FOUNTAIN HILLS STRATEGIC PLAN

Our Town. Our Choices.
A Road Map to the Future

Town Hall 2 Results
Vol. 1 Summary Report

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Ver. 3.0. This report was compiled and prepared by:

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Background: Citizen-Driven Strategic Planning Process

The Town of Fountain Hills is conducting a year-long citizen-driven strategic planning process, with very intensive public participation. One of the key public participation events was Town Hall 2, a gathering of about 190 citizens, Town Councilmembers, volunteer organizers, Town staff and others, on Saturday, August 13, 2005. Before the event, many participants reviewed *Strategic Choices; Strategic Framework Report,* which outlined key decisions facing the Town.

Town Hall 2 was a key public involvement event in a year-long series of events. Appendix A. describes the overall strategic planning process. The citizen-driven strategic planning process is led by a Technical Advisory Committee, made up of volunteer Fountain Hills residents who have expertise in strategic planning or community affairs. A professional strategic planning consulting team manages the process, and communications company helps develop citizen participation, and a market research company is conducting a survey of Fountain Hills Residents.[1]

Town Hall 2: Summary of Results

Participants in Town Hall 2 accomplished four very important things:

1. *Town Government Financial Stability:* Town Hall 2 participants told the Town that:
   a. They want the Town to deal with its long-term revenue issues;
   b. They are willing to pay now to solve future revenue problems (77%), rather than pay more later to solve the problems when they arise; and
   c. They prefer a primary property tax (64%) over a sales tax increase (13%) as a way to raise operating revenue for the Town.
2. *Identified Issues:* Participants selected 11 strategic choices, out of 44 presented to them, that they felt were the most important issues the Town should address over the next several years.
3. *Agreed on Elements of Town Vision:* Most participants felt the downtown should primarily serve local residents' needs, rather than become a destination vacation and shopping center. Most also preferred Town arts and culture to emphasize local enjoyment, rather than become a destination center, but most felt that arts and culture are not among the top strategic issues.
4. *Implementation Planning:* Participants arrayed the 11 issues in phases, for implementation right away (1-3 years), addressed in the medium-term (4-6 years), resolved in a longer-term (7-10 years) or held for action beyond the planning horizon (years 11 or later). Participants also agreed to pay for the initiatives that they said should be implemented.

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[1] See Appendix A for a list of the Technical Advisory Committee volunteers, staff and key contractors.

The 11 most important issues identified by the participants, arrayed in their agreed implementation phases, and showing their associated estimated annual costs per household, are:

Town Hall 2 Implementation Plan

Initiative	Phase I 1-3 yrs.	Phase II 4-6 yrs.	Phase III 7-10 yrs.	Holding Area 11+ yrs.
10.F. Annex the State Trust Lands	$ 0			
2.A. Attract businesses to meet local residents' needs.	35			
7.A.3. Build multi-generational aquatic center.	84			
10.A. Enforce the General Plan and zoning ordinance.	8			
4.A. Strengthen the community's small-town identity.	32			
Phase 1 Total Carried Forward	**$159**	**$159**		
6.A. Enhance dedication to stewardship of the natural environment.		68		
7.C. Add new amenities to the parks & recreation system.		17		
9.A. Create lifelong learning opportunities for residents of all ages.		10		
7.B.1. Acquire, develop, operate & maintain 15 acres of new community park.		68		
Phase II Total Carried Forward		**$322**	**$322**	
7.A.1. Build larger stand-alone senior center.			42	
Phase III Total			**$364**	
10.D. Require use of natural landscaping.				$ 10

Next Steps

The next steps in the citizen-driven strategic planning process are:
- Conduct a scientific random sample survey of the citizenry at-large, to see how their opinions correlate to the opinions of Town Hall 2 participants. The survey will begin in late September and continue through mid-October 2005.
- Develop a proposed strategic plan based on all the information sources consulted: key informants, youth, Town Hall 1 participants, Town Hall 2 participants and surveyed citizens.
- Distribute the proposed strategic plan to the Town's citizens in November 2005.
- Submit the proposed strategic plan to the Town Council for its consideration for adoption in early December 2005.

Town Hall 2 Overview: What Happened

Prior to the Town Hall 2 meeting, the Technical Advisory Committee published *Strategic Choices; Strategic Framework Report,* describing issues facing the Town in 10 focus areas, with 31 scenarios (goals). Policies, programs and projects—with associated estimated annual costs per household—showed how to implement the scenarios. A accompanying two-page worksheet highlighted 44 key decision points, or strategic choices. The *Strategic Choices* report is available at the Town Hall, Community Center, or on-line at www.fh.az.gov/ourtownourchoices/.

At the Town Hall 2 meeting, citizens heard a status report on the Town's long-term financial condition, and voiced their preferences among future financing options (see the section on "Town Government Financial Stability Questionnaire," below).

> ### 'Estimated annual costs per household'
> The estimated annual costs per household are based on activities to implement each scenario. Town staff estimated the costs, including acquisition, construction, operations and maintenance costs, as they apply. Acquisition and construction costs over $0.5 million were converted to annual costs by spreading them over 30 years at 4% annual interest. Annual costs were divided by 9,961, the estimated number of Fountain Hills households in 2004.

Attendees then met in 12 small groups, ranging from 8 to 16 participants. Each participant identified the 15 most important issues from the 44 decision points in the *Strategic Choices* summary worksheet. Based on these individual choices, each group listed the 15 issues most important to the group as a whole, and group members assigned priority levels to each issue: high, medium or low. The results from all the small groups were consolidated to identify the issues that were most important to all the participants (see "Selecting the Most Important Issues," below).

In the afternoon sessions, participants worked with just the top 11 issues. In their 12 small groups, participants worked to reach consensus on implementation phases for each issue: Phase I, 1-3 years; Phase II, 4-6 years; Phase III, 7:10-years, or a holding area, year 11 or later.

Each small group totaled the estimated annual costs per household for each phase, and produced a proposed financial plan on a poster. The financial plans listed the initiatives, the phases in which they should be implemented, and an agreement to pay for the initiatives in the financial plan. Each group member was asked to sign the group's financial plan.

The group facilitators presented each financial plan to all the Town Hall 2 participants, who then voted for the financial plan that best reflected each individual's vision for the Town's future.

Town Government Financial Stability Questionnaire

Town Hall 2 participants heard information about the Town's long-term financial stability. The report noted that as the Town approaches build-out, revenues will begin to fall, for two reasons:
- Sales tax revenues from use of construction materials will diminish as lack of building sites reduces new construction.
- State shared revenues—from state sales, income and other taxes—will decrease: they are allocated to cities and towns based on their percentage of the state population. As the Town's population stabilizes, while the rest of the state grows, Fountain Hills' share will decrease.

With these reductions, the Town's budget is projected to have a revenue shortfall in budget year 2014-15, even if *no new initiatives* are started. If the State Trust Lands are annexed and developed as assumed, the projected revenue shortfall would be delayed to fiscal year 2018-19.

Town Hall 2 participants were given a questionnaire to tell the Town which approach they would prefer the Town to take to pay for this revenue shortfall. They had four options:

A. Increase the Town sales tax by about 0.2¢ per dollar, from 2.6% to 2.8%.
B. Levy a new *primary* property tax of about 28.5¢ per $100 valuation, or about $66 per year for the median home worth about $248,000.
C. Don't increase revenues; instead, reduce these Town services: _____.
D. Put off any action until the deficit actually occurs.

Respondents who selected multiple options or other approaches are counted under "E. Other."

Fig. 1. Financial Stability Questionnaire

Fig. 1 summarize responses to this questionnaire. Three-fourths (77%) of the respondents supported increasing revenues in the short run to deal with the projected long-term deficit, whether by increasing the sales tax or levying a primary property tax. In addition most of the respondents in the "E. Other" category also supported one or both revenue options. Just 6% of respondents suggested delaying action until the deficit actually occurs, and incurring higher costs.
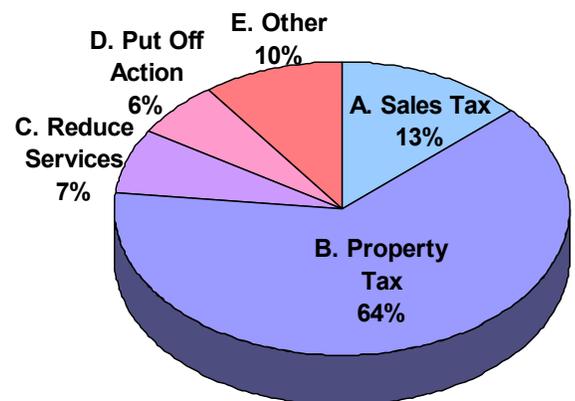
Property Tax Primer
Fountain Hills' 2004 *median* home value was $248,000: half the homes were worth more and half were worth less. The *average* was much higher. A home's *tax value* is about 40% to 60% of its market value. Taxes are *assessed* at 10% of the tax value. Rentals and businesses also pay property taxes. *Primary* property taxes pay for general government expenses. *Secondary* property taxes finance construction or other capital projects. Fountain Hills has no primary property tax; its secondary property tax is $0.51 per $100 assessed.

These results reflect opinions from the 150 people who attended the Town Hall 2 and voted. They are neither a scientific poll nor a binding election.

The questionnaire also asked respondents to tell why they selected the option they did. All responses to this question are reported verbatim in Appendix B.

Selecting the Most Important Choices

After voting on revenue options, participants were assigned to work in 12 small groups with eight to 16 participants in each group. A facilitator was assigned to each group. Most facilitators were independent, that is, they do not live in Fountain Hills, though two Technical Advisory Committee volunteers and one other citizen served as facilitators.

In the small groups, each participant identified the 15 most important issues on the strategic choices list. Each small group then worked with the 15 items with the highest number of votes in that group. In some cases, a tie caused more than 15 items to be considered. Participants rated the importance of each item on their small group's list as "high" (2 points), "medium" (1 point) or "low" (0 points), and described why they assigned that level of importance to the item. Together, the small groups scored 35 of the 44 total items on the *Strategic Choices* summary worksheet.

Two issues were presented a bit differently. Under the *Commercial Vitality and Business Development* focus area, two alternatives were presented: to attract businesses to meet local residents' needs, or to establish a vacation and downtown shopping destination center. Three groups were not able to reach a consensus on this issue. Seven groups selected the first alternative, local service area, and just two groups selected the destination center alternative.

Similarly, under the *Arts and Culture* focus area participants faced two alternatives: make Fountain Hills a cultural center for the arts, or make the Town a destination center for arts and cultural activities. Six groups selected the first alternative, a local focus, while just one group selected the destination center alternative. Five groups did not report on this issue. Overall low ratings on the importance this issue kept it out of the list of top issues.

The facilitators reported the scores for each item to the Technical Advisory Committee, which compiled all the small group scores. The Committee ranked the total number of votes received for each item, and selected the top 11 issues for consideration during the afternoon sessions. A summary sheet showing all the group scores, and the rankings for all issues, is in Appendix C. The 11 issues receiving the highest scores are (numbers refer to the *Strategic Choices* report):

2.A.	Attract businesses to meet local residents' needs	7.C.	Add new amenities to the parks & recreation system
4.A.	Strengthen the community's small-town identity	9.A.	Create lifelong learning opportunities for residents of all ages
6.A.	Enhance dedication to stewardship of the natural environment	10.A.	Enforce the current General Plan and zoning ordinance
7.A.1.	Build larger stand-alone senior center	10.D.	Require use of natural landscaping
7.A.3.	Build multi-generational aquatic center	10.F.	Annex the State Trust Lands
7.B.1.	Acquire, develop, operate & maintain 15 acres of new community park		

Developing Implementation Plans

In the afternoon sessions, small groups developed implementation frameworks, developing consensus in arraying the 11 most important issues into three phases: Phase I to be implemented in the first three years of the strategic plan; Phase II in years 4-6, and Phase III in years 7-10. Groups could also assign issues to a holding area for implementation in year 11 or later.

Near the end of the day, participants heard a brief presentation on each plan, and voted for the plan that most closely met their individual preferences.

Appendix D analyzes each of these 11 most important issues, looking across all 12 groups to identify the common ground they shared, and developing a single Town Hall 2 implementation plan reflecting the concerns expressed by a majority of the participants.

Appendix E is a summary of all 12 implementation plans, with each phase on a separate page.

Appendix F shows each of the small group implementation plans individually.