

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE REGULAR MEETING
September 18, 2008**

CALL TO ORDER: The regular meeting was called to order by Vice-Mayor Su Connell in the Town Council Chambers, 303 N. Beeline Highway, Payson, Arizona, at approximately 5:32 p.m.

INVOCATION: An invocation was given by Pastor Gordon Hauptman, Crossroads Foursquare Church.

PLEDGE OF ALLEGIANCE

PRESENT: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

STAFF PRESENT: Debra Galbraith - Town Manager, Sam Streichman - Town Attorney, Douglas Hill - Chief Fiscal Officer, Colin P. Walker - Water Superintendent, Don Engler - Police Chief, Marti deMasi - Fire Chief, Rick Manchester - Parks & Recreation Director, and Cameron Davis - Tourism/Economic Vitality Director.

Others Present: Gaye Stidham - Deputy Town Clerk, Tim Wright - Deputy Town Attorney, Ray Erlandsen - Zoning Administrator, and Lt. Donald Garvin.

A. PUBLIC COMMENTS (SPEAKER'S REQUEST FORM SUBMITTED)

Penny Pew, Congressman Renzi's office, brought an update to the Council concerning the Congressman's activities. She told the Council that Zac Horsely, a local Eagle Scout, was presented by Congressman Renzi a flag that was flown over the Capitol Building at Zac's Court of Honor.

She also reported on the effects of Hurricane Ike saying that 2.3 million people were still without power in Texas and Louisiana. There are still 12 refineries down but natural gas flow is doing well and 74% of the hospitals in the Houston, Texas area are running. The Red Cross has 4,500 workers in the area but still could use volunteers. There are 22,000 people still out of their homes and shelters are still open.

In response to a request by Vice-Mayor Su Connell, Ms. Pew brought information on small towns in Texas and Louisiana that could use assistance from Payson as a sister city. Ms. Pew talked with officials at several cities and suggested either Golden Meadow where they are still 50% without power or Grand Isle where they still have four to six feet of water and sand throughout their town. Ms. Pew suggested Golden Meadow as a sister city. Its population is about 2,100 but serves a large outlying area. She had a map, the history of the town and website

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information for the Council.

Ms. Pew reminded citizens to register to vote. Clmn. Vogel asked Ms. Pew and her intern/daughter to allow him and others on the Council to take them to dinner soon. Ms. Pew introduced to the Council her daughter, Witney, and said Witney handles the office when she is away.

Vice-Mayor Connell asked staff to put the partnering with a sister city on the next available agenda.

- B. CONSENT AGENDA Items listed on the agenda with an asterisk which are considered to be routine in nature and which will be enacted by one motion. No separate discussion of these items shall be held unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and will be considered in its normal sequence on the main agenda.**

Motion: to approve the Consent Agenda.

Moved by Council Member John Wilson, seconded by Council Member Mike Vogel.

Vote: Motion carried 6 - 0

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

- C. CURRENT EVENTS PRESENTATION BY THE TOWN MANAGER, MAYOR, AND/OR COUNCIL MEMBER**

Town Manager Deborah Galbraith reported that the application for a major amendment to the General Plan is online. This amendment effects approximately 220 acres South and West of the airport. She encouraged the public to read the documents and compare them to the current land use plan, also online. Written comments should be directed to the applicant and to the Community Development Department. The Planning & Zoning Commission will hold a public hearing on the amendment on November 20, 2008.

Ms. Galbraith also announced that two members of the Payson Fire Department became paramedics this week, Jason Tutay and Jerome Lubetz. They both graduated at the top of their class.

Town Attorney Sam Streichman gave the progress of the appeal to stop the special election saying that oral arguments were heard yesterday. At 4:30p.m. he received the opinion from the Court of Appeals, written by Chief Judge Palander, concluding that the committee's application complied with all legal requirements and there will be an election on Nov. 4, 2008. He believed ballots will be mailed beginning Oct 2.

Clmn. Blair asked how the question regarding the YMCA would be worded on the ballot. Town Attorney Streichman said it is already written and translated and being printed. He explained that a "yes" vote would uphold the Council's action and a "no" vote would set aside the Council action.

D. CEREMONIAL; ANNOUNCEMENTS; PRESENTATIONS; INTRODUCTIONS

1. There were no items in this section.

E. MINUTES

1. * Council Meeting Minutes:

08.26.08 Special Meeting Minutes Page 1
CONSENT APPROVED

BOARDS/COMMISSIONS MEETING MINUTES (Note: Minutes of various boards/commissions/committees are for Council information only and may or may not have been approved by the respective board/commission.

2. * Green Valley Redevelopment Area Committee Minutes:

07.03.08 Regular Meeting Minutes Pages 604 -606
08.14.08 Regular Meeting Minutes Page 607
CONSENT INFORMATION ONLY

F. HEARINGS AND APPEALS No items in this section.

G. RESOLUTIONS AND ORDINANCES

1. * As Council, staff, and the audience have the titles to all resolutions and ordinances, authorization to forego verbal title readings. *CONSENT* APPROVED
2. * Discussion/possible action concerning Resolution No. 2427, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, TO APPROVE, PURSUANT TO A.R.S. SECTION 48-262(F), AN ANNEXATION OF ADDITIONAL TERRITORY INTO THE NORTHERN GILA COUNTY SANITARY DISTRICT OF THOSE CERTAIN PARCELS OF REAL PROPERTY AS DENOMINATED ON THE ATTACHED EXHIBITS "A". (213 E. AIRLINE ROAD, PAYSON, ARIZONA, MARJORIE L. DIGHT, OWNER, ASSESSOR'S PARCEL NO. 302-41-187A). *CONSENT* APPROVED
3. Discussion/possible action concerning Resolution No. 2428, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL

OF THE TOWN OF PAYSON, ARIZONA, ADDING RULE 7.5 (AGENDA ITEM REMOVAL) TO THE RULES OF PROCEDURE FOR TOWN COUNCIL MEETINGS.

Motion: to Approve Resolution No. 2428, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADDING RULE 7.5 (AGENDA ITEM REMOVAL) TO THE RULES OF PROCEDURE FOR TOWN COUNCIL MEETINGS.

Moved by Council Member John Wilson, seconded by Council Member Mike Vogel.

In response to a question by Clmn. Blair, Deputy Town Attorney Tim Wright explained the need for this rule. He said that there was a formal rule to put items on the agenda but no rule for removing them. Basically the rule allows removal of an item from the agenda up to 72 hours before the meeting. An item placed on the agenda by a Council Member or the Mayor may be removed by them. An item placed on the agenda by a staff member can be removed by that staff member. An item placed on the agenda by the Town Manager can be removed by him/her. An item placed on the agenda by the Town Attorneys can be removed by them. An item placed on the agenda by an applicant may be removed at the applicant's request and the Mayor's agreement.

Clmn. Blair suggested that when an item is pulled from the agenda it be listed immediately on the website as removed.

Vote: Motion carried 6 - 0

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

4. * Discussion/possible action concerning Resolution No. 2429, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN ARIZONA MUTUAL AID COMPACT BY AND AMONG JURISDICTIONS WITHIN THE STATE OF ARIZONA AND THE ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS. *CONSENT* APPROVED
5. * Discussion/possible action concerning Resolution No. 2430, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING THE FINAL PLAT AND APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR LOS PINOS SUBDIVISION (LOS PINOS) *CONSENT* APPROVED

6. Discussion/possible action concerning Resolution No. 2431, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT TO CONSTRUCT SUBDIVISION IMPROVEMENTS FOR CHILSON RANCH PHASE ONE SUBDIVISION (CHILSON RANCH).

Town Attorney Streichman said that at a previous meeting the plat map was approved. But, it was subject to working out the agreement to construct with conditions. Hurlbert Development had offered security in the form of an escrow account. The escrow account funds would be taken out, with Town's concurrence, as the contractor needed. The original condition was that Hurlbert Development and its funding arm, Harper Funding, become current with the Arizona Corporation Commission. This was not needed now because of the escrow account.

Halle Jackman, Developer, said she that when they had grading permits, they are ready to go.

Motion: to Approve Resolution No. 2431, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT TO CONSTRUCT SUBDIVISION IMPROVEMENTS FOR CHILSON RANCH PHASE ONE SUBDIVISION (CHILSON RANCH).

Moved by Council Member John Wilson, seconded by Council Member Mike Vogel.

Vote: Motion carried 6 - 0

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

7. Discussion/possible action concerning Resolution No. 2432, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN APPLICATION TO SEVER AND TRANSFER, A REQUEST FOR ASSIGNMENT OF SURFACE WATER APPLICATIONS AND CLAIMS AND ASSIGNMENT AND REISSUANCE OF PERMITS AND CERTIFICATED RIGHTS, AND AUTHORIZING THE SUBMISSION OF SUCH APPLICATION AND REQUEST TO THE ARIZONA DEPARTMENT OF WATER RESOURCES. (C.C.CRAGIN RESERVOIR).

Buzz Walker, Assistant Public Works Director, explained this would establish the transfer of 3,000 acre feet of C.C. Cragin Reservoir water from SRP to Payson. Mr. Walker acknowledged the efforts of the Town's legal

staff in putting together the agreements and commended their expertise. He reminded the Council that the procurement of water from C.C. Cragin Reservoir was a team effort.

Motion: to Approve Resolution No. 2432, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN APPLICATION TO SEVER AND TRANSFER, A REQUEST FOR ASSIGNMENT OF SURFACE WATER APPLICATIONS AND CLAIMS AND ASSIGNMENT AND REISSUANCE OF PERMITS AND CERTIFICATED RIGHTS, AND AUTHORIZING THE SUBMISSION OF SUCH APPLICATION AND REQUEST TO THE ARIZONA DEPARTMENT OF WATER RESOURCES. (C.C.CRAGIN RESERVOIR).

Moved by Council Member John Wilson, seconded by Council Member Ed Blair.

Vote: Motion carried 6 - 0

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

8. Discussion/possible action concerning Resolution No. 2433, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AUTHORIZING TOWN STAFF TO CANCEL OR OTHERWISE REMOVE ANY AND ALL LEASES AND AGREEMENTS RELATING TO THE EVENT CENTER LAND, INCLUDING THE PAYSON EVENT CENTER HOTEL, RESTAURANT AND CONFERENCE CENTER LAND AND IMPROVEMENTS LEASE BETWEEN THE TOWN OF PAYSON AND HOSPITALITY SUPPORT GROUP, LLC.

Motion: to Approve Resolution No. 2433, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AUTHORIZING TOWN STAFF TO CANCEL OR OTHERWISE REMOVE ANY AND ALL LEASES AND AGREEMENTS RELATING TO THE EVENT CENTER LAND, INCLUDING THE PAYSON EVENT CENTER HOTEL, RESTAURANT AND CONFERENCE CENTER LAND AND IMPROVEMENTS LEASE BETWEEN THE TOWN OF PAYSON AND HOSPITALITY SUPPORT GROUP, LLC.

Moved by Council Member John Wilson, seconded by Council Member Mike Vogel.

Town Attorney Streichman said that this would give the Council the opportunity to look at other options. The Legal Department was asking for permission and authority to clear the land of any legal entanglements.

Vote: Motion carried 6 - 0

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

9. Discussion/possible action concerning Resolution No. 2434, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE TOWN MANAGER TO EXECUTE A SITE CONTRACT WITH OPERATION BASS, INC. (FLW OUTDOORS FISHING TOURNAMENT)

Cameron Davis, EVT D, believed this event would be similiar to bringing baseball spring training to Payson. He said this was a major event on their tour. He believed it would bring 400 competitors and their families along with many spectators.

Clmn. Croy asked Mr. Davis if all of the conditions that were agreed upon to provide were ready. Mr. Davis replied that the police escort is taken care of and they were in talks concerning a security detail.

Motion: to Approve Resolution No. 2434, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE TOWN MANAGER TO EXECUTE A SITE CONTRACT WITH OPERATION BASS, INC. (FLW OUTDOORS FISHING TOURNAMENT)

Moved by Council Member John Wilson, seconded by Council Member Mike Vogel.

Vote: Motion carried 6 - 0

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

10. First Reading and Public Hearing concerning Ordinance No. 748, captioned as follows: AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING TECHNICAL AND CONFORMING CHANGES TO VARIOUS CODE PROVISIONS RELATING TO WATER CONSERVATION AND THE TIMING OF IMPACT FEE PAYMENTS. First Reading and Public Hearing (Resolution No.2416 Provided for Information Only)

Mayor Evans opened the public hearing. Clmn. Croy asked that Section 3 be addressed as a separate issue. Tim Wright, Deputy Town Attorney, said they

could bring back the Ordinance with changes and address Section 3 at a later meeting. Clmn. Croy was concerned about the change in ERU requirements for apartments and condominiums. There were no further comments, and Mayor Evans closed the public hearing.

13. Discussion/possible action concerning Resolution No. 2435, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A LAND PURCHASE AGREEMENT WITH TOM COL INVESTMENTS CO., LLC. (PURCHASE OF ADDITIONAL AIRPORT PROPERTY)

Deputy Town Attorney Wright explained the proposed purchase saying that this was the purchase of 3.25 acres with an option for 3 years on a remaining 10.25 acres adjacent to the airport. The FAA has not specifically agreed to fund the purchase of the land and we do not intend to purchase the remaining acreage until they provide funds. \$520,000 is in the budget for the purchase. The option on the remaining 10.25 acres would be \$114,000 per year.

Clmn. Croy noted that the seller would also donate 2 acres although it is not prime, usable acreage. He did not see the advantage of purchasing at this time and preferred to wait until FAA funding was available to purchase the total property.

Clmn. Wilson warned that if we did not purchase now the current owner could sell to someone else and we would not have the use of the property for the airport.

Clmn. Croy suggested that the property could also be purchased through condemnation. Attorney Wright said the FAA would fund and complete the appraisal and the Town could go through condemnation proceedings to purchase at that price determined by the FAA. However, that procedure is much more difficult. The FAA grant would fund 95%, and ADOT 2.5% and the Town 2.5%.

Clmn. Hughes said that if we purchase the property now, it would put us as a much higher priority to receive the FAA grant.

Motion: to Approve Resolution No. 2435, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A LAND PURCHASE AGREEMENT WITH TOM COL INVESTMENTS CO., LLC. (PURCHASE OF ADDITIONAL AIRPORT PROPERTY)

Moved by Council Member John Wilson, seconded by Council Member Richard Croy.

Vote: Motion carried 5 - 1

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, and Council Member Michael Hughes.

No: Council Member Richard Croy.

H. UNFINISHED BUSINESS No Items in this section.

I. NEW BUSINESS

1. Discussion/possible action re: a Council Decision Request filed by Ray Erlandsen, Zoning Administrator, to review the Town's Temporary Use Permit process and to:

(1) move to direct staff to prepare the appropriate code amendment to implement the sliding fee schedule as attached; OR

(2) move to direct staff to prepare the appropriate code amendment excluding the allowance of a temporary use permit for businesses not providing a Town of Payson physical business location; OR

(3) take no action.

Motion: to Approve directing staff to prepare the appropriate code amendment to implement the sliding fee schedule as attached.

Moved by Council Member Ed Blair, seconded by Council Member John Wilson.

Vote: Motion carried 6 - 0

Yes: Vice-Mayor Su Connell, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, Council Member Richard Croy, and Council Member Michael Hughes.

Ray Erlandsen, Zoning Administrator, explained that the current TUP process does not deter businesses from out-of-town from setting up shop temporarily here and paying sales tax from local transactions to their home city. He said that currently all TUPs issued pay a \$50 fine.

Clmn. Blair stated that he was in favor of them paying sales tax to Payson if the item is sold in Payson. He asked for further explanation of Option #2. Mr. Erlandsen explained that this option meant that if a business did not have a physical location in the Town of Payson, they would not be able to get a TUP.

Clmn. Wilson asked if this could be drafted for the permittee to pay a big fee or pay sales tax on all sales. Mr. Erlandsen said the problem is tracking it.

Town Manager Debra Galbraith said that sales tax laws say tax is paid in the place of the business' building. One of the issues is that the Town can suggest people report sales tax but they can't force them to do it or take any action if they don't. She said the change in the process is an attempt to level the playing field.

Barbara Underwood said that when she travels to craft fairs they are required to pay local sales tax. Ms. Galbraith explained that some cities and towns have a program that collects taxes locally but the Town of Payson uses a program where the Department of Revenue collects the taxes.

J. CLAIMS

1. * List of checks paid from 08/28/08 through 09/11/08, Check Nos. 003042 through 003060, except Check No. 003043, and authorization to file the checks for audit. *CONSENT* APPROVED
2. * Check No. 003043, paid 09/04/08, and authorization to file the check for audit. (Note: due to a perceived and/or conflict of interest, Vice-Mayor Connell will be considered to have abstained from voting on this item.) *CONSENT* APPROVED

K. MISCELLANEOUS

1. * Acceptance of the resignation of Susan B. MacIntyre from the Design Review Board and appointment of Maricel Causer to fill the unexpired term of Susan B. MacIntyre. Term to expire December 31, 2010. (A copy of the application is available in the Town Clerk's office) *CONSENT* APPROVED

L. PUBLIC COMMENTS

Clmn. Vogel commented that two or three months ago a Temporary Use Permit was issued to the Rodeo Committee and a Special Event liquor license with a condition that reports of sales tax come back to Council. He had not seen any reports and asked Attorney Streichman to send a letter requesting the report.

ADJOURNMENT: The regular meeting adjourned at approximately 7:25 p.m.

APPROVED:

_____ Date: _____

Kenny J. Evans, Mayor

ATTEST:

Silvia Smith, Town Clerk

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Payson held on this day the 18 of September, 2008. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2008.

Gaye Stidham, Deputy Town Clerk