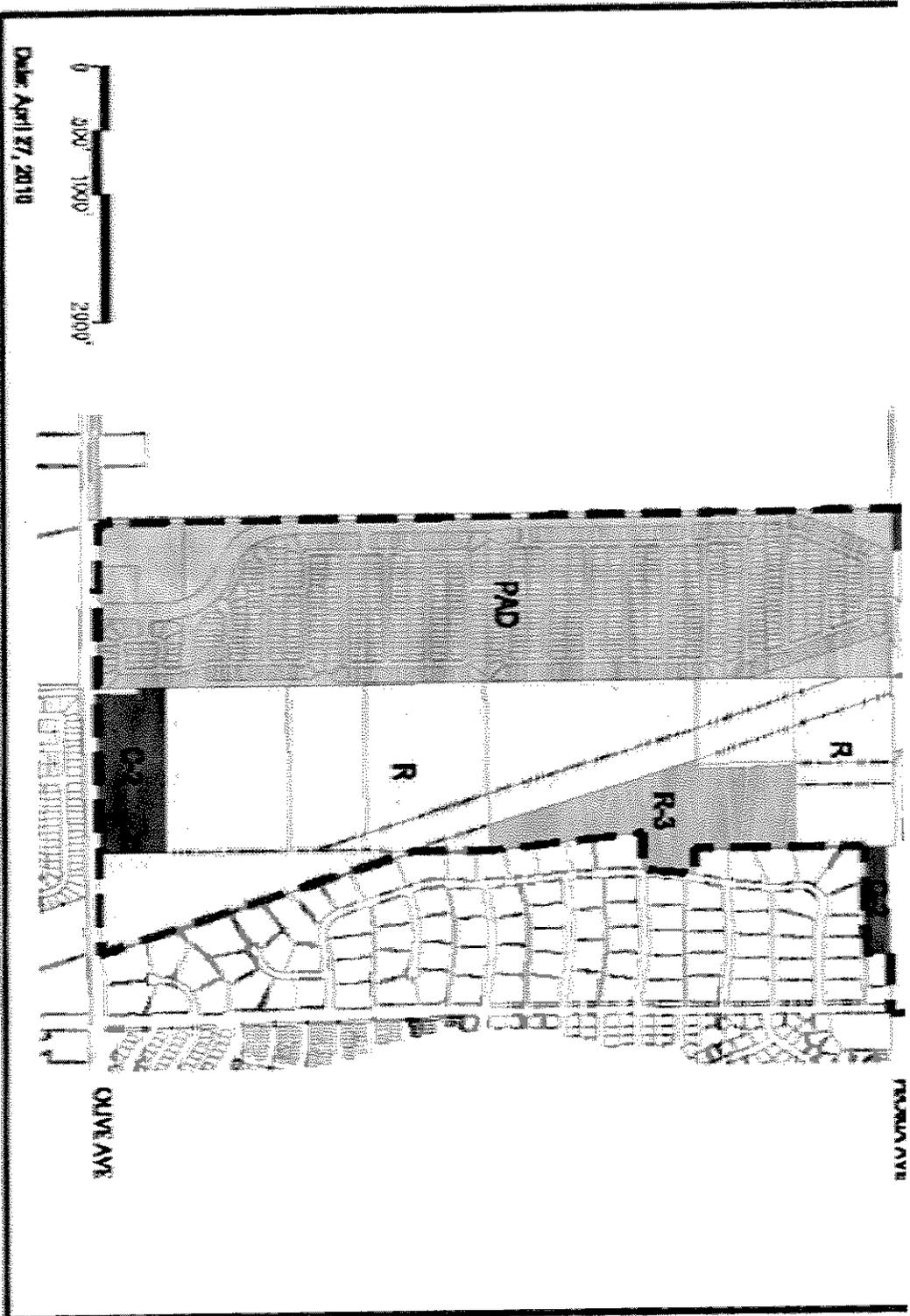
AGE OVERLAY LOSS

The Youngtown community experienced a retired adult environment for 43 years from 1954 (initial development) to 1998 (Arizona Attorney General's opinion) age overlay loss.

Post 1998 the community's residents have rapidly changed from seniors and empty nesters to young families. This was a drastic transformation that produced a substantial burden to provide a variety of enhanced public services.

The Town continues to embrace challenges and crime that is more apparent in a community of mixed ages, social levels and cultures.

AGUA FRIA RANCH



AGUA FRIA RANCH SUBDIVISION

History:

- \$2,661,684 Fees Received (Permits, Review, Development Impact-May 2003-July 2005)
- \$1,526,850 Construction Taxes
- \$4,188,534 TOTAL RECEIVED

In addition, LGIP General Fund suffered a loss of \$717,588 – June 30, 2006. (\$4,906,122 total funds expended)

Future:

CFD Ops & Maint. costs exceed allowable tax to be collected.

FY 2009-10 (\$17,518) FY 2010-11 (\$25,284)-Town Budget Cost
Central Arizona Groundwater Replenishment District (CAGRD)-
(\$11,000) FY 2011-12

MILLEPOST OR MILLSTONE?

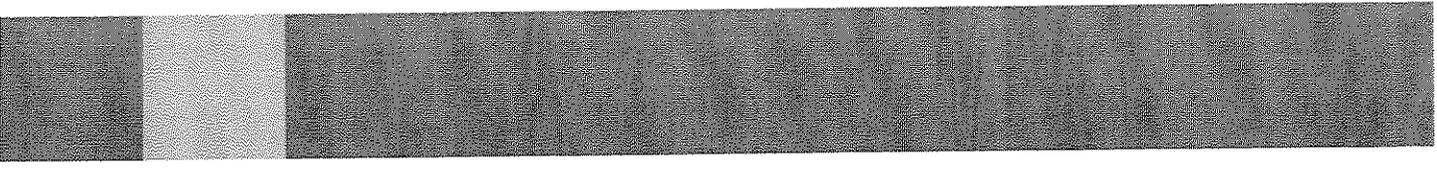
Development of Agua Fria Ranch Subdivision (2003-2005)

- This 160 acre site developed with a stronger emphasis of residential versus commercial development.
- The 783 homes impacted the Town's population by doubling the residents from @ 3,500 to over 6,000.
- In 2010 a Community Facilities District (CFD-25 years), Special Lighting District (SLID), partially fund this Planned Community's infrastructure.
- In 2010 the Town-wide budget has been impacted by CFD Operations & Maintenance costs that are not fully funded.
- Additional costs to maintain the drainage system (5.5 acres) and 4 acre Uribe Park for water, mowing grass and lighting continues to be borne by all Youngtown residents for 25 years.

MILLEPOST OR MILLSTONE?

- I. Sale of the Youngtown Water Company (1995)
- II. Loss of the Age Overlay (1998)
- III. Development of Agua Fria Ranch Subdivision (2003-2005)

A significant point in development that has become a heavy burden?



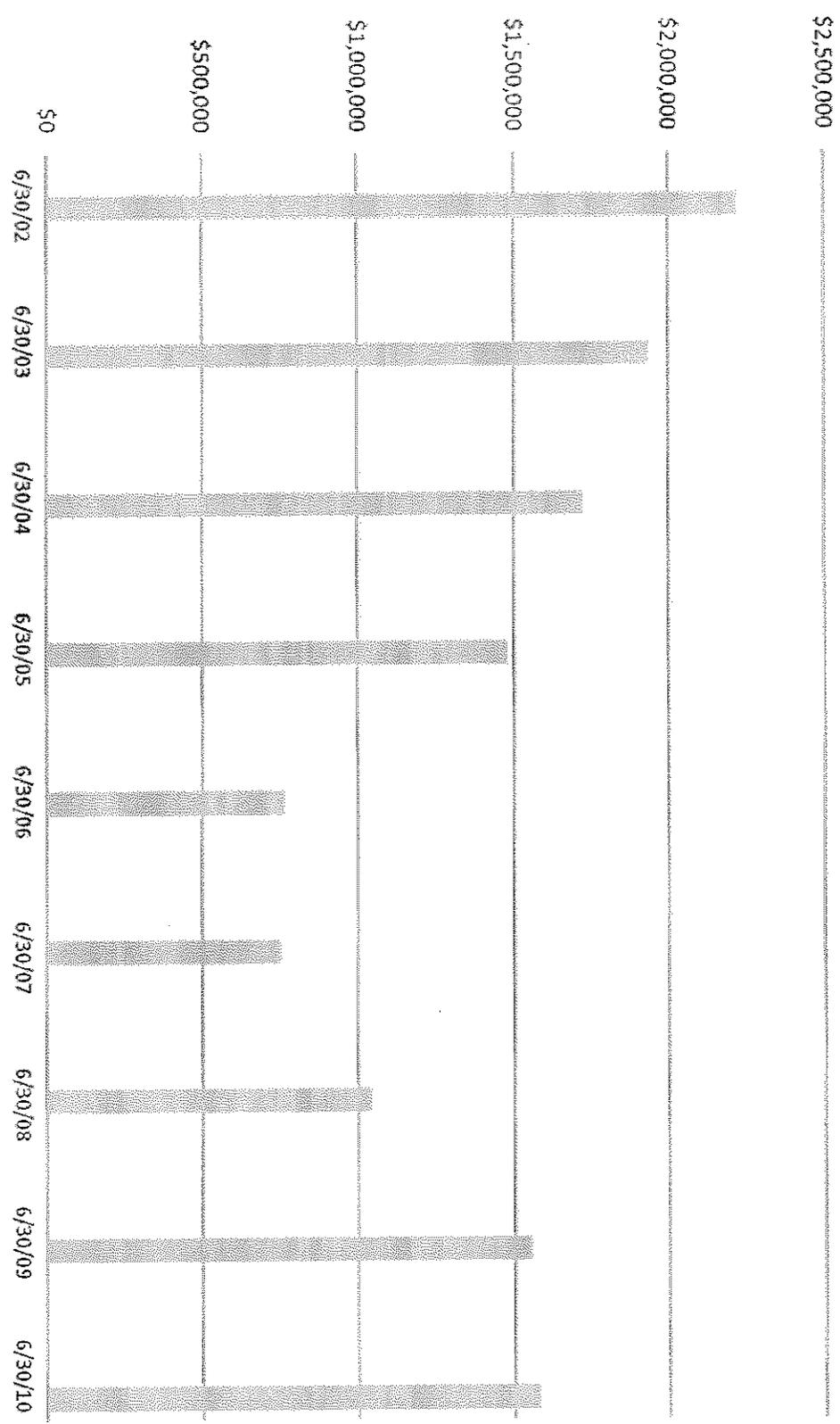
PAST

WHERE HAVE WE BEEN?

DECISIONS BASED ON INADEQUATE INFORMATION, LACK OF FUTURE INSIGHT

- 1. Annexation – Not aggressive, resulting in condition of being land-locked.
- 2. Infrastructure Analysis not performed resulting in deteriorating facilities, streets, public safety.
- 3. Five Year Plan – Not created resulting in lack of planning and understanding financial situation.
- 4. Financial Structure – compromised.

LGIP GENERAL FUND ACCOUNT

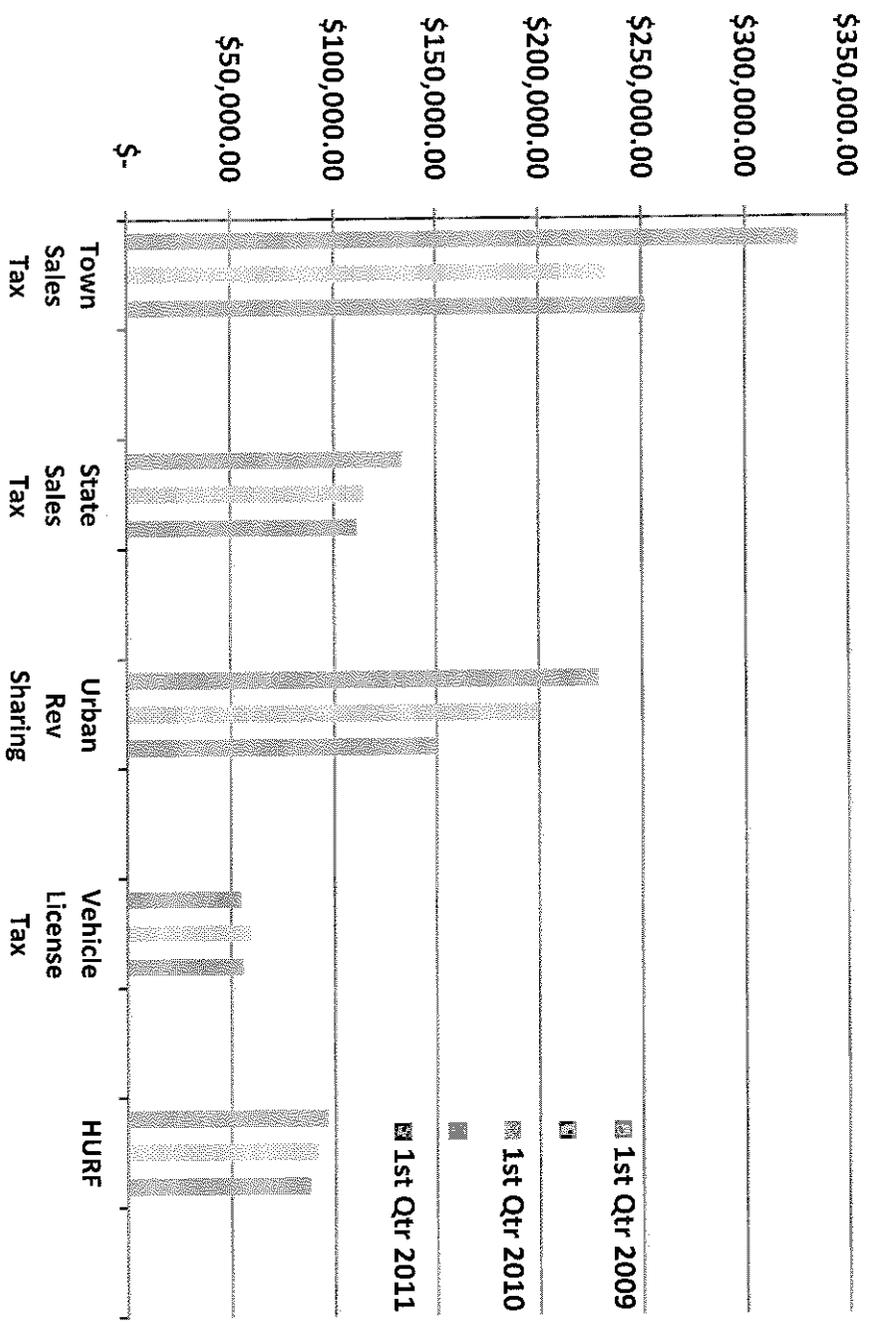


PRESENT

WHERE ARE WE NOW?

- FINANCIAL - \$2.3 MILLION SAVINGS; \$3.9 MILLION ANNUAL BUDGET (FY 2010-11)
- INFRASTRUCTURE – 7 MILES OF ALLEYS PAVED, 34 MILES OF PAVED STREETS
- ASSETS – 6,163 RESIDENTS, 7 ELECTED OFFICIALS, 27 STAFF, 16 PARCELS (5 VACANT), 7 PARKS-18 TOTAL ACRES, 17 FACILITIES, 21 FLEET, MISC. EQUIPMENT (COMPUTERS, GENERATORS, OFFICE FURNISHINGS, ETC.)

	<u>Town Sales Tax</u>	<u>State Sales Tax</u>	<u>Urban Rev Sharing</u>	<u>Vehicle License Tax</u>	<u>HURF</u>
1st Qtr 2009	\$ 325,738.00	\$ 133,707.00	\$ 228,905.00	\$ 54,899.00	\$ 96,389.00
1st Qtr 2010	\$ 233,086.00	\$ 114,221.00	\$ 198,921.00	\$ 59,166.00	\$ 91,788.00
1st Qtr 2011	\$ 251,515.00	\$ 111,073.00	\$ 149,966.00	\$ 55,976.00	\$ 88,031.00



BUDGET 2010-2011

2004 Revenues to pay 2010 Expenses

Issues:

- 2010 operational costs, including personnel services, are much higher

Resolutions:

- Reduced staffing by 8 positions (from 35 to 27)
- Realigned Police and Public Works Departments by new model
- Analyzed operational functions for efficiency and savings
- Implemented new efficiency processes

FUTURE

WHERE ARE WE PLANNING TO GO?

1. FINANCIAL – INCREASE \$2.3 SAVINGS, INCREASE AND COLLECT LOCAL REVENUE
2. INFRASTRUCTURE – COMPLETE 5 YEAR FIRE FLOW PROJECT, MAINTAIN FACILITIES AND STREETS
3. ECONOMIC DEVELOPMENT – ANALYZE COMMERCIAL ASPECTS, CREATE PUBLIC-PRIVATE PARTNERSHIPS FOR PARKS, BUSINESSES
4. QUALITY OF LIFE – INCREASE RECREATIONAL OPPORTUNITIES FOR ALL AGES AND SUSTAIN SMALL TOWN COMMUNITY ENVIRONMENT

FUTURE CHALLENGES

CENSUS

- 6,163 current population count
- New count expected Feb-March 2011- NOW unknown
- Budget FY 2011-12 will be in progress (uncertain shared revenue figures based on Census)

DECLINING REVENUE

Deteriorating Infrastructure

- Roadway repairs/maintenance
- Building maintenance
- Fire Flow (4-5 year project)-\$2.5 million total cost

Economic Development/Commercial – Insufficient funds to invest

RESIDENTIAL HOUSING MARKET

Town's responsibility to apply Codes (unknown cost to address condition of derelict properties)

FUTURE

WHAT MUST WE DO FIRST?

1. STABILIZE Financial Future
2. IMPROVE Public Awareness (increases understanding of each level of service = a level of cost)
3. IMPROVE Youngtown's internal image (increases self-pride)
4. IMPROVE Youngtown's external image? (increases regional value)

FUTURE OPTIONS

1. Primary Property Tax - \$1 million
2. Create Special Lighting District (SLID)-North
Town
3. Outsource Town Services
4. Explore Purchasing Water/Sewer System
5. De-annexation and Annexation
6. Dis incorporate
7. Bankruptcy

PRIMARY PROPERTY TAX

- Supplements revenue-not main revenue source
- Stable revenue
- Locally controlled, not subject to State Legislature
- Increased 2% annual per council
- May 2011 Vote = taxes received in November 2011

VOTERS' SIMPLE MAJORITY TO PASS

PROPERTY TAX ESTIMATES

Youngtown Primary Net Assessed Valuation (NAV) \$34,830,937.00

$$\begin{aligned} & \$34,830,937 \text{ divided by } 100 = \$348,309.37 \times \$2.8711 \\ & = \$1,000,031 \quad \text{(Proposed Tax Levy)} \end{aligned}$$

Limited Value	NAV (10% of Limited Value)	Divide by	Multiply by tax rate	Primary Property Tax	Monthly Cost
\$50,000	\$5,000	50	\$2.8711	\$143.56	\$11.96
\$75,000	\$7,500	75	\$2.8711	\$215.33	\$17.95
\$100,000	\$10,000	100	\$2.8711	\$287.11	\$23.93
\$150,000	\$15,000	150	\$2.8711	\$430.67	\$35.89

To calculate the tax amount from your Valuations Report from the County Treasurer, take the Land/Improve Assessed Value amount under Primary Valuations (10% of Land/Improve Limited Value) and divide that number by 100 and then multiply that number by the tax rate to equal the tax yield from your property.

Example:

$$\$16,501,100 \div 100 = 165,011 \times \$2.8711 = \$473,76$$

WHAT IS THE BUYING POWER OF \$11.96?

- 2 Packs of cigarettes (\$12)
- 2 Jack in the Box Combos (\$12)
- COX or DIRECTV (\$60-\$65 average monthly)
- Cellphone (\$60-\$80 average monthly)
- AZ Republic (\$17.75 monthly)
- Daily News Sun (\$10.67 monthly)

**\$11.96, \$17.95, \$23.93 or \$35.89 a month provides =
Town Services and Infrastructure**

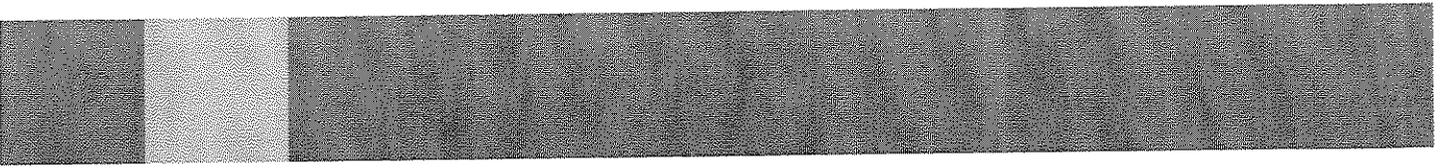
**ARE YOU WILLING TO SUPPORT THE TOWN OF
YOUNGTOWN FOR \$11.96 TO \$35.89 A MONTH?**

FIVE (5) YEAR PLAN

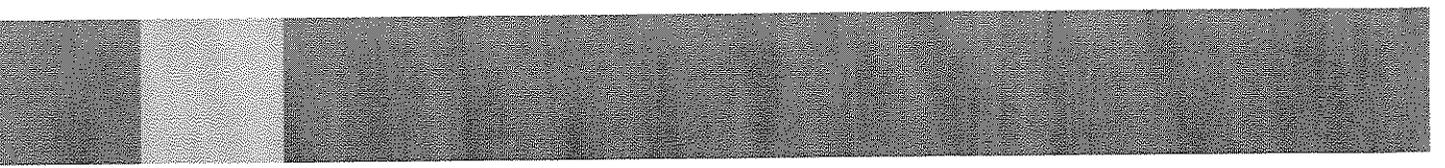
The Town Council's adoption of a Five Year Plan in conjunction with a Primary Property Tax will:

- Ensure the public's trust
- Refocus solvency of the Town's financial structure
- Give credibility to their authority
- AND provides a secure path for the Town's future by local control.

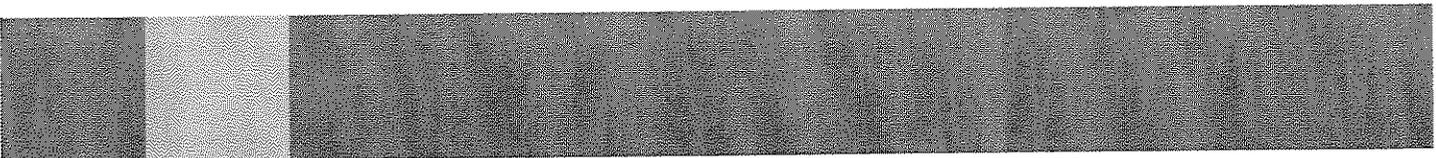
DE-ANNEXATION-ANNEXATION



DIS-INCORPORATE



BANKRUPTCY



WHO CARES?

Residents want:

- Quality of life
- Safe neighborhoods
- Nice parks, clean lake
- Close proximity to larger communities and recreational corridor

Property Owners expect:

- Real estate investments/property values
- Security in local control

Government strives to:

- Build livable, sustainable community = Quality of Life

MILLSTONE OR MILEPOST?

- Monumental steps need to be taken to preserve Youngtown's heritage, culture and future
- Youngtown was founded by people possessing high values, sense of community and loads of good intentions
- Current situation was inevitable based on past decisions and now accelerated by the present-day economic environment
- Is the Town facing a MILEPOST ACTION (*"A significant point in development"*) or a MILLSTONE DECISION (*"A heavy burden"*)?

The Town's future existence lies in the hands of its residents.