

Think Tank: Shaping the Financial Future

Town of Gilbert, Arizona

March 2 & 9, 2011



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Overview

The Mayor and Town Council of Gilbert, Arizona invited a cross section of citizens to offer their viewpoints in support of the Town Council budget formation for 2011-2012. The process employed to discuss and express those viewpoints was similar to the “Think Tank for the Future” held on December 4, 2010. Given the complexity of the budgetary process, an information session with the citizens was held on March 2. That session was a presentation and question/answer session to share the financial, governmental budgeting structure, and the details and process related to Gilbert’s budget formation. The March 2 briefing contributed positively to the Think Tank: Shaping the Financial Future, held a week later. On March 9, the Think Tank session began with questions and answers to clarify points of discussion from the informational session. This report summarizes the process and results from the March 9 session.

Process

Attendees were assigned to table groups for the input discussion. Each table was asked to address a set of three questions. The process was designed to allow sufficient discussion time for deliberating each question allowing table groups a chance to get to know each other, share viewpoints and to have substantive discussion. Following the discussion, they were asked to determine a consensus response to each of the questions posed. The table consensus list was posted and presented to the group. The information gathered is presented in this report and will inform public policy discussions during the budget formation and open doorways for ongoing communication. The questions were prepared to encourage conversation at the policy level, avoiding specific personal preferences for specific service delivery or line item adjustments. The priorities from each table were identified at the session. In this report they are all grouped together with overall priorities drawn from the entire list. I believe the reader will see many common themes that, given the mix within the invited citizens, can reasonably be considered community wide perspective. Recognizing that some participants might wish to submit a personal viewpoint that is not represented in the table consensus, note cards were provided for that purpose. That input is included in this report in the “Individual Suggestion Cards”.

Question 1: If the Town Council needs to cut expenses in the budget over the next few years on which general areas of government service should they focus/ leave as is?

The following is a summary of priorities distilled from the reported by each group. Following this list is a listing of all comments made by the table groups. Those comments and the discussions that ensued are the foundation for the summary themes. It is important to note that the summary themes are the primary outcome from the Think Tank. While the list of individual items may

offer specific ideas for policy consideration, the broad themes indicate (based on the assumption of the participants are representative of the community) the broader community perspective.

Summary and Themes

1. **Organizational Systems:** This area of interest is the one most often stated. It involves a wide range of thoughts dealing with the adjustment from organizational systems and structures to careful examination of salary and benefit costs.
2. **Service Provision:** Easily blended with the theme above, this area has a couple distinctions that are with considering separately. It includes the suggestion that service levels be examined at the policy level to consider identifying the nexus of need and resources across the board. It is more a theme of adjusting basic guiding principles and policies than looking at existing systems and structures.
3. **Public-Private Partnerships:** It may be valuable to consider expanding competitive consideration of privatization when outsourcing can save money without impacting service. Partnerships and shared service provision as well as overall attention to best practices and efficiency are included.
4. **Financial Considerations:** Suggestions included cutting some programs with the intention to reinstate as the financial health improves. Review current financial structures like bond rates if savings can be realized.
5. **Don't Cut:** The specifics noted by some include public safety, street maintenance, and services in general. The theme within the commentary is the suggestion to be willing to differentiate degrees of budgetary impact based on implications for the primary needs of the community.

Comments Reported By Attendees

- Evaluate employee benefits package... do it in a fair and competitive manner
- Evaluate realignment of administrative functions
- Leave community services alone
- Identify positions for telecommuting possibilities
- Suspend tuition reimbursement and membership fees for administration (temporary)
- Allocate GF revenue by department... department responsible for staying within their allowed percentage
- Outsource... measuring... benchmarks
- Partner with private business to maintain, enhance, or provide
- Evaluate number of management level staff needed & assignments (cross budgeting)
- Negotiate bond rates if applicable
- Public safety is non-negotiable
- Policy- Develop contingency plan for loss/reduction of shared revenue
- Policy- Salary increases s/b related to maintaining decreased attrition costs

- Policy- review current services and current service levels, up and down
- Consolidate administrative functions
- Look at options for waste management functions
- Private v. Town... be open for more efficient firms... privatization
- Review labor contracts
- Streamline permit process
- Parks & Recreation increase user fees and reduce hours
- Combine city elections with state/national
- Leave as is: police, fire and street maintenance
- Reduce library cost/expenses
- Eliminate free bulk trash pickup
- Don't slash services
- Don't layoff or cut pay
- Do more with less through efficiency

Question 2: In order to increase revenues, what approaches do you think might work financially and serve the best interest of the Town? This discussion is the other side of the coin. As presented in the financial information component of the Think Tank, when there is a gap (structural or otherwise) there are essentially two options; cut expenses and/or increase revenues.

Summary and Themes

1. **Business Attraction and Retention:** Balanced business focus: small, medium, and large. Encourage the application of resources to incent the types of businesses in the Town target areas. Economic development, in general is key to long range financial strength.
2. **Business Friendly Systems and Services:** This theme is a close companion to the one above. It encourages review of business related policy and operational systems to reasonably minimize the process of business development and expansion.
3. **Fee Structure:** The discussion of fee structure had a wide range from complete recovery across the board to specific limitations for adult special events. The review of all rate and fee structures to set policy related to recovery rates will offer an opportunity to increase revenue in relationship to service cost and value to community.
4. **Tax Structure:** The two areas mentioned were use tax and primary property tax. Neither areas discussed suggested a preference for taxation but rather the need to consider the option and implications related to taxation as a revenue generator to avoid the consequences of structural deficit and service reduction.
5. **Community Image Marketing:** This topic area has a direct connection with the economic development elements discussed earlier. The community image and the marketing of that image are very important to the attraction of the economic generation elements of new and expanded businesses. "Gilbert: Clean, Safe and Vibrant!"

Comments Reported By Attendees

- Add business... small, medium, large...now!
 - Ease of business services with initial focus on permitting
 - Consider new taxes such as use tax and primary property tax
 - User recovery fees at 100%
 - Incentivize job creation
 - Drill for nitrogen
 - Use tax
 - Invest financially to bring new business employ business development people
 - Rebrand and market the Town toward the future (bio med)
 - Create an identity
 - Business development: attract new business... look at zoning to be business friendly ...Phoenix/Gateway airport possibilities
 - Everything pays for itself
 - Revisit tax process... use tax and property tax as a last resort
 - \$30 per person will produce \$6 million
 - Use tax
 - Examine increase user fees for recreational activities
 - Continued emphasis on public-private partnerships
 - Courts implement a PITA for cost recovery
 - Add use tax
 - Add primary property tax
 - Increase adult and special event fees
 - Lease space for cell towers
 - Economic Development
 - Full cost recovery ob recreation programs
-

Question 3: What characteristics might the CC look for in the new Town Manager to best serve Gilbert in general and to achieve the Strategic Initiatives?

This third question has an indirect but very important relationship to the other two. Gilbert is in the process of recruitment for a new Town Manager. The individual selected will take the administrative helm in a sea of notable challenges. The Town Council will have set the destination through the budget and goal setting process, and will rely on the Town Manager to establish and inspire the process to achieve those goals... arrive at the destination. The group gathered for the Think Tank was asked to consider the characteristics that will be important to seek when selecting the right person to succeed in that effort. Please pardon the alliteration in the four themes. It just turned out that way and not at all forced. It's nice when that happens.

Summary and Themes

1. **Character:** The Town Manager will have to meet the very high standards of ethics and performance that define the way Gilbert does business. Honest, trustworthy, sense of humor, respect, transparency and the humility to delegate responsibility to help employees grow and develop.

2. **Competence:** Gilbert is a dynamic community with an ambitious vision and strong policy leadership. Gilbert needs a Town Manager will have a record of accomplishment in the field including: track record in economic development, effectively manage efficiency improvement and organizational change, understands and respects business perspective, diverse culture sensitivity, strong educational foundation, and overall a proven record in city/town management.
3. **Communication:** Internal and external communication is a key component of the Gilbert organization and a high expectation of its citizenry. The Town Manager will need to communicate the Town Council vision and listen to and understand the community voice.
4. **Creativity:** Innovation and creativity have been overarching themes for the Town Council and are included in specific directions to organizational leadership for culture formation. The Town Manager must be creative, visionary, entrepreneurial, innovative by nature, technologically savvy, think strategically, and be open to new ideas.

Comments Reported By Attendees

- Characteristics of Collin DeWitt
- Proven track record of economic development
- Thinks strategically
- Understands details but doesn't micro-manage
- Outside hire to have new perspective
- Experience and skills necessary to command competitive salary
- Honest and capable communicator
- Trustworthy with no agenda
- Knows how to manage the cultural changes occurring in Gilbert
- Able to manage Gilbert for next five plus years
- Experience with a population of 220k plus to build out
- Private industry experience
- Sense of humor
- Experience with organizational efficiencies
- Delegator
- Laughs at the Mayor's jokes
- Proven track record
- Comes from the 1-36th best cities
- Technology experiences
- Thick skin... customer service... transparency... CEO model
- Top candidates interview with my 13 year old daughter... she has good judgment
- Education... experience... innovation
- Innovative thinker
- Familiar with private industry practices
- Integrity
- Relationship with staff

- Not ego driven
- Open to new ideas... listen to people
- Private industry experience key
- Creative and innovative
- Entrepreneur
- Local hire
- Proven record of city management
- MPA or similar education
- Person of vision
- Character...honesty...integrity...transparency

Individual Suggestion Cards

Participants were allowed the opportunity to submit their own comments beyond the collaborative dialogue. The intent of this allowance was to assure that someone with an opinion different than their group agreement had a way to express his or her view(s). These are not to be read as representative of group consensus.

“Explore Town and private partnerships in developing real estate to support bio-medical research, etc. Use property tax incentives such as exemptions for the land and/or improvements.”

“I would like to recommend Mark (current assistant Town Manager) for the position of Town Manager based on his experience as assistant Town Manager in Gilbert and other cities and his familiarity with the Town of Gilbert.”

“Policy actions:

- *Maintain Town services; community services have been cut enough”*
- *Enact use fee so Gilbert businesses will no longer be at a disadvantage”*
- *Enact a low primary property tax*
- *We don’t want to or need to repeat the Mesa experience!”*

“Open discussion and evaluation of primary property tax; explore and educate benefits of a dedicated sales tax to public safety or parks; create Gilbert as a ‘destination’ city- something excellent”

“Any way to Goals & objectives with a bi-monthly schedule on recycle pick-up; pick up green yard recycle separately”

“How does the median salary of Town employees compare to other Cities?
 In what circumstances has the Town used the fund balance?
 Is it too sacred to touch?
 How many people on think tank were City employees?”

Seemed heavy on city employee side.
Wish it was more balanced.”

“Evaluate collecting green waste (yard waste, etc.)”

“I would like to see a concerted effort by the Town of Gilbert to contract support services with local professionals and businesses. This in turn increases Town revenues... it needs to make financial sense.”

“Sales tax increase of .25% voted down. The Town Council needs to revisit this and come up with an attractive possible increase that the town will adopt and accept.”

“Stop paying 3X the value for land. It is taxpayer’s money and Council has already bought 4 over price pieces.”

“Drilling”

“Increase building permit fees. Increase user fee percentages for sports and dog owners”

“Renegotiate bond rates (debt). Bulk purchase instead of individual departments.”

“What amount of money would the Town save if we went from 5.4 to say 6.4 per 1,000 citizens? How much do we expend per employee.”

“I am a firm believer that privatization of services should be explored. We should create an atmosphere where any private firm is invited into Town Hall and any Capable firm given the opportunity to present their plan to provide services.”

“Characteristics for new Town manager; the same characteristics that Collin DeWitt has used to currently manage the Town:

- *Strive to keep Gilbert’s “Town Qualities”*
- *Good listener*
- *Someone with strong financial background and strategic planning ability*
- *Understands community livability and the importance to Gilbert*
- *Technology leader*
- *Proactive management system- no micro-managing*

- *Background in economic development with primary emphasis on Bio Med/ Life Sciences*
- *Strong human resource skills*
- *Previous experiences in management of infrastructure*
- *Values community partnership and has experience in creating them*

Use Reserve fund to cover short-term deficit

- **Implement Primary Property Tax**
- **User fees must be self-funding across all optional programs**
- **Use tax – implement so other municipalities**
- **Town should “Buy Gilbert”. Implement point system biasing Gilbert Proposals**
 - o **Net to town could be higher.**

Conclusion

"Leaders can inspire towns and towns can inspire leaders", said Jim Hunt the former Governor of the state of North Carolina. Once again, the Gilbert community responded to the invitation of the Mayor to gather for the purpose of advising the Town Council on an important issue. This time the Think Tank gave input on “Shaping the Financial Future” Again, a representative cross section of Gilbert citizens gathered. The first session was an opportunity to become informed about the financial status of the Town and the way governmental finance regulations guide the process of financial management. The second session, summarized in this report, was designed to allow the well-informed participants to make suggestions regarding important components of the financial future. Gilbert is a wonderful community with an exciting future. As the Town government leadership keeps the communication flowing and the citizens stay committed to their support, Gilbert will make great strides toward the future they envision. It has been a pleasure to serve the Town of Gilbert in support of this Think Tank conversation with its citizenry.

Respectfully submitted,

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