

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE JOINT SESSION BETWEEN THE
FOUNTAIN HILLS TOWN COUNCIL AND
THE FOUNTAIN HILLS CHAMBER OF COMMERCE BOARD
January 10, 2018**

• **CALL TO ORDER**

Mayor Linda M. Kavanagh called the Joint Session to order at 7:30 AM in the Fountain Hills Community Center (Ballroom #4), located at 13001 N. La Montana Drive, Fountain Hills, AZ 85268.

Present were the following members of the Fountain Hills Chamber of Commerce Board: Chair Paul Perreault, Jr., Vice Chair Rosaria Cain, Treasurer LeeAnn Torkelson, and Boardmembers Dr. Patrick Sweeney (L-9:01 AM), Christine Colley (L-9:06 AM), Christopher Siino (A-7:38 AM/L-9:16 AM), Boe James, Merita Kraya, Brian Horvath, Suzanne Nann (L-9:06 AM), Nathan Watters (L-8:35 AM), Gregory Golucci (A-7:38 AM). Secretary Audrie Ouellette and Boardmember Dan Margolis were absent. (The times that Boardmember either arrived (A) or left (L) appear in parentheses. Staff present: President/CEO of the Chamber Scott Soldat-Valenzuela

Present were the following members of the Fountain Hills Town Council: Mayor Linda Kavanagh, Vice Mayor Alan Magazine, Councilmember Nick DePorter, Councilmember Cecil Yates, and Councilmember Art Tolis. Councilmembers Dennis Brown and Henry Leger were absent. Staff present: Town Manager Grady E. Miller, Interim Town Attorney Mitesh Patel, Community Services Director Rachael Goodwin, Communications and Marketing Coordinator Grace Rodman-Guetter, Economic Development Director Scott Cooper, Executive Assistant to the Mayor, Council and Town Manager Nancy Walter, and Town Clerk Bevelyn Bender.

AGENDA

1. OVER VIEW OF CIVIC-RELATED PARTNERSHIPS BETWEEN THE TOWN OF FOUNTAIN HILLS AND THE FOUNTAIN HILLS CHAMBER OF COMMERCE:

a. Mayor's State of the Town Event

Mayor Kavanagh discussed that the forum of the event would be the same as it had been for the past three years and noted that it was important to showcase the Town's accomplishments as that was very beneficial to the Town in many ways. Chair Perreault agreed and said it was a great way to look at the past. Councilmember Tolis asked if the video would be placed on the Chamber's website and Mr. Soldat-Valenzuela stated yes and that it was done each year. Introductions were made around the table.

Mayor Kavanagh called for a quick break at 7:43 AM so attendees could get their refreshments and reconvened the meeting at 7:50 AM.

b. Candidate Breakfast Forums

Chair Perreault stated that the forums were scheduled for the summer (July) and would be publicized once the dates were closer.

c. Mayoral Debate

Mr. Soldat-Valenzuela stated that the June 26 date had been set and both candidates had confirmed their attendance for an evening program, which would be provided at the Chamber's cost.

Mayor Kavanagh suggested that questions poised to the candidates should be unbiased and proposed that the Bob Burns (Times) would do well as he knew every important Town issue and could prepare questions. Mr. Soldat-Valenzuela stated the Chamber would have a

committee and they welcomed the support of the newspaper. He commented that in the past a survey had been used to create the questions.

Councilmember Yates asked if the forum was open to the public, and Mr. Soldat-Valenzula stated that this candidate forum was for their Chamber members but that the Mayoral debate was different. Councilmember DePorter asked if the forum would be placed on YouTube, as it was important to be able to point the public to resources; Mr. Soldat-Valenzula stated that could be done. Mr. Miller said that the Fountain Hills Civic and Cultural Association (FHCCA) had sponsored such a forum in the past and Mr. Soldat-Valenzula acknowledged that the FHCCA had asked to partner with the Chamber.

d. Chamber Events – Great Fair/Festival of the Arts, Thanksgiving Day Parade, Stroll in the Glow

Chair Perreault and Mr. Soldat-Valenzula thanked the Town for partnering with the events, noting that events held downtown will be different in the future with additional residents moving into the apartments on the Avenue, and that the Chamber may have to rethink the logistics.

Councilmember Magazine asked that the Chamber to rethink the set-up of the fair vendors as there are 500 vendors all setting up at the same time, which makes for a nightmare situation with all the various vehicles. He urged the Chamber to look at the traffic pattern commenting that in the past there hasn't been anyone present to move the traffic.

Councilmember Yates discussed wine/art events and asked if the Chamber could look into obtaining a liquor permit that would allow patrons to walk around with wine throughout the event. Mr. Miller stated that this is done in other cities and that the Town was open to allowing this type of event. Mr. Soldat-Valenzula discussed the fencing issue and cost; Councilmember Yates pointed to new state laws that had removed that requirement. Boardmember James discussed the matter of security stating the area would have to be fenced or there would need to be observers so no one exits with alcohol, which would be a manpower issue for the Chamber without a fence. Discussion ensued regarding possible solutions such as signs being posted for the patrons not to leave the area with alcohol and the Chamber's concern that there were numerous shops with rear exits.

Councilmember Tolis suggested a joint committee be formed to look at the logistics and also the traffic flow perhaps utilizing outlying parking lots and busing patrons into the downtown as the idea was for businesses to benefit from the increase in patron traffic. Mr. Soldat-Valenzula stated the Chamber had tried busing and it didn't work. He noted that it would not be beneficial to do a huge shift in that regard as the majority of attendees like the events as is and plan their vacations around it. Councilmember Tolis suggested that the fairs expand into the park. Boardmember Kraya said that the fair weekends were some of the best weekends of the year for her business. She felt it was important to showcase the downtown and that changing the location into the Park was not useful as there were problems (i.e. grass area/irrigation). Boardmember Kraya stated the opinion that the new downtown construction (apartments) will be the Town's best advertisement for businesses.

Councilmember DePorter proposed that the Chamber look into a night or day with alcohol event or a night market event. He said that he wished the current art/farmer's market didn't close at 5:00 PM and had longer hours. He suggested that the Chamber look at how ASU moves students in as it was an amazing model and could help with the Chamber's traffic flow for the fairs. Mr. Soldat-Valenzula stated the Chamber had discussed traffic issues and discussion ensued regarding artist loading/unloading; that not all plaza stores benefited from the fairs; that not all store owners make an effort to be open; store owners' approaches that attract and bring in business at this time; the fact that the Chamber offers "Marketing 101" for businesses and has a marketing person on-board who offers marketing classes; that the Chamber now works with Town staff in the Chamber booth so vendors have business

licenses and are paying sales tax; and the suggestion that the Chamber always have someone policing the fair to ensure everyone is following the rules.

2. **UPDATE RELATING TO THE TOWN OF FOUNTAIN HILLS' SPECIAL EVENTS AND TOURISM PROGRAM**

Community Services Director Rachael Goodwin and Communication and Marketing Coordinator Grace Rodman-Guetter discussed the material provided in the packet highlighting new events, event/tourism analytics and how collected, how there has been an increase in sales tax generated, the new marketing at the airport in March, recognition of awards received and the return on investment of the current marketing plan.

Mr. Soldat-Valenzula stated that over the last two years, since Vice Chair Cain has been involved, the Chamber has changed their marketing areas to include a social media presence. Vice Chair Cain suggested the Town modernize the Town's logo and cultivate a younger demographic market and offered to assist the Town at no charge to do so.

3. **UPDATE ON THE FOUNTAIN HILLS CHAMBER OF COMMERCE VISITOR CENTER**

Mr. Soldat-Valenzula stated that they are working toward relocating the Chamber office to Park Place. He said it would be different as will their functions. However, their volunteers will be trained to answer all questions as 90 – 95 % of the questions that the Chamber receives are not from their members (Chamber related) but more about the Town. He stated they were open to being available on weekends but their hours would be 8 – 4 (M – F) but reiterated they were flexible as the Visitor Center can be locked so it is separate from the Chamber. Mayor Kavanagh suggested that the Center be open to hand out information on the area when any event was going on.

4. **UPDATE RELATING TO THE TOWN OF FOUNTAIN HILLS' ECONOMIC DEVELOPMENT AND THE LONG-TERM ECONOMIC DEVELOPMENT PLAN**

Director Cooper stated that he would be providing an update to the Council in February and provided a brief update on retail recruitment and that the report would be forth coming. He noted that the report shows where we are, where the available space is, the trade area and where the customers come from so there can be a match to the best fit. He said this was a good opportunity for the Town as the Park Place commercial was coming on line; he highlighted the anticipated new businesses and their proposed timing. Councilmember Yates noted that the economic climate in retail was changing and the Town was poised for the urban village model, which would bring a younger and more social dynamic. Mayor Kavanagh discussed the required demographics to attract specific retailers and the Town's regulation changes that allow for residents to live above retail.

5. **THE PROPOSED SPECIAL ELECTION (MAY 15, 2018) FOR THE PURPOSE OF SUBMITTING THE QUESTION TO THE VOTERS RELATING TO ESTABLISHING A TOWN PRIMARY PROPERTY TAX**

Mr. Miller gave a brief overview noting that the Council had taken action to send the question of a (\$7,000,000) Primary Property Tax to the voters in May 2018. He noted that staff was putting together an information plan for the public. Councilmember Magazine asked for the Chamber's support of this ballot question as it was in the best interests of the businesses. Mr. Miller stated that on January 30th the plan would be presented to Council. Mr. Soldat-Valenzula stated that once formal action had been taken the Chamber Board could discuss the proposed question; Chair Perreault commented he had received a call requesting that the Primary Property Tax question not be supported. Boardmember Kraya asked that the information include a table that would break down the cost from annual to monthly noting that the public would see that it was less than was spent on Starbucks.

Mr. Miller explained that as the community grows the increase in valuation would allow each individual's portion to go down. Chair Perreault asked about the status of the State Trust Land.

Councilmember Yates stated that there was interest by the Council in going after a younger demographic, which would also assist the schools. Mr. Miller stated the challenge was that flat cheap land was available to the west and the State Trust Land was expensive to build on. Councilmember Yates discussed the average priced home in Fountain Hills and the point that the Town was short on affordable available apartments.

Boardmember Golucci asked how does the public know that \$7M was enough. Mr. Miller indicated he did not believe that there would need to be another election in the future; the Council has the ability to increase the base amount by 2% annually, if needed. Councilmember Magazine discussed the Town's infrastructure and other needs noting that there was an anticipated 10% increase for police services and that there was a good chance that Rural Metro could be bought out requiring that fire serve be brought in-house; so there was not any wasted money. Councilmember DePorter commented that the Town was set up to rely on sales tax revenue and had not been set up correctly. He pointed out that the Town did not have taxing authority to pay for its needs; Rural Metro was more interested in transports than fire suppression services. Mr. Miller agreed, stating that at some point it would be a Town fire department. Boardmember Golucci asked how the Town's proposed property tax rate compared to Scottsdale's as he did not want to be more expensive that surrounding towns. Councilmember Yates discussed that the Town's bonds would expire in 2020 so it was anticipated that there would be a tax reduction. Mr. Miller stated that the Town's proposed property tax rate was in the middle and he commented that there were only a few that did not have a Primary Property tax as their revenue model was structured differently (i.e. Mesa and Paradise Valley).

Councilmember Yates stated that a primary property tax is scary but the Town's current model was unsustainable commenting that at \$7M, that averaged about \$400 annually and that figures to be about \$1 a day – nominal. He said this should set the Town up for the future. Mr. Miller acknowledged the Town's prior Councils had made tough decisions to reduce expenses and had reduced staff from 115 employees to the current level (now 55), but those initial savings were now gone as the Town was paying the same on contracts; this really is a revenue shortfall. Councilmember Yates commented that the ratio of employees to citizens in Fountain Hills was 1 – 600 as compared to Surprise, which was 1 – 100. He acknowledged that the Town does a lot with the little that that they have.

Mayor Kavanagh pointed out that Council and staff try to predict the future but then something comes up. She gave the example regarding jail costs going up and other contracts; noting that there is no choice.

Chair Perreault asked if the Town could go back to a five day work week, noting that for some businesses the four day work week makes it difficult for business owners. Mayor Kavanagh stated that it had been looked at but it was found most could not get to Town by 5 PM (closing time) and this model allowed earlier hours and later hours for their convenience. She commented that another model was discussed but the Town did not have enough staff to rotate staff to be open on Fridays. Mr. Miller discussed that the Town was utilizing e-commerce and placing more information and applications on-line for the public.

6. ADJOURNMENT

Mayor Kavanagh adjourned the Joint Session at 9:18 AM

TOWN OF FOUNTAIN HILLS

By _____
Linda M. Kavanagh, Mayor

ATTEST AND
PREPARED BY:

Bevelyn J. Bender, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Joint Session, held by the Town Council of Fountain Hills and the Fountain Hills Chamber of Commerce Board held in the Fountain Hills Community Center (Grand Ballroom), on the 10th day of January, 2018. I further certify that the meeting was duly called and that a quorum was present.

DATED this 6th day of February, 2018.

Bevelyn J. Bender, Town Clerk