

## NEWS

News**Council to adopt town spending plan tonight under state cloud**

by **Paul Maryniak** - Jun. 30, 2009 07:49 AM  
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Under the cloud of the unresolved state budget that includes a potential revenue time bomb, Gilbert Council today is scheduled to adopt the town's spending plan for the fiscal year that begins Wednesday.

Though slated to act on a wide variety of other measures ranging from a settlement to provide fire protection to county island homes to a process for approving "nontraditional businesses" such as tattoo parlors, council has added a 6 p.m. public study session to discuss the potential impact of the unresolved state budget's proposed three-year moratorium on development impact fees.

Council for several months has struggled over finding the least painful ways to close a \$15-million deficit in next year's budget and its final adoption comes up before a reconstituted council that includes a new mayor and two other members.

No significant changes to that plan are expected beyond a possible rate adjustment in a proposed new use tax that affects out-of-state purchases and utilities.

But council has no control over a bigger hit to the town budget: the proposed three-year moratorium on development impact fees the town assess to make growth pay for itself. The town also may lose another \$1 million in money this year from its share of motor vehicle registration fees.

The current proposed town budget means Gilbert residents already can expect to pay a slightly higher sales tax on items bought in town, higher fees for some town-sponsored recreation programs, less government support for community activities, fewer library programs and a tax on their rent if they don't own their home.

But the loss of impact fees likely would force the town to take far more draconian measures if that moratorium stays in the final state budget.

A moratorium on development fees would likely put an \$86 million hole in the water and wastewater budgets and \$48 million hole in the general fund, town Manager George Pettit has said.

"We'd have to increase water and sewer rates and either cut services in the general fund or increase the tax rate," he said. "If growth no longer pays its own way, everybody who lives in Gilbert gets to pay for it."

The development impact fee moratorium survived negotiations between the governor and state legislators to resolve their differences over the state

budget.

Proponents say it will give a much-needed shot in the arm to Arizona's ailing new home construction industry while critics contend Senate and House Republicans are caving into lobbyists for home builders and are meddling in local government.

Republican legislators are still trying to rally enough support among their colleagues to pass the spending measures before the legal deadline of midnight tonight.

The Gilbert Town Council is scheduled in Gilbert Municipal Center, 50 E. Civic Center Drive, at Warner and Gilbert roads.