

**TOWN OF FOUNTAIN HILLS**  
MINUTES OF THE REGULAR MEETING  
OF THE STRATEGIC PLANNING ADVISORY COMMISSION  
September 17, 2025

A Regular Meeting of the Strategic Planning Advisory Commission was convened at 16705 E. Avenue of the Fountains in an open and public session at 4:02 PM

Members Present: Chairman Patrick Garman; Commissioner Bernie Hoenle; Commissioner Paul Smith; Commissioner Randy Crader

Members Absent: Commissioner Polly Bonnett; Commissioner Joseph Reyes

Staff Present: Town Manager Rachael Goodwin; Deputy Town Clerk Angela Padgett-Espiritu



**TOWN OF FOUNTAIN HILLS  
SUMMARY MINUTES OF REGULAR SESSION  
OF THE STRATEGIC PLANNING ADVISORY COMMISSION  
SEPTEMBER 17, 2025**

**1. CALL TO ORDER**

Chairman Patrick Garman called to order the meeting of the Strategic Planning Advisory Commission at 4:02 p.m.

**2. ROLL CALL**

**Members Present:** Chairman Patrick Garman; Commissioner Bernie Hoenle; Commissioner Paul Smith; Commissioner Randy Crader

**Members Absent:** Commissioner Polly Bonnett; Commissioner Joseph Reyes

**Staff Present:** Town Manager Rachael Goodwin; Deputy Town Clerk Angela Padgett-Espiritu

**3. STATEMENT OF PARTICIPATION**

**4. CALL TO THE PUBLIC**

No one spoke

**5. REPORTS BY COMMISSIONERS**

**GOODWIN:**

Provided an update on the current strategic plan review, noting that she and Vice Chair Yazzetta had been coordinating by email. Staff are working on gathering updates and will share a timeline soon, likely via email. Mentioned other pressing priorities at the staff level but confirmed progress is being made.

**CRADER:**

No updates to report.

**SMITH:**

No updates at this time.

**HOENLE:**

Reported on three topics from the Arizona Alliance for Livable Communities:

Parking Day – September 19, in downtown Phoenix, where metered parking spaces are creatively transformed to show alternative public uses.

Week Without Driving – September 29 to October 5, encouraging people to try not driving for a day and report barriers to participation via a website.

Active Transportation Planning Initiative – A long-term, 20-year, \$800 million plan to improve transportation, mobility, and public transit efficiency.

**YAZZETTA:**

No updates to report.

**6. CONSENT AGENDA**

No items scheduled

**7. PRESENTATIONS:**

No presentations scheduled

**8. REGULAR AGENDA**

- a. **DISCUSSION AND POSSIBLE ACTION:** of Future Strategic Plan Signature Strategies with Chief Financial Officer Paul Soldinger
1. Artificial Intelligence (A.I.) Integration
  2. Alternate Funding Support for the Town
  3. Budget Planning Strategies

**AI Integration:**

The town adopted an AI use policy in 2024. It currently uses AI through Rentalscape (to detect unlicensed short-term rentals) and ClearGov (for automated budget reports). These tools have improved efficiency and compliance. Officials discussed expanding AI use for public transparency, predictive maintenance (roads, parks), permit reviews, and a more functional website chatbot ("Misty").

**Alternate Funding:**

The town's revenues come mainly from local sales tax (55%) and state-shared revenues (30%). Additional funds include permits, leases, fines, and investments (\$2.4M earnings). While Fountain Hills avoids debt, the council may consider pledged revenue bonds for infrastructure. Other ideas included grants, crowdfunding, community foundations, and stronger ordinance enforcement. The town invests heavily in the state's Treasurer's Pool 7 for steady returns.

**Budget Planning:**

Fountain Hills uses a base-budget approach, starting from the prior year's funding and adjusting for new priorities. Departments submit supplemental requests annually. Officials discussed exploring priority-based, social-based, and programmatic budgeting to align spending with demographics and community strengths. The town's stable but limited population affects its share of state-shared revenues.

- b. **UPDATE:** from the Commission Work Groups

During the commission work group update, Vice Chair Yazzetta reported that the next community input workshop for the strategic plan tasks is expected to take place in January or February after the holidays. Chair Garman asked about the current plan's implementation status and timeline, noting the importance of identifying what has been

completed, what remains in progress, and which items may no longer be pursued. Yazzetta confirmed that staff are continuing to work through the implementation and that updates should be ready before December. Goodwin agreed that this timeline is reasonable, and the group acknowledged that progress varies across different strategic objectives.

c. **DISCUSSION AND POSSIBLE ACTION:** Future Agenda Topics

d. **COMMENTS FROM THE CHAIRMAN**

**Agenda items c. and d. combined:**

Chair Garman concluded the meeting by discussing agenda items for the next month, noting that although three topics had taken an hour and a half this session, additional strategic strategies still need review. The focus for the next meeting will be on infrastructure, with three key areas identified: roads, irrigation systems across the town, and multi-use public/private facilities—exploring how town-owned properties are used and potential future applications. Chair Garman invited members to suggest additional infrastructure-related topics if needed and emphasized improving time management for the upcoming session.

e. **UPDATE:** Next Regular Meeting is Scheduled for October 22, 2025

## 9. ADJOURNMENT

**MOVED BY** Commissioner Bernie Hoenle to APPROVE adjourning the meeting of the September 17, 2025, Strategic Planning Advisory Commission Meeting, **SECONDED BY** Vice Mayor Geoff Yazzetta

Vote: 5–0 | motion passed unanimously

Chairman Patrick Garman adjourned the meeting of the Strategic Planning Advisory Commission at 5:30 PM

Post-Production File

**Town of Fountain Hills**  
**Strategic Planning Advisory Commission Meeting**  
**September 17, 2025**

Transcription Provided By:  
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GARMAN: I'll call to order the Fountain Hill Strategic Planning Commission meeting for September 17th, 2025.

Angela, could you start us off with the roll call?

PADGETT-ESPIRITU: Sure. Thank you.

Chair Garman.

GARMAN: Here.

PADGETT-ESPIRITU: Vice Chair Yazzetta.

YAZZETTA: Here.

PADGETT-ESPIRITU: And Commissioner Bonnet is absent.

Commissioner Crader.

CRADER: Here.

PADGETT-ESPIRITU: Commissioner Hoenle. Bernie. Is that a here?

HOENLE: Here.

PADGETT-ESPIRITU: Oh. I'm sorry.

And Commissioner Reyes is not here yet.

And Commissioner Smith.

SMITH: Here.

PADGETT-ESPIRITU: We have a quorum.

GARMAN: All right. Thank you.

Do we have any call to the public? Any questions submitted? Comments?

PADGETT-ESPIRITU: No, we do not.

GARMAN: Nope. Okay. Then I don't have to read the statement of participation.

Okay. So I think then we can skip down from two. We can skip down to Agenda Item 5, which is reports by commissioners and the town manager.

And Rachael, you missed the last meeting, so I'm going to start with you.

GOODWIN: Yes.

GARMAN: If there's anything you wanted to talk about today?

GOODWIN: I don't have a whole lot of updates for you. I will share -- I know that there was a request for an update on the current strategic plan and where that's at with -- at

the staff level. Geoff and I were emailing a little bit. He forwarded that to me. So we were working on that -- those updates at a staff level, and we'll get them back to you. I'll get you an idea of a timeline on that. I'll probably send that out via email. We have a couple of other timely things on the plate. So I want to make sure that we allow adequate time for us to kind of go through that as a staff. Outside of that, if there's questions, I can answer. That's probably the best update I have for this group right now.

GARMAN: All right. Thank you.

Randy.

CRADER: Nothing on my end. Thanks.

GARMAN: Nothing. All right. Paul.

SMITH: None that I had right now.

GARMAN: Nothing now?

SMITH: Not right now.

GARMAN: Bernie.

HOENLE: Three things came up this morning on the Arizona Alliance for Livable Communities. First one is parking day, and it's going to be September 19th. And they got a second and third street down in Phoenix. And what they do is they -- it's a worldwide event. They decorate the parking spaces for the metered parking to show what can be done if you just had that much square footage. Some turn them into beachfront, some turn them into chalk art. There's all kinds of different things that they do. So it's something to go down and see if you get a chance.

There's a week without driving and it's the 29th of September through the 5th of October. And the whole idea is to see if you can last a day without driving your car. And if you can't make it, jot down a reason why not. And they've got a website they'd like to figure out why you couldn't do one day without driving a car. It's pretty interesting. It's -- at least I can ride my bike that day.

And then finally, and I did send a copy of the slides from the active transportation planning. It's kicked into high right now. And it's a 20-year look for about \$800 million. Taking a look at revamping transportation and mobility for individuals to -- as well as

public transportation to try and tie it all together and see how it can make it more efficient, more economical. And I did send a copy of the slides. That's it. Thanks.

GARMAN: All right. Thanks, Bernie.

Geoff.

YAZZETTA: Nothing on my end. Thank you.

GARMAN: Nothing.

All right. Angela.

PADGETT-ESPIRITU: No, nothing on my end.

GARMAN: Nothing.

Okay. Then we can move down. We don't have anything on Agenda Item 6 for the consent agenda. I guess that's an agenda item we have to put this year, right? Angela?

PADGETT-ESPIRITU: Yes.

GARMAN: But nothing there. We don't have a presentation scheduled today. Today's the day we're scheduling to discuss tasks underneath strategic initiatives that we worked out in our June workshop. So nothing on the presentation today. I know Paul is here to help us with our conversation today and help us work through a lot of the issues since we are talking about finance today. So thank you very much for being here by the way. So we're going to move on to the regular agenda. If you noticed, one of the things we've skipped is the minutes from last month. The minutes aren't ready yet. They should be ready though within the week, right?

PADGETT-ESPIRITU: Yeah. Correct.

GARMAN: Right. So we'll probably next month, you know, be approving the minutes from last month and these minutes as well. Right. Okay.

Okay. So we're going to get right to the heart of our meeting today, which is great. The regular agenda, Agenda Item 8, which is down to a discussion and possible action of the future strategic plan signature strategies with Chief Financial Officer Paul, Paul Soldinger, right? Is that good enough?

SOLDINGER: That was.

GARMAN: I'm from the Midwest. I squish it all together.

SOLDINGER: I think, Chair, I think it's technically pronounced [Sol-ding-er], but I've been pronouncing it [Soh-lin-er] since I can remember. I think I don't like the way Soldinger sounds so, but either way is fine.

GARMAN: Thanks. So I'm going to set the table. First, we're going to ask Paul how we're using some of these things. Like we have three to go over and each one of them -- I'll probably start with you, Paul, to see maybe what we're doing right now, and then start giving people a chance to talk about each issue.

If you remember, I sent out that really fancy PowerPoint which, when you try to print it, all my arrows and stuff go all wonky. But underneath the strategic pillar, we started out with finance. So that's what we're talking today, finance.

Underneath finance, during the workshop in June, we kind of hashed out some signature strategies and we picked three of them. I sent those out in an email to you all earlier in the month.

And the three strategies underneath finance, things to talk about are AI integration, alternate funding support, and budget planning strategies. And what we're talking about today, we're going to go through each one of those in turn. And we're going to talk about -- we call them tasks or strategic tasks, supporting tasks. And they have to be measurable. They have to have, you know, who's going to do it. What's the timeline? Is it doable? What's the cost? Is it something that we can get done in ten years? In five years? And of course, is it worth doing?

But think these tasks get down to the nitty gritty now, down to the tactical level. We're actually talking about things that get done on the ground over the term of the next strategic plan. All right. That's my minute elevator speech on where we are today. So we're going to start off, the first one under finance was the use of artificial intelligence for our town. Understanding the different -- what I want to call it, generations that you see sitting up here. Sometimes I hear talk about AI, and it's difficult to grasp. But you know, it's like when people talk about billions and trillions. You can't really get your mind around what that looks like, but it's growing exponentially for sure.

So before we start talking about maybe some of the tasks, the nitty gritty tasks that we can do related to artificial intelligence. What's the town doing now? And some of the things that we're doing and maybe any plans for the future?

SOLDINGER: Yeah. Absolutely, Chair and Commission. So just to kind of point out, first off, I'm not sure if you all are familiar with the policy that the town implemented last year. I meant to print out a copy of it and bring it. I forgot. I apologize. I think it was April of 2024. The council adopted an AI policy for town staff.

And essentially, it mirrors what some of the other municipalities have done with that type of policy. Basically, staff are allowed to use AI within the constraints of our responsibilities, but to be careful, obviously not put confidential information through AI. And to your point, Chair, I like to call myself an elder millennial. So even for me, it's a little bit challenging. I've been slower to adopt it even in my personal life. I think more recently -- it's funny. My mom, she's really been getting into ChatGPT and Google Gemini. So she's been the one pushing me to use it more in my personal life.

But in our work, we are finding ways to use it. They really have come in the form of contracted tools that we're already using or have been looking into using that have started to implement AI to make our jobs easier. And there were two that I wanted to kind of point out to you today.

The first one I'll start with is in the budget book, short-term rentals. So part of my division's responsibility is we have the permitting process for short-term rentals in the town. We also monitor the compliance with those requirements. And so the ordinance was put in place in late 2023. Also similarly, statewide kind of initiative to put some sort of regulations around short-term rentals in municipalities.

So we started the process back then, before I started looking for a software to help us with this because as you can imagine, it's a challenging to figure out where short-term rentals might be in the town and how they're operating and things like that. So we had some challenges with that process.

We did implement a new system. We started with an old system. It didn't work out so great. We just implemented a new system called Rentalscape through Deckard

Technologies back in January of this year is when we fully implemented. It was about a two-and-a-half-month period to implement that. It's worked out quite well, I would say. And really the whole basis of the software, it's a permitting software, but it uses AI technology to identify noncompliant short-term rentals.

And so what it basically does -- I can't actually show it to you because it includes confidential information on the dashboard. But what it basically does is it scrapes through all the Airbnb, Vrbo ads, and it identifies and cross-references pictures and information ads to actual Maricopa County assessor data to identify where the location is of the short-term rentals.

So for example if you go on Airbnb, you want to rent a property for a weekend away with the family. It's not going to tell you the specific address. It's just going to give you a general vicinity. Well, this software will identify the specific address of the property for you based on the ad information. And that gives us the tools to say, hey, this short-term rental hasn't been permitted. It hasn't gone through the application process. It's not following town code.

So it's worked quite well. Since implementation, we do -- there have been bumps in the road, I will say. We have to send out warning letters. We've had some issues with -- some of the warning letters have gone to a neighbor of a short-term rental by mistake and things like that. We've had some people complain.

But when we started, we had about 106 short-term rentals permitted through the town through our old manual process. And now after eight months, we're up to about 160 to 170, so almost a 60 to 70 percent increase.

And we have a lot more data now. When we first implement, we thought there might be 350 to 400 short-term rentals in our town. But a lot of that seemed -- we kind of learned through the process that a lot of that's duplicate information, or there are a lot of people that use short-term rentals for maybe three or four months out of the year and then live there. They come to town and live there.

So once those ads are turned off, we're just seeing that that 400 number kind of duplicated those numbers. So the true number is more like 220 to -30 in town. So we

feel pretty good. We're at a place where we're about 65 to 70 percent of the short-term rentals in the town that are active are permitted currently. And we continue to work with our code enforcement staff.

We've actually -- I don't know. I guess it depends on the lens you look at. But I think a good thing for the town is we've been doing a little bit more work with code enforcement to provide citations to some of these noncompliant short-term rentals and things like that, so yes.

Chair, do you have a question?

GARMAN: Did you say there was a second way of using AI too?

SOLDINGER: Yes.

GARMAN: Short-term rentals?

SOLDINGER: Yes. Short-term rentals. And then the budget book, I was going to say. So the budget book, this is something we're not required to do, but we do it as a best practice. And we use ClearGov. It's on your screen. It's a software where -- that we use for our entire budget process. We work through all the staff and we kind of discuss all the different components of the budget.

And there's a couple of AI tools that have been implemented starting this year. And really, the main thing that has saved a lot of time for us is the descriptions. And I was just going to show you a couple examples.

So throughout the budget book, you'll see lots of -- well, number one, the charts.

They're all automatically generated. I don't know if that's AI or more data or software driven. But you're going to see on about 150 out of 300 pages, tons of summaries of data and explanations of the increases and decreases of the budget. And a majority of this was AI automated this year. You basically click a button, it looks at the chart, and it creates a summary for staff.

And all we had to do with that is just make sure it was accurate and modified a little bit, add a little bit more explanation. It probably saved us a good 10 to 12 hours of our time preparing the budget book this year. So in general, it was a good time-saver. And they also -- the other thing I will say is they have a -- the reason we do the budget book is it's

a best practice by the GFOA, which is Government Finance Officers Association. And they grade your budget book every year and you can get a budget award, which we've gotten for like 29 straight years.

And so they've also -- ClearGov has also implemented an AI tool to automatically grade your budget book based on that criteria. It takes about five minutes. You upload a PDF into the tool and it gives you a grade based on the criteria.

And so we did it this year before we submitted it. And it said that we had a 98 percent likelihood of receiving a passing grade from the GFOA. So again, just things that we didn't necessarily do, but our contracted tools have done and implemented for us to make our job easier.

GARMAN: Right. Thanks for that.

Anybody wanted to bring up any questions, topics on AI use?

CRADER: Just on the usage of this. Is there a way for like, an API to be built into, like the town web page or anything, just like a status of expectation revenue versus budgeted or actual just to give a level of transparency for people who are like, where's our streets fund compared to where we are eight months into it? Is there a way that you can take what you've already built and make it more easily digestible or accessed?

SOLDINGER: Chair and Commissioner, that's a really good question. So ClearGov does have a transparency center that we do have. What we haven't utilized maybe to the full extent, we could. The problem with that for this software is it doesn't automatically interface with our financial data.

So we would have to -- what we do do in the budget book, you'll see that it shows the actual revenues versus projections. So this is for the streets fund just like you mentioned. We projected 4.4 million of revenue, but we brought in 5.2 million of revenue. So it shows the actual. But with this software that we're currently using, we have to wait until the end of the year is closed before we do that process. So it is kind of here, but it's not something that can be updated throughout the year.

GARMAN: Yeah. So in my research before the meeting, we -- this was listed under budget planning strategies instead of AI, which is interesting. Remember our last -- or

our current strategic plan has transparency, financial transparency, which I think we're talking about. But back then, we talked about having meetings. The town would have a meeting every so often so people could come in and actually see and get briefed on the budget. And then nobody really shows up to those meetings, but they're having them, which was part of the strategic plan.

This says that, you know, through the use of -- through the website, whether it's AI or whether it's something else, a lot of that information that's appropriate, that's transparent, can be just put on the website and you can just tell people, you know, you can go to the website and look for this or that. So I kind of put that under transparency, under financial transparency. So I think that is definitely doable. I don't know if you've heard of that.

SOLDINGER: So Chair and Commissioner, we have an OpenBooks portal through the Department of Administration. It doesn't have, like, pretty charts like this where it's easy to digest, but you can --

GARMAN: Like dashboard?

SOLDINGER: Yeah. It doesn't have a dashboard like this. I can show you that too. I have to try to remember where we keep it on our website, but it is something that a lot of municipalities do through the Department of Administration. You're going to have to give me a minute because I'm going to be blindly navigating.

GOODWIN: Everything you just showed up there through, ClearGov, our budget book is accessible through the website. You can click on it and get to those. The same thing that Paul just pulled up. So you can kind of -- so there is that transparency level. It's just a matter of people taking advantage of it, I think.

SOLDINGER: Well, let me throw in something too. And I'm sorry. You guys could tell -- I spent way too much time on this last couple weeks. I don't know what that says about my job, current time. But a website that has an AI chat bot. So you just -- so it makes it easier when you go to the website. Do you have one?

GARMAN: Just --

SOLDINGER: Because I go to your website, I haven't seen like the little chatbot that pops

up saying, can I help you?

PADGETT-ESPIRITU: Misty.

GARMAN: It's right here. What's it called? Misty.

GOODWIN: Misty.

GARMAN: Yeah, we just implemented a few months ago.

SOLDINGER: So wouldn't that make it -- wouldn't that? By the way, who picked that name, I guess. Did you pick that name?

GOODWIN: I did not pick (indiscernible). I take the responsibility. Misty is not a functional bot today. She's at a spa day.

SOLDINGER: Oh.

GARMAN: Oh.

GOODWIN: That's why I'm not happy with it right now.

SOLDINGER: Okay.

GOODWIN: Yes.

SOLDINGER: Well, let's see if it works right now. It doesn't look like it. But does it -- I mean, how much does that pull together if somebody's -- you know, what did we spend on the roads last year in Fountain Hills? Would it --

GOODWIN: It would take you --

SOLDINGER: -- Misty would say.

GOODWIN: -- you to that OpenBooks link. It doesn't -- because then it takes you to a separate website at when -- you would leave the town website at that point. Misty doesn't scrape beyond that.

HOENLE: May I talk?

SOLDINGER: Yeah. Yeah. Yeah.

HOENLE: So what you're getting into now is, where is the data? So wherever you put that interface to pull the data from has to have access to it. And the whole idea about using a chat, whatever brand it is, is how you ask the questions. Because it's not just the Super Google. You can ask the questions and keep adding parameters to get what you're looking for and you can even ask it to tell you how to do that job. How to plan

better. What should I include in it? And then it'll tell you some of the parameters. So that's the power of a chat function over just a straight search, but you have to have access to the data. It has to be within that network. It can be public. It can be classified. It can be internal to a classified. It can be private information, commercial, proprietary. But that also means, you have -- that whatever that interface has, has to have access to that data.

SOLDINGER: So here it is right here, Chair and Commissioner. This is something we do have on our website, but I acknowledge we could do a better job of highlighting it. It does include all our data. It's just I think it's a little overwhelming for certain people to read, but this is updated. It's updated manually, but pretty much every two to three weeks by our IT staff.

So this is a portal run by the Department of Administration that we're a part of, and we upload all our data. And I know certain residents and councilmembers use this portal to kind of ask questions. I think the easiest function is if you want to see expenses by vendor -- you can do it by fund, too, just to your point, Commissioner. I don't use this that often, so bear with me. So you see this continuing to grow and --

GOODWIN: I went to ClearGov and the more we've tried to leverage them sometimes, again, because it's a third-party operator, you know, what they make available to us. And frankly, sometimes it has to be a smart investment for us to use the different tools, right? If it if they have a whole suite of things that we can't necessarily leverage, we will try to pick and choose those that we can afford that make the most sense for transparency's sake and for the staff workload, frankly.

GARMAN: Geoff, did you --

YAZZETTA: Is it possible to create a tutorial for people to use who may not be like data driven? So we provide access through this link. They look at this and say, I don't know what I'm looking at. Is there some way that we could just teach them like, here's what we're looking at?

HOENLE: Ask the bot to tell you, and it will.

GOODWIN: The bot doesn't go to the page support.

YAZZETTA: Yeah. I'm just thinking because we have the budget road show. Are we still doing the two meetings annually? Okay. So you know, I think at least having one of those is good open to the public. But the 364 other days out of the year, everyone can go to the website if they so choose. It's available to them and just maybe having a tutorial that would help make it more accessible just kind of an outside thought. I do have another question about AI use. Would it be possible -- say I am going to apply for a building permit. Is there an AI tool -- I know a lot of permits get kicked back because they're incomplete. Is there an AI tool that could be used where there's like an initial review before I click submit, which then puts it in the stack for development services to review? It would come back to me before -- because if I submit my permit, it's incomplete. It's going to take some time to review it. Then they're going to kick it back and say, well, you got to submit this as well. And you have to start the whole process again.

I'm just thinking maybe there's a way to capture that before -- so the first time you submit your permit, everything is at least complete before they redline it.

GOODWIN: And I would argue that's probably under a different department than what Paul oversees. It's probably --

YAZZETTA: Yeah, it's probably a John Wesley thing. Yeah.

GOODWIN: Yeah. But before that (indiscernible).

YAZZETTA: Okay. Well, got it on the public record today, so.

SOLDINGER: Well, I will say Chair and Vice chair, we have a business license software that we use. I think we're a ways away from that. We've seen even with the short-term rental compliance; we do have received applications. And the ones that we work with, I don't see any capabilities like that at this point. Probably on the opposite end of the spectrum where applications are being submitted without complete documents that are supposed to be required through the process. So I think they're probably a ways away. All the ones that were contracted with.

YAZZETTA: Sure. Sure. And this Rentalscape, that's its own contract? You guys apply or purchase a license that's an annual purchase, I'm guessing, or recurring purchase. I'm

guessing that each one of these little AI tools is its own contract and license for use, right, because that's something like maybe consider is how those add up. It's like you just have Netflix and Hulu and HBO, and you used to -- it just adds up over time. So I'm wondering if maybe in the future, there's going to be some company that creates kind of like an inclusive tool that can analyze building permits and budget data and constituent maintenance requests for example. It may be a ways off but just something that might occur.

GARMAN: Well, I would like to bring up that this is -- we shoehorned this under finance, but it really probably touches on everything and all the way across. And that exists which you're saying, Geoff. And it's just going to get better in the future. In other words, you log into this website and then chatbot says, what do you need. I want a permit for short-term rental. Okay. Fill this out. Let me help you. What's the address? How old are you? What's the short-term? You just put in what it says and it's like, okay, here it is. It's complete. Can you put your signature on this? Okay. We'll submit it and get back to you in a day or two. And it walked you through it all. You don't have to sit there and look at it. That already exists. I don't know if it exists at Fountain Hills, but it already is. Yeah. I'm not talking out of my --

SOLDINGER: No Chair, Vice Chair, I would just respond real quick and say, yeah. We don't have that. It's a good point. We do have different subscriptions with all these different software. And I know there are some companies that I've heard are trying to do a lot of these things, but from my experience being here, we've picked specific software because they were better than the other ones in certain areas and they kind of fit our needs. It would be great if we just had one system. I know Councilman Watts has brought that up to me personally a couple times. And at this time, it's not something that's even possible.

YAZZETTA: It just doesn't exist yet.

SOLDINGER: Not yet.

YAZZETTA: Yeah.

SOLDINGER: If a company builds one that works for us, that would be great.

YAZZETTA: Sure. Thank you.

SOLDINGER: Yep.

GARMAN: Paul.

SMITH: Well, Geoff had some of my ideas already, so I think that's perfect. The thing is about AI just in general -- and I'm probably the oldest guy up here so I can speak from -- I'm just now learning how to spell AI. But if there was a way to where a discussion with the staff about communicating with AI, I think it would have a tendency. We used to call those discussion groups. We'd get together with discussion groups. And so what I've been doing this last week is I've had a discussion group with AI, and we talked back and forth. And I put my stuff in and oh, that's really a good idea. Well, thank you, you know, kind of thing.

But my whole point about this is the fact that it opens your minds. It opens every person on the staff if they just got used to using and talking about it. It just opens your minds to things that you didn't think of.

And for example, like, I don't remember because my printer was broken. I didn't bring it. But I had asked, I said, what can the town do to keep enhancing the safety for its citizens? It gave me a whole list of things that maybe we're doing and maybe we're not, or maybe we can't. But at least it opened my mind to different ways and different things of doing it.

And I started thinking about that, and I started thinking to myself, that's just introducing. We're still introducing ourselves to AI, I think, any of us and where it's going. But I think that in itself from a staff standpoint would be very advantageous to the group. It would really open up a lot of minds.

GARMAN: I appreciate that.

Any other comments? I have a few more to think about here. Predictive analysis for resource allocation. In other words, using AI to go back and review what has been, what we've done, where we've allocated resources in the past, and to give an estimation on where we might best allocate resources in the future. Only it's -- AI does that by looking back at everything that's been published or everything that we have in our databases.

That's how it's used. I don't know if you've heard of that.

Everybody seems to have a program, a software, this or that. But there's certain AI programs out there that unify all of that and can give you permission or predictions year-to-year to help minimize waste or minimize overallocation or underallocation in certain areas.

Any discussion? Is that the -- quiet.

I could see it being useful in, like, predictive maintenance and upkeep in the capital assets or physical assets for this -- for the city or for the town. I know I think there's like -- there are tracking tools that you could look at water usage and things like that that we might be able to explore. I don't know any of the software off the top of my head, but I'm sure someone's doing it.

SOLDINGER: So my last one on here, not my last one, but predictive maintenance. It can look at what we have, maybe Parks and Rec or other infrastructure and predict repair schedules. So you might have that somewhere, but it could tell you when you're going to need to look at this and look at that and help guide the future as far as repair scheduling.

GARMAN: Yeah. Geoff.

YAZZETTA: I think that would be good for road maintenance because road maintenance is largely reactive. And any way that we can get ahead of that for the long term, I think that would be something worth exploring.

HOENLE: Yeah. Before we move on --

YAZZETTA: If we're not doing it already.

GOODWIN: That's exactly what we do. We hire a company for their AI and their data analysis and all of that.

GARMAN: The last thing Geoff hit on this, too, was on my list, faster application processing. So all the applications that come in can all go in through an AI program where you have -- Misty talks you through all of the applications, whether it's, hey, I got a -- or fee payments as well, have an online -- do we pay online now all of our like if you get a parking ticket or something you can pay online?

GOODWIN: Unfortunately, we don't write tickets, but to your point --

GARMAN: Unfortunately or fortunately?

GOODWIN: I wish, sometimes (indiscernible). But to your point, yes, you can apply for a business license. You can pay your permit fees. You can rent a Ramada. You can sign up for a class. You can do all of that online.

GARMAN: Yeah. Right. And usually all of that can be brought together, especially kind of in the population of Fountain Hills where you can kind of come into, I'll just call it a website. And Misty says, what do you want to do today? And you, I need to pay for a Ramada, excuse me, on the lake. And that just pops up and you just fill out the application and you can pay right there, and it's all done. You don't even have to interact with a human.

All right. All right. Anybody have anything else? Go ahead.

CRADER: The website that we use for the town, that's a template that is from a company, I'm guessing, right, because I've seen other towns use a similar template. Where did Misty originate, that app? Is that something that we added on, or is that through that company that did the website?

GOODWIN: Good question. So yes. So you have the website, which is -- I cannot remember CivicPlus. Thank you, because we have CivicRec and we have CivicClerk. And then Misty is a city bot tool that is embedded into the website. So there are two separate functionalities, which is partly why they're not getting along right now.

CRADER: I see. I got the wires crossed.

GOODWIN: Arguably, yes, which totally off the topic I go -- the CivicPlus provider is a massive provider in the municipal space, so we're not using some one-off kind of basement company --

CRADER: Sure.

GOODWIN: -- which is why I don't understand why CivicRec is having -- or they're having that interface problem because, again, it's not new software. There's nothing been changed. So we're dealing with that obviously on the back end. And technology is great as long as it works, obviously, so that is one of the stumbling blocks. So when

something doesn't work, we don't have the predictors. How then are we going to make sure and underpin what we can do, which is also frustrating for the community. If you try to pay for your Ramada and you go, well, I can't, and I go, well, you got to do it online. And they say, well, I can't. Your online is broken or something's offline. And I go, well, if it's offline for you, it's offline for me. And I can't do it. I can't process it either. Right?

So I don't want to get so far to that point where we can't then provide the services we need to have and solely through one functional space if that space goes down for some reason. And we have had that situation and we do have to manage through that, but technology is great as long as it works.

CRADER: Indeed. Thank you.

SOLDINGER: And our website is being redeveloped, and we have a brand-new website coming out in two and a half weeks.

GOODWIN: Yes. It's not a new website. It will still have the same content. It will just have a refreshed look updated, more, I'll say, modern features, some reorganization to help for usability and things like that. But it's not a content. It's not like a wipe clean and start over. So yeah, it'll be a little refresh that we do. Yes. I think you're right. I think early October.

SOLDINGER: Yeah. October 2nd or 3rd.

GOODWIN: Something like that. Yeah.

GARMAN: All right. I don't see any red lights on. So I was going to move on to the next topic, keep us moving along. We can always go back and you can still talk about AI if something comes up in the remainder. But the next one can be a robust discussion as well. It is alternate funding for the town.

When I say "alternate funding", generally, you know, other than taxes. Taxes can be a broad term, too. But what are -- we just put alternate funding, I guess. I don't want to define it for folks. Let's hear what folks have to say. And I won't try to define it down anymore.

But I mean, get the ball rolling. What's some of the income that we have for the town

other than sales tax or tax that we bring in?

SOLDINGER: So Chair, we bring -- so a little more than half of the town's money or revenues come from local sales taxes. Another large portion are from state shared revenues. I believe it's 30 percent of the town's total money. So right there, from those two sources, it's like 85 percent of our money.

And with state shared revenues, part of that is sales taxes just coming from the state's portion. We also do get specific HURF monies, which is the gas tax that we receive for streets purposes, about 1.8 million a year, and we get vehicle license taxes.

That's actually a revenue that can be really put anywhere the town desires. Right now, we put that in the streets fund to support the road repairs. We also get a share of state income taxes that goes in the general fund.

So right there, those two revenue sources, that's 85 percent of our revenues. This last year we brought in \$37 million. So right there, there's about \$5 million of other revenues coming in through various sources. Kind of hard to go down the line.

We do receive, you know, like we're talking about the Ramada rentals, the community center rentals, the municipal court brings in fees and fines through the citations and things like that. That brings in about \$210-, \$220,000 per year. So lots of little minor revenue sources here and there is where we get our revenues.

So I guess that answers the original question for the most part, but we can dive into it more, if you'd like. In the budget book actually, now that I have it up. If you'd like to go there, I could send you this. We actually have a section for all our funding sources, all our revenue sources. So number one being local sales tax, state shared revenues down the line, licenses and permits like the building permits, development permits, development impact fees.

We had a long conversation about that last night. We bring in 4- or 500,000 a year in that revenue. Currently, with the fees probably going up three times, we might be bringing in \$1- to 1.5 million a year based on current development.

We have some leases, cell tower leases. The fire station has the lease for the ambulance service. So all these little things here and there is where we bring in the

revenues to the town.

Investment earnings right there. We've been doing well because of a high-interest rate environment. We brought in 2.4 million of investment earnings last year with -- I mean today the Fed lowered rates. So with that, you know we're going to start seeing diminished returns a little bit, but we're still doing pretty well. We have a long-term investment portfolio as well.

HOENLE: How aggressive is the town getting grants?

SOLDINGER: Yes. So Chair, Commissioner, we do get some grants. We don't get a lot of grants comparable. I mean, I would say for a smaller municipality, we do okay. This last year, we brought in, I want to say \$600,000 worth of grants. And most of that was for a restroom at Four Peaks Park. That was a little over \$500,000, and it was through the State. And there was another portion of that grant from another -- I can't remember the other funding source.

We do try to apply for grants as we can. Really that either goes through community services. Public works does some related to some construction projects. So there's some in the pipeline.

We're actually -- this isn't really a grant, but the prop 479 monies from MAG, Maricopa Association of Governments, they have this big transportation plan. Part of that plan, there's a tax that the County manages, and a lot of that will fund some of the road work we're going to do on Shea Boulevard.

So that is a significant amount of money that will come to the town in the next year or two, as we do that project. The MAG is going to pay for -- if it is a 5- or \$6 million project, MAG is going to pay for about 4 million of that. So we will bring in a lot of technically grant money this next year or two. But typically, it's lower 500, 600 or even less.

But I know I tend to talk a lot, but now that I'm thinking, in the pandemic recovery, we did get a lot of money from the federal government in the form of grants. For the pandemic recovery, we got about \$8.4 million, which really helped the town quite a bit just about three to four years ago.

GARMAN: Let me turn on my speaker. So do we participate -- I know Arizona has -- remember, I'm not an expert, so I'm just throwing stuff out here. But do we participate in Arizona's, I'll just call it a local government investment pool, where small towns can all pool their money and invest it and get interest back from that. I know Arizona has something like that. Do we participate?

SOLDINGER: Yes, Chair, we do. Sixty-five to seventy percent of our investments are in that pool.

GARMAN: That's the pool?

SOLDINGER: Yes, it's a short -- there's two kind of pools that people talk about, Pool 5 and Pool 7. We're in Pool 7. We have about \$35 million invested with the State treasurer's investment pool right now. We like that allocation. Because it's short-term, it's easily redeemable. We can get the money in our accounts by tomorrow if we redeem it today.

And we basically get a dividend every month on that. Right now, even with rates dropping, we're at about 4.3 percent annual return currently. Obviously, that's going to go down a bit, but we're doing quite well in that investment pool. And so just the other part of our investments is our long-term investment portfolio, which is about 14, 14-1/2 million at this point.

GARMAN: Do you think that would be good for the minutes that you guys know?

GOODWIN: We're just talking about grants and --

GARMAN: Yeah. That's always a good idea.

GOODWIN: -- (indiscernible).

GARMAN: Last time -- I mean, we were talking about putting in a strategic plan to hire a person just to look for grants and stuff. That was --

CRADER: Yeah. (Indiscernible) my question, why haven't -- why aren't we more aggressive about doing it? And is AI a potential solve for some of that from a time resource allocation perspective?

SOLDINGER: Yeah. Chair, Commissioner, that's a good idea. So we did -- since I've been here, we applied, from the finance perspective, for one grant for the second time. We

were turned down the first time. So we're still waiting. It's called the Assistance to Firefighters Grant. So we're trying to get \$500,000 to replace some critically needed equipment for the fire department.

We should hear any day now, so I'm hoping to have good news. But basically, I think that's a good idea. We didn't use AI in crafting the application last time. I think it would be a good idea to do that this year because it does take a lot of time, and it's like several staff members that are involved in meetings to discuss what we want to include.

And I do use AI for my own, like legal research before I go to the town attorney sometimes because I do my own research and it's very useful. You just have to fact check it. So I think in this case, that's a really good suggestion to use AI to help craft the application because it can automatically review the criteria of the program and help us do that. I think I'll definitely try to implement that going forward.

GARMAN: Who decides how much you put into the pool investments? Like how do you decide how much you put in there every year?

SOLDINGER: So Chair, we have a policy number one that dictates -- it was adopted by council, I want to say 2016, 2020, maybe the most recent one. It kind of dictates the maximum amount or the percentage of our investments that can be in certain investments, like corporate bonds and things like that.

But really, it's just been our practice since I've been here, and I've continued it keeping about two-thirds of our money in the investment pool. It's done quite well for us in the high interest rate environment. But I'm basically the one that makes the investment decisions on a day-to-day basis in accordance with the policy. We work with JPMorgan in a passive management role. So they kind of give us advice like, hey, you should look at this bond or this, but it's really my responsibility to do that.

GARMAN: Do we have the ability to issue our own municipal bonds or do we do that?

SOLDINGER: Yes, Chair. We do have the ability to do it. We had quite a long conversation.

GARMAN: Rachael, you looked at me like I was nuts.

SOLDINGER: It's kind of a bad word around here, right?

GARMAN: Is it?

SOLDINGER: Well, it can be. So we had a long conversation with council, I want to say December 5th at the first work session after the new councilmembers were seated about road work and possible bond options. One thing that's discussed in this -- oh, go ahead.

GARMAN: Sorry. Before we go down. So I'm not talking about like, a voter approved bond. I'm talking about a municipal bond that I can invest in, that I can tell my 401(k), hey, buy some shares of Fountain Hills municipal. It's going to go up, I can tell. Or you know, that was a joke, but that's what I'm talking about, a municipal bond.

GOODWIN: Right. We don't have any debt out there. We were one of the few towns that actually has no bonds or issues.

GARMAN: But you could?

GOODWIN: Yes.

GARMAN: That was my question.

GOODWIN: Yes, we can.

SOLDINGER: We can. And you don't have to -- nobody has to vote on that, right? You could put out a municipal bond and people could invest in it. You don't have to tax people. You know what I mean? It's not a bond where you -- people vote. Am I way off base? Help me out here. I'm shoveling.

CRADER: I know what you're talking about.

SOLDINGER: Yeah. We can issue a pledge revenue bond is kind of what you're talking about. It's basically without raising taxes, additional taxes, we can say, hey -- the streets fund is a good example. We bring \$5 million in the streets fund every year about. There are certain revenues that you can pledge or you can say, we're going to pledge this revenue towards paying that bond. And the main one is local sales tax.

So we bring about 1.4 million in the streets fund. We could say we're just going to pledge that. And so we're promising to use those revenues to pay off the bond proceeds.

And yes, day-to-day investors could invest in the bond, the bond issuance. And we

could -- and it's a relatively quick process with council approval, four to six months before we got the proceeds. And yeah, we could -- the town has the ability to do that.

GARMAN: How come we don't do that? Because those are -- and I'm just coming from an investor point of view, municipal bonds are supposed to be safe. You don't get a lot of proceeds back, but they are a conservative investment and they have tax -- good, you know, positive tax consequences for investors. Why would -- what's the -- I'm sure there's downsides. Why wouldn't a town like our size issue a municipal bond that people can invest in?

SOLDINGER: I think, Chair -- well, it's a --

GARMAN: For a specific project. I'm not talking just writ large. But we want to do this on the streets. We want to build something. We want to -- we're going to do a bond that's just for that.

SOLDINGER: It's a mayor and council decision is the short answer. The second answer would be they had -- I don't want to speak for them, right? But they seem to be concerned with the -- paying the interest on the debt and they prefer a pay as you go approach. And that's kind of been the -- not the consensus, but that's been the majority of the council.

And so we only really broached the subject of a pledge revenue bond since December of 2024. So it will probably come up again here shortly. And so we'll continue the conversations with that.

GARMAN: So there's thousands of them out there. What's the downside? Just town having a debt. They have to repay it? I don't -- what's the debt?

GOODWIN: Yeah. There's a perception of debt, right? There's a perception that debt is bad.

GARMAN: Because they have to pay some interest for it.

GOODWIN: Uh-huh.

GARMAN: Yeah.

GOODWIN: Because you are paying more over the long haul. There's also -- while there are types -- so municipal bonds being the general heading. There's all kinds of different

kinds. A geo bond requires a vote of the people versus the pledge revenue, which is what we've been talking about, which only requires a vote of the council. However, it's still debt and you're still borrowing against future income. And so the concern is that what happens if the economy tanks and we don't have that revenue to pay off in the long run, right? You're basically -- you're fronting yourself alone.

GARMAN: Yeah.

GOODWIN: And so yes, there's that concern. There's also -- you know, there's different perceptions out there about that any debt is bad. And then that the town has plenty of money, that it's just being not allocated in the highest and greatest way and addressing the highest and greatest needs. So there's a conflict there between what we really have available, what the cost of really doing things is and what are those -- what are the priorities. And those priorities change based on who's seated up here.

And it doesn't always work as fast as you want it to. Things don't go as quickly. A priority today is, you know, we can still be working on it two years later. And then there's a new council, and they go that's not a priority anymore. Then what do we do? So unfortunately, things don't always move as quickly.

So I think there's all of those different things kind of coinciding that meet and influence why they want to or don't want to go out for a bond. But as a whole, Fountain Hills has been bond averse in general. When they have gone out for them, they are very small and usually very, very specific.

GARMAN: And they want to repay it very quick to which eats up more of your revenue.

SOLDINGER: That's why I don't get, you know, like a municipal bonds. It's usually mature ten years, you know, 5 years, 10. And then that people give that, that thousand dollars. It's today when you pay it off in 10 years, it's \$950 instead of 1,000. Money is worth less over time. I know there's interest involved, but still that's part of the reason folks do that. \$1,000 today is not going to be worth \$1,000 in 10 years, so you pay it back over time. I don't -- right. I mean, that's --

CRADER: And typically, you'll --

GARMAN: I just see it done. So I understand what you're saying, pay as you go. I just

want to -- brought it up. It's a way to do a specific not broad. Council can do it, issue a bond. People who want to buy that bond, buy that bond, and you get funded for that specific project. But you do have to pay it back over time. I get that.

SOLDINGER: Yeah. Agree. And just like the main conversation around bonds has been on roads. And so Rachael mentioned the software, the consultant we use for AI analysis of our roads. Their last presentation said we needed \$63 million to redo all our roads. So I think part of the issue is the grand scale of the issue at hand and doing like a pledged revenue bond like we're discussing, that doesn't raise taxes. We couldn't even issue that much debt based on those revenues. So it's almost like if you want to fix all the roads, you almost have to consider a bond. That would be a geo bond that raises taxes. So that's part of the conversation.

GARMAN: Okay. Yeah, I was thinking more in narrow, narrow. I knew the streets would, like, blow up my concept, so. Yeah. Looking more narrowly focused. Okay. Okay. Thanks. Thanks for the discussion. I appreciate that.

Anybody else have any comments? No comments.

Geoff, you haven't said anything about alternate funding for the town.

YAZZETTA: I got nothing on this one.

GARMAN: Okay. Here's a couple crazy things. Okay. Stay with me here. Towns use crowdfunding for certain things. Do you know crowdfunding, crowd support? Yeah. Let that sink in, crowdfunding. Towns use that. Small towns use that to fund different things. People give money. Have we ever thought about using crowdfunding for specific projects?

SOLDINGER: Chair, I will say -- I know --

GARMAN: It's a safe space, right? I know everything I'm saying is getting written down, but I wanted to throw things on the table and let people think about it.

SOLDINGER: I know community services has recently looked into -- is it a sponsorship type program where it's almost like a crowdfunding aspect. But I don't know -- like whenever Kevin comes from Community Services, he might be able to talk about that. I think from a finance perspective, that's not something we've really considered.

There are legal ways you can kind of crowdfund, like we talked about the downtown a lot. We had a town hall about the downtown improvements. There are ways you could create a district in the downtown and have a special assessment on the downtown businesses to pay into the project. So it's kind of a crowdfunding through a legal financing way. And we have had discussions about that with our bond council and stuff like that. So we are exploring things as they come up. But crowdfunding as a whole, no. That's not something I've personally looked into much.

YAZZETTA: One thing that might be worth considering, and this would have to originate outside the town I believe, is having like -- I think there's a Friends of the Library. But when I used to work for the LA City Council, each large regional park would have friends of, you know, whatever the park name is. And they would conduct fundraisers and raise money for things like the park horses, the workout equipment, smaller improvements. They're not raising money for say, like a new recreation center. But it is for things that would just improve the park for the users, for example. So I don't know if that's something that can originate from within the town. I think that has to be an outside nonprofit that then partners with the town, but that does take that crowdfunding element.

GARMAN: Leadership academy?

YAZZETTA: Possible leadership academy project. Sure.

GOODWIN: Well, Geoff, you're singing the song of my heart. I've been preaching that for probably six or seven years now, but it's just not been able to get the right people to the table all at the right time and launch something of that nature. But yes, what you're talking about is like a friends group or a foundation --

YAZZETTA: Sure.

GOODWIN: -- that is. Yes. It is generally a separate 501 that stands alone outside so that it can generate funding. It can become its own. But its sole purpose is to support, to your point, whether it's a park, whether in this case it may be just Fountain Hills Community Services, right? So it supports and then it initiates those types of funding to offset the municipal cost of things.

And I think that that is -- we are a ripe community for something like that because we have so many supporters of our parks and want to see them thrive. So we have a lot of generosity there.

YAZZETTA: Sure.

GOODWIN: That makes sense. We just haven't gotten the right sort of people to the table. Again, it is sort of a champions that can lead that that way because it does take an outside effort outside of just the staff.

YAZZETTA: And if I'm interpreting that correctly, that's something that would not be permissible to include in the town's strategic plan because this needs to originate from outside of this building, correct?

GOODWIN: Probably.

YAZZETTA: Okay.

GOODWIN: Probably. And if there was more discussion or interest, there's definitely more capacity for that. But kind of taking that and going back to the crowdsourcing and even the grants, what I want there to be at least some acknowledgment of is that those are inconsistent at best. They're inconsistent. They are a hard way to operate a community and a town budget on when we have daily reliable needs waiting until we can get a crowdsourced, crowdfunded thing to pave this road. I mean, you could be waiting 25 years and --

GARMAN: But I think the goal is to free up reliable funds for something like the roads and to do some focused projects with other types of funding.

GOODWIN: And I think, again, I would be cautious to going down that road. It's not to say you can't do it. Like you said, other communities, particularly smaller communities, because of the size and scope of what they can do.

When we have community funded or community initiatives like that, there can also be -- there can be difficulties wrapping around the idea that, yes, I appreciate that you are putting 50 grand towards this project and you found what a version of this on Home Depot or on HGTV that looks great in your backyard, but that's not a municipal level project. We have to go bigger and harder and be more responsible in terms of our

calculations, our wind loads, our engineering, whatever, because it's a public facility. It's not in your backyard.

And we actually do have a lot of butting of heads in that. We have a great partnership with a lot of our community groups that do partner with us, that do fund and/or help offset the cost of projects, understanding that they are often the high vis projects, the ones that people in the community see every day, right? You're going to get a lot of support if you want to build a playground or a splash pad or you know.

YAZZETTA: The shade structure on Fountain Avenue.

GOODWIN: Exactly. You may not get the same support for a drainage ditch because it's not something you see every day, or you particularly can take advantage of. So it's just -- it's the instability of that. Grants the same thing. If you get the grant, it's great. You can do that particular project hopefully. But you then -- but how then -- how do you support the maintenance of it? How do you support any staffing needs that might come along with that, those types of things. So balancing that can be a difficult conversation. So I just wanted to add a little Debbie Downer moment there.

HOENLE: The ongoing maintenance.

GOODWIN: Yes.

HOENLE: (Indiscernible).

GOODWIN: Yeah. It's not the capital monies that are usually the issue. It's the ongoing that's -- yeah.

GARMAN: I know we have to move on. I'm sorry. Can everybody -- 15 more minutes is what I ask. But here's one more thing before we move away from alternate funding because I had a whole list, which I'm not going to be able to get to now. By the way, do we put a lot of energy into enforcing existing ordinances?

SOLDINGER: Yes.

GARMAN: That's a good source of income right there.

SOLDINGER: I think we're doing a better job recently, too. So yeah, absolutely.

GARMAN: Have we thought anything about being creative with like this -- I'm sorry, Bernie's comment -- that the land that the school has and that they're trying to get -- to

sell, to get developed. You know what? Can we long-term partner with them where we help them get rid of that unused property and then we help facilitate getting it developed or some type of private partner -- private public partnership with the town where we have helped the school get reimbursed for that land. And then we've gone on to help it get developed, which will add to our bottom-line long term and be more pointed to what maybe the town wants to do instead of maybe what the school system wants to do with that land. I'm just thinking.

Rachael, do you want to take that one?

GOODWIN: I can start. Bernie would definitely be the expert in this discussion, so I don't want to speak for him, and I don't want to speak out of turn. My understanding is that the parcels have already been sold or all but the one by Four Peaks Park. That's the only one that remains. But that all of the other developable parcels have been purchased or are in the process of in escrow; is that right?

HOENLE: Yeah. And the other part of that issue is, is that money that they have, \$20 million, whatever it is, there are only certain things they can do with that money.

GOODWIN: Yep.

HOENLE: And so if they are restricted on that and you're trying to make a partnership with the town, I don't see where it could work personally because of their restrictions of what they have to do with that money.

SOLDINGER: So Chair, real quick to add on that. We will, once the development starts happening on those land parcels, we will receive construction sales tax and impact fees through that process. So that is how we will gain revenues through that. But yeah, it sounds like we don't have very much say over the process.

GOODWIN: They are one-time money also.

SOLDINGER: Right.

GOODWIN: They're not a sustainable income source.

SOLDINGER: Yes.

GARMAN: Last thing before we move on. And this is just to get this out in the open, too, but when we talk about somebody who's looking at grants and that type of funding,

do we have somebody who cultivates individual donors?

GOODWIN: I don't know that we are a donor recipient, i.e. -- this is going to sound a little bit weird. I don't know anybody that wants to donate their money to the government. To that extent, creating avenues where they can do that, as we were just talking about with Geoff, where there is -- they can sort of earmark the funds for something that is important or valuable to them, including public assets such as parks or such as other things like that. If we could develop the right vehicle for that, I think that would be great. But as such, when you -- I don't know that if you can make a donation to the town and us be able to really utilize it in that in that sense right now.

SOLDINGER: Yeah. Chair, we get -- oh, I'm sorry. Go ahead, Commissioner.

HOENLE: I was just going to say through the years, we've had some very, very wealthy people living -- we still do -- but that would do things, but they were only there projects, that they wanted to support. We had a mayor that unbelievably put in most of the artwork in this town, which was pretty, pretty neat. And then we have another foundation and that only gives to the school, a very wealthy foundation that only gives to the school. So I'm like you, it would be hard for to say the government wants to be involved. It probably wouldn't work.

SOLDINGER: Yeah. So Chair and Commissioner, I was just going to say we do get very few donations. We do get some donations for the fire department crisis response team here and there. For the most part, we get almost none each year.

But just the conversation reminded me, there are some other alternate ways.

Community Services has raised money for the town. There's the Centennial Plaza puzzle. Have you seen that out there right in front of the shade structure? So it's not necessarily a donation, but we're charging \$1,000 per puzzle piece, and there's one hundred puzzle pieces to raise \$100,000.

So that was a creative way that Kevin Snipes came up with to raise money towards the Centennial Plaza shade structure, which was a couple hundred thousand, 250,000, something like that. So raised about almost 40 percent of it. We haven't raised it all yet, but we're on our way. So that was a good -- I think that was a great idea, and I

would be open to more opportunities to do things like that.

GARMAN: Yeah. It's good. Everybody likes to get their name on a plaque. All right.

Thanks. If everybody's okay, I'll stop talking at this point and move on.

The last thing we wanted to make sure to talk about today was budget planning strategies. Kind of another difficult one to talk about. I don't know if you wanted to bring anything up before I reliably launch in with a lot of off base comments, but do we have overriding budget strategies for the town?

And let me focus you. Do we do like asset based? Do we do priority based, program based? I mean, what are we -- what's -- how do we do the budgeting?

SOLDINGER: Yeah. So Chair, our budget process is a base budget --

GARMAN: Base?

SOLDINGER: -- process. It's pretty typical. There are some -- the ones that I'm familiar with of other municipalities around here are either base budgets or zero budgets. So base budget that we do, we basically start with the current year budget. And we do take a few things off like, hey, this -- especially if they're one time.

So last year, if there were a one-time supplement request through the town manager's office and the council, hey, we only need this for one year, we take those out immediately. If there's anything else we identify that's not in the budget, we take it out. But you basically, if your Community Services, you start with your budget from last year, probably around \$4 million, and you just build from there like through the supplement process and adding staff pay adjustments through the council approval, and that's kind of what we do.

So every year, each department has an opportunity to submit a supplemental request to the town manager through finance. We have those meetings in January and they say, hey, we need additional funding.

A big thing that was reported on in our town for this last year was the fire department. They wanted more money for their command structure to apply for automatic aid. So that's kind of our process. We start with our budget and we just add on as necessary, and then we add on a staff pay adjustment.

And there are other things that we kind of bring forth and recommend to council. Like this year, we recommended adding an additional budget for our repairs and maintenance for town facilities, things like that. And then that's how we end up at our final budget for the year.

GOODWIN: Yeah. So I would say basically what Paul just said is pretty much we do start with a base budget and then sort of hybrid add in the priority budget process, right? The priorities are sort of outlined via council, via what staff is seeing. And then we take what's available, whatever budgetary assets we have available, and then try to identify what we can do and which ones sort of rise to the top.

SOLDINGER: And so the zero budget that some municipalities use is they just start from zero, and the Department has to submit everything they want in their budget for the year by a deadline, and then they consider it that way.

GARMAN: Yeah. No epiphanies? No.

Have you considered basing our budget or at least communicating our budget based on, I'll call it the social based, society based. In other words, how much of our budget we spend on everybody in Fountain Hills? How much of our budget we spend on senior citizens? How much we spend on kids under 18? How much we spend on working class folks, or an age where they're working within Fountain Hills? How much we spend on people who earn under this amount of money? How much we spend on people who earn over this much money? We'll call it -- I won't use the word equity based. I'll say society based, social based.

SOLDINGER: Chair, we don't have any measures in place, I don't believe, unless I'm missing something. We include demographics in our budget book. It's more of a -- it does go over the demographics of the town, but that's actually AI generated or based on the software. There's not a lot of manual intervention. I was trying to remember where that's even at.

GARMAN: Sometimes that can help priorities. If you look in -- if you look into that, you can see our average age is what? Does it hit 60 or high 50s? But yet a large amount of our budget is spent on a different group than what's the -- maybe the main group in our

town. I don't know. I don't want to get too deep in here. I'm already probably out of my depth, but it's a thought of how we divide up the town.

I don't know if you think about ways to budget like that. You said priority based, social based, programmatic based. Those make a difference. Is it still just money or is it just the way it's communicated to the town? Or maybe if you budget something differently, look at it differently, it might help to inform how you spend money in the future.

SOLDINGER: I think that's a good point, trying to think outside the box. I will definitely keep it in mind. I haven't thought about it that way, I'll be honest. So I'll definitely keep that in mind.

It's like you mentioned, the best way to probably describe our process is programmatic. We know we need a certain amount for our environmental program through Public Works. We know we have the Parks and Recreation Program. They need a certain amount of money to achieve their objectives. So it's very programmatic based. The capital improvement plan, these are all the capital projects we believe.

GARMAN: And you basically -- when you say "programmatic" like Public Works, that includes salaries and everything. Like you don't have a different pot that says this is all just for the employees, regardless of where they work. No, it's the number of employees in Public Works. It's the number of employees in another area.

SOLDINGER: Yes.

GARMAN: It's rolled in in the programs. Okay.

SOLDINGER: Yes. Absolutely. And so the budget book has a lot of that information. You can go to a specific department. The fire department is probably a good one because they're our biggest department, so.

GARMAN: So another way to think about budgeting is like kind of a critical pathway budget. And think about like what the strengths are of our town. And is our budget being allocated to the strengths in our town or the weaknesses in our town as we identify those?

Like how much of our budget goes into what would I call -- the environment, landscaping, natural landscapes, the things that bring people to Fountain Hills to --

keeping that going, restoring it, adding to it, augmenting to it, those types of things.

SOLDINGER: Yes, Chair. That's part of -- so the supplement conversation with the town manager -- the town manager knows the town pretty well, I'll say. The Department heads, like our Public Works director, has been here 17, 18 years. So we have a lot of those conversations.

This year, we put at the town manager's approval. With her approval, we included more money in our environmental program budget for wash maintenance. You might have read that in the news. We probably doubled up our budget for wash maintenance because the washes have -- there's a backlog of wash maintenance needed. So we worked through that process. We had several discussions around it.

So we're definitely mindful of the different programs and the needs. And we hear from commissioners -- our councilmembers. We hear from commissioners. We hear from residents on a daily basis. So we definitely consider all that information in our budget process. And then that's why we have the budget retreats with council to discuss a lot of these topics.

GARMAN: Randy.

CRADER: How do we determine the allotment from the state shared revenues? How much -- or how do we get told how much we're going to get? Is that from the legislature?

SOLDINGER: So Chair and Commissioner, it comes from the Department of Revenue. They determine it, and it's based on different factors based on a different category. So the urban revenue sharing, which is income taxes, that's the most confusing one because it's based on income taxes from two years prior that they've already accumulated.

And then they base it on -- so they put all the municipal governments in a pool and say, here's your proportion of the pool. We're at 0.4 percent of the pool right now. So we got 0.4 percent of that pool money.

And that money is really stable and nice because it always -- almost always aligns with projections. And that particular one, we get every month the same exact amount. It's

like \$379,000 in our accounts every month, so yes.

CRADER: I guess my question is, I think you said it was right around 30 percent of our overall budget. How do we get to 35 or how do we lobby to get it to 40, or whatever it may be as a strategy in itself?

SOLDINGER: Yeah. Get more people to live here. It's based on the resident population base. Yes, population based. And like for example, San Tan Valley is going to get incorporated. Our piece of the pie is going to be going down a little bit here soon. That's going to probably -- it's going to negatively impact our revenues, which we'll be talking about with council.

GARMAN: Yeah, Geoff.

YAZZETTA: I was going to ask, you had -- you don't need to go back to it, but you had the population kind of took off in the 90s and then leveled off in the 2000s, and it's been pretty much flat ever since. As other towns and cities grow and other unincorporated areas incorporate, like San Tan Valley, do we get a smaller piece of the pie?

SOLDINGER: Yes. That's a great -- Chair and Vice Chair, yes. As our revenues either -- I'm sorry, our population stays stable and in recent years, it's gone slightly down some years while the other municipalities grow, yes, our piece of the pie will get smaller. The nice thing is these revenue sources typically grow. The only kind of exception --

YAZZETTA: Because the pie is getting bigger every year too, right?

SOLDINGER: Yes. The pie is getting bigger, yes.

YAZZETTA: Okay.

SOLDINGER: Except for the income taxes because of the flat tax --

YAZZETTA: Sure.

SOLDINGER: -- that went into implementation. That actually -- that one gets in the weeds, but it went down for a couple years straight, our allocation. And starting in fiscal year '27 next year, it's going to start going back up because of that change in the law.

YAZZETTA: Thank you.

GARMAN: Do we have the ability to annex?

GOODWIN: You're asking a lot of questions tonight, Chair.

GARMAN: I could -- we could --

GOODWIN: In theoretically, yes. Annexation is a tool that municipalities have. That being said, we -- I think you kind of nailed it. We are bordered by already sort of governed spaces, with the exception of the State trust land, which we did annex in quite a while ago into our incorporated borders. That being said, I don't know what we would annex because everything else is either state land, tribal lands --

HOENLE: Goldfield Mine Ranch.

GOODWIN: So.

GARMAN: I think there's a future out there that trying to develop more of that.

GOODWIN: They are trying to develop more than -- you're absolutely right. I would actually have to look because I don't know that they are actually -- I don't know that we actually literally connect to them in a physical.

GARMAN: Do you have to connect physically?

GOODWIN: I don't know. I don't know what that looks like. But they also have to want to be. There's also -- I don't think you can just say you're mine now. I think there is a -- generally speaking, there is usually a cooperative effort to make that happen. They have a fire district. But they do not have an elected body, or they don't have an elected body or anything of that nature, but you can go.

GARMAN: Hey, I have the power of the pen. I don't have to do it. Thanks for the comment. I do appreciate the conversation.

GOODWIN: Absolutely.

GARMAN: Educating me. I have one more thing.

Anybody else? You guys are, like, ready to get out of here.

Any thoughts on the timeline, the rapidity of the budgeting process? Every 6 months, every year, every 18 months, every 2 years. States do it every two years. Some states, I'm sorry, some states do it every two years. I mean, is it just -- are we just addicted to the every year process? Have there ever been any thoughts about elongating the budget process here to a couple of years instead of one year?

I know all the arguments against doing that. I've heard them all for -- but have we ever

thought about that at all? No.

GOODWIN: You know my feelings on it.

GARMAN: Yeah.

GOODWIN: It's a difficult -- two years is a hard time to plan for to see that far into the future.

GARMAN: All states do it.

GOODWIN: They do.

GARMAN: We're like twenty some thousand people.

GOODWIN: I wouldn't argue that they do it well. I think there's a reason why it's not a widely adopted practice. I worked for a place that did it and they went away from it. It's a difficult thing when there's volatility. So that's my two cents on it. You can feel free to share.

SOLDINGER: Yeah. I would just echo what Rachael said. I think the challenge would be the volatility. I think we -- I think statute would maybe allow it because you're required to do a lot of public hearing stuff before the budget is adopted. But if you adopt it for two years, maybe it legally could be possible. I guess I don't know. But the volatility is the concern.

San Tan Valley is getting incorporated. We're going to get \$150,000 estimated less of state shared revenues next year. We wouldn't have known that last year if we were passing a budget for the current year. So there's a lot of pitfalls that can come within a few month period that would be hard to predict, and it would just require a lot of -- if you adopted a budget for two years, you'd just have to go back to the drawing board a lot.

But I will say if we could do that, it would probably save us a lot of time, if not having to go through a lot of that budget process, too. I'm just not aware of anyone in Arizona that does it.

GARMAN: Nobody in Arizona?

SOLDINGER: Not that I'm aware of. Maybe it's possible.

GARMAN: I can look that up. But you kind of made argument on both sides without

knowing it, that 150,000 that you said or whatever it was, you don't spend it until the next time we meet and go through the budget process. When you say "volatility," what you mean is getting money and spending it and sometimes that every -- not all the time. I understand it was a blanket comment. But it's, you know, keeping politicians from spending money as soon as they get it or spending money they don't have. And it elongates the process every two years.

There was a thinking that that helped with the budget process for two reasons. One, it kept budgets a little lower. I don't know if that's been proven true over time from the research I did. But the other thing is you get new people voted in and they don't know the budgeting process like on the council. They haven't been educated. They haven't sat through a lot of meetings, but they're supposed to get voted in in November and then right away, in like January, hey, let's do the budget. And they don't -- they're not familiar with it yet. That was one of the reasons.

SOLDINGER: Yeah, that would make sense. I will say too we have the expenditure limitation in Arizona, which --

GARMAN: We have what?

SOLDINGER: It's called the expenditure limitation. It's in our Constitution. So part of our budget process and the prescribed forms require us to budget in accordance -- or underneath the expenditure limitation. And that doesn't get released by the State until about February or March of each year for the subsequent year. So we couldn't even complete that form in our budget process for two years out without getting that information from the State. So we probably -- even if we did put together a budget, like the framework of a budget, we'd still have to go through the motions of filling out the forms as required by the State and council adopting them. So it would create some challenges as well.

GARMAN: Okay. Geoff.

YAZZETTA: I was just going to chime in that, given some of the volatile nature of the revenues, like the long-term rental tax went away. Was at the beginning of this year or the beginning of last year. Time flies.

San Tan Valley doing it annually while it does take more staff time. Well, I think the two-year budget might take the same amount of staff time just condensed into one year for two years, right? But doing it annually allows staff and council to be nimble and adjust every year. Just a lot is changing out here.

GARMAN: Yeah. Agreed.

YAZZETTA: That's my thoughts.

SOLDINGER: That's the benefit. Yeah, definitely. And couple other things. The fire department, there's constant needs that we discuss with them. MCSO, we don't receive -- basically, we have a contract with MCSO, but they tell us how much the bill is going to be the following year, and that's not until January or February of every year, a few months before the next fiscal year. So again, it would be hard to plan two years ahead without knowing that information.

GARMAN: Is there anything that we left out that you might want to mention from a financial perspective about any of the things we've talked about today, whether it's budgeting or income or AI technology or anything like that?

SOLDINGER: I'll touch on each one of them real briefly not to prolong this. I think AI, I think it's a great idea. I would love to use it more. Where it would be really beneficial to me was with our sales tax. Unfortunately, that's confidential.

So I have already tried -- because I knew we had this meeting. I've tried putting some of the summarized information together, seeing if I could get like good reports or something to make it easier for my presentations. I know our community relations director uses Canva AI to help put together some of his graphics and you can use it for presentations. So I'm definitely onboard with the AI being included in the strategic plan. I think it's a great idea. This is the time to consider it.

An alternative funding source is also a good time for that because we're having a lot of substantive conversations about that. We have the streets and the lake liner project that we're starting to plan for that might get done in this next five-year period when the strategic plan is in place. That would be our plan, at least to get it done in the next five to six years. So there's a pretty good chance we're going to have to figure out some way

to fund that. So it's probably a good item.

Budget planning strategies. I mean, I'll be honest, I came in from the State and so I learned the way we did it. And that's kind of how I know it. And I do believe in our framework. So I'm a little biased. It's kind of hard for me to even think outside the box. But I definitely, with the strategic plan, goal and tasks, definitely something we'll have to look at and consider.

GARMAN: Okay. All right. Thanks. Yeah.

All right. I don't see any red lights. We're going to move on to the next agenda item.

Yes. There actually are other agenda items here.

Update from the commission work groups. I know you talked about this earlier, but could you put a blurb for the transcript on what you're doing with the current strategic plan implementation.

YAZZETTA: Yeah. We'll hold the next, I guess, community input session for the strategic tasks. That was going to be probably January or February after the holidays.

GARMAN: You mean the workshop?

YAZZETTA: The workshop. Yeah.

GARMAN: Now, I'm talking about -- remember the current plan. How much of it has been implemented? How much of it is yet to be accomplished? If it is in the realm of --

YAZZETTA: Oh, sure. Yeah. Rachael touched on that at the beginning. Yeah. That's still in progress. So the director, staff there are going to be working through that. So yeah, we'll have that soon, yeah.

GARMAN: I think that -- was the timeline by the end of the calendar year? Was that it? It was December or January. When would we --

GOODWIN: That's probably reasonable.

GARMAN: We talked about it?

YAZZETTA: Yeah. I'll defer to Rachael.

GARMAN: Okay. I know, but we had a conversation, that's why --

YAZZETTA: Yeah. I put together the template. And I'm sure we'll have it back before December.

GOODWIN: Yeah. That's not -- that's a reasonable timeline.

GARMAN: The goal is some of it's been done. Some of it's ongoing. Some of it's not going to get done. And some of it, we don't want to get done anymore maybe but kind of break down where we are.

GOODWIN: Yeah. Absolutely.

YAZZETTA: Okay. Cool. Thank you.

GARMAN: Good. I appreciate it, Geoff.

So okay. So the last thing that I want to talk about is agenda items for next month. So as you know, I had three items today and it took an hour and a half. So we have more strategic strategies to go through starting next month. I was thinking -- I was going to ask who could be here, like Paul, thank you very much. We put you through the wringer today.

But the one I just picked out, I thought we could do next week was infrastructure. And I needed to get an okay from you. I mean, we can pick other topics as well. But I put infrastructure down to talk about next month. And the three signature strategies that we identified for that to kick around, guess what number one is for infrastructure? Say it together, roads. Roads was one we picked out.

Irrigation systems, I don't know if you remember me talking about that. But the different irrigation systems throughout the whole town. Multi -- and I just put multi-use public/private. In other words, different maybe public things that the government of Fountain Hills owns, the way it's being used, maybe ways we can use it in the future.

Those are the three having to do with infrastructure.

Do you guys think we can talk about that and have a discussion? All right. Make it so. All right. That's what we'll do on the agenda for next -- so it's going to be infrastructure. And by the way, if there's something on infrastructure that's not there and you want to bring it up, that's okay. We can deviate. I'll try to do better at time management next month.

All right. That's kind of the future agenda topics and the comments from me. So our next meeting is scheduled for October 22nd, next month.

And hopefully thank you all, by the way, for doing this a week early. I really appreciate it. It fit my schedule better. So I'm glad we got it done tonight.

YAZZETTA: I would have been in Canada so.

GARMAN: All right. So we'll see. But next month, we have is Wednesday, October 22nd. Okay. So that's what we got. So does anybody have a motion on the floor about adjourning the meeting?

HOENLE: I'll make a motion we adjourn.

YAZZETTA: Second.

GARMAN: We got a second. Any conversation on the adjournment of the meeting?

Thank you all very much, by the way, for the time and your patience today.

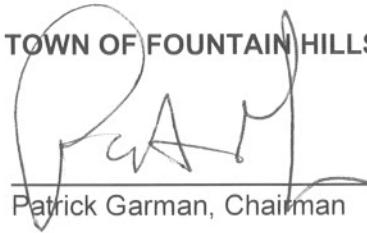
Okay. All in favor of adjourning the meeting say aye.

IN UNISON: Aye.

GARMAN: Any opposed? All right. The meeting is adjourned. Thank you.

Having no further business, Chairman Patrick Garman adjourned the Regular Meeting of the Strategic Planning Advisory Commission held on September 17, 2025, at 5:30 p.m.

TOWN OF FOUNTAIN HILLS



Patrick Garman, Chairman

ATTEST AND PREPARED BY:

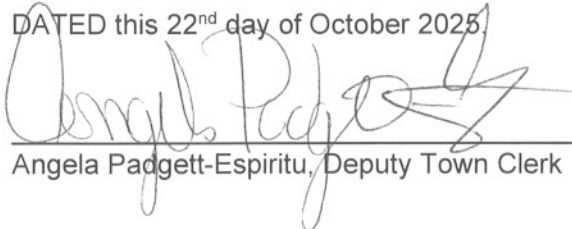


Angela Padgett-Espiritu, Deputy Town Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting held by the Strategic Planning Advisory Commission of Fountain Hills in the Town Hall Council Chambers on the 17 day of September 2025. I further certify that the meeting was duly called and that a quorum was present.

DATED this 22<sup>nd</sup> day of October 2025.



Angela Padgett-Espiritu, Deputy Town Clerk

