

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE REGULAR MEETING
October 2, 2008**

CALL TO ORDER

INVOCATION. Deacon Tom Fox, St. Philip the Apostle Catholic Church, led those present in an invocation.

PLEDGE OF ALLEGIANCE

B. CONSENT AGENDA

Motion: to approve the CONSENT AGENDA.

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

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, 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.

PRESENT: Mayor Kenny J. Evans, 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, LaRon Garrett - Town Engineer, Douglas Hill - Chief Fiscal Officer, Colin P. Walker - Water Superintendent, Don Engler - Police Chief, Marti deMasi - Fire Chief, Rick Manchester - Parks & Recreation Director, Cameron Davis - Tourism/Economic Vitality Director, and Silvia Smith - Town Clerk.

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

1. There were no comments from the Public.

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

1. Brief summary oral presentation of current events by Town Manager, Mayor, and/or Council Members. The Arizona Open Meeting Law Reform Act specifies the Town Council may not take action on any matter mentioned during this presentation unless the specific matter is properly noticed for legal action.

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Mayor Evans wished Clmn. Vogel a happy birthday. There was a short slide presentation in honor of the occasion TV 4.

Town Manager Debra Galbraith announced that the Town of Payson received from the Arizona Municipal Risk Retention Pool the "Award of Excellence" in recognition of outstanding achievement and continued excellence in risk management and control of losses for the 2006/2007 Fiscal Year. The award is for maintaining our loss ratio from liability coverage under 20%. She also announced that the Governor's Rural Development Conference had awarded the best promotional material award to the Town's tourism website, the best special event to the First Friday event on Main Street and a finalist for the individual of the year, Minette Richardson. She announced for the Town Clerk that publicity pamphlets for the upcoming Special Election were mailed between September 29 and October 1. Ballots will be mailed on or about October 14.

Mayor Evans expressed his appreciation to Cameron Davis, Tourism/Economic Vitality Director, for his work on the tourism website. He also thanked Buzz Walker, Assistant Public Works Director and LaRon Garrettt, Public Works Director, for their efforts at the water summit with the Forest Service. He asked that his thanks be conveyed to the Forest Service for their participation. He believed that substantial headway had been made towards the Blue Ridge water project.

2. Update by Legal Department regarding Sievers v. Town of Payson and the November 4, 2008 Special Election.

Town Attorney Sam Streichman explained that the Appeals Court had issued a mandate on Tuesday closing the appeal concerning the referendum petition for the YMCA. The special election will go forward. Mayor Evans thanked the staff for their diligence in this matter.

D. CEREMONIAL; ANNOUNCEMENTS; PRESENTATIONS; INTRODUCTIONS

1. Comments, Commendations, and Presentations by Mayor, Council Members, and/or Town Staff.

Vice-Mayor Connell announced the First Friday Evnt on Main Street this Friday. Council Member Wilson said that a shuttle bus is provided for the event and there will be ice cream at the Presbyterian Church.

2. Presentation/Discussion/possible action/by Patti Fenner, Noxious Weed Program Manager, Tonto National Forest, regarding the Yellow Star Thistle grant by the Forest Service regarding a Star Thistle grant.

Ms. Fenner presented information concerning the Yellow Star Thistle grant

and program. Vanessa Prilison, Payson Ranger District, was also present. Clmn. Blair asked if youth groups or service organizations could become involved in helping the Forest Service. Ms. Fenner said that the rural environmental corps, scout groups, and service groups had helped already. Clmn. Vogel suggested the use of jail inmates. Mayor Evans said the Town would make available their grant writer for the Forest Service. LaRon Garrett, Public Works Director, said they had been working on eradicating the plant on Town property, but it was a continuous effort. Clmn. Wilson suggested bringing the issue to community organizations and asking for their help. Mayor Evans emphasized that exemplary measures needed to be taken at the Event Center. Vice-Mayor Connell asked what time of year would be best for removal efforts. Ms. Fenner responded that it was probably a good idea to start with the first wave of growth in the spring.

Mary Little with Payson Horseman's Association asked if the Council had specific plans for Yellow Star Thistle eradication before spring at the Event Center. She was very concerned about the possible contamination for horses there. Mayor Evans said the Town did not have anything in the budget for this year for extra work but the Town would find other ways to help support the program and the grant. He said that we will bring our resources to bear along with the Forst Service. He believed that if we attacked this problem early we would have an opportunity to prevent it from becoming a major problem. Mayor Evans pointed out the importance of keeping the thistle from hay producing regions. He suggested that the county extension service, the USDA and the cattlemen's association could also help.

Ms. Little asked about private property weed control enforcement. Ray Erlandsen, Zoning Administrator, explained the notification to citation process, but that fines were imposed by court action.

Mayor Evans said that the Town was committed to taking care of the issue. Yellow Star Thistle sitings should be reported to Sean Tanner, Building Inspector.

3. Proclamation declaring October 2008 as Domestic Violence Awareness Month. Gerry Bailey, Executive Director of Time Out, Inc., and staff will be present to accept the proclamation.

Clmn. Connell read the proclamation. Members of Time Out Shelter, Inc. were present to accept the proclamation. Jerry Bailey thanked the Council for their support over the years. She announced that next Thursday the annual candlelight vigil and walk would begin at the Town Hall parking lot. They will leave at 6:00 p.m. and walk down Highway 87 and back to the Payson United Methodist Church for a short program.

4. Proclamation declaring October 2008 as Community Development Planning Month. Members of the Planning and Zoning Commission will be present to accept the proclamation.

Clmn. Blair read the proclamation. Ray Erlandson, Zoning Administrator, and Russ Goddard and Jerry Jerel of the Planning and Zoning Commission were present to accept the proclamation. Mr. Erlandsen thanked the members of the Planning and Zoning Commission for their continued service to the Town of Payson.

5. Proclamation declaring the week of October 5 -11, 2008 as Fire Prevention Week. Members of the Engine 11 crew will be present to accept the proclamation.

Clmn. Vogel read the proclamation. Captian Jimmie Rasmussen, Engineer Rick Winton and Firefighter Vince Palandri were present to accept the prolamation along with Chief deMasi. Firefighter Palandri thanked the Council for their support and recognition. He spoke concerning fire prevention week emphasizing the need for a well practiced escape plan in the case of home fires.

E. MINUTES

1. * There were no Council Meeting Minutes available for approval.

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. * Parks and Recreation Advisory Board Minutes:
.08.13.08 Regular Meeting Minutes Pages 1 -2
CONSENT INFORMATION ONLY
3. * Design Review Board Minutes:
.08-12.08 Regular Meeting Minutes Pages 1 -2
CONSENT INFORMATION ONLY

F. HEARINGS AND APPEALS There were no items for 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* APPROVAL
2. Discussion/possible action concerning Resolution No. 2414 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DECLARING THE PONDEROSA PINE AS THE OFFICIAL TREE FOR THE TOWN OF PAYSON.

Motion: to Approve Resolution No. 2414 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DECLARING THE PONDEROSA PINE AS THE OFFICIAL TREE FOR THE TOWN OF PAYSON.

Moved by Council Member Ed Blair, seconded by Vice-Mayor Su Connell.

Clmn. Wilson asked what was the benefit of this declaration. Mayor Evans answered that there were no financial obligations or structural considerations corresponding to this declaration and that it was symbolic, similar to the bald eagle.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, 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.

3. The following Items will be heard together: Resolution No. 2416 and the Second Reading and Public Hearing concerning Ordinance No. 748.
 - A. Discussion/possible action concerning Resolution No. 2416 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING TECHNICAL AND CONFORMING CHANGES TO THE VARIOUS CODE PROVISIONS RELATING TO WATER CONSERVATION AND THE TIMING OF IMPACT FEE PAYMENTS, AND DECLARING SUCH AMENDMENTS TO BE A PUBLIC RECORD.
 - B. Second Reading and Public Hearing concerning Ordinance No. 748, 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. Second Reading and Public Hearing.

Mayor Evans opened second reading and public hearing.

Jim Hipple said that with the need for financing of the Blue Ridge project, there will be increased property taxes, water impact fees, water rates, etc. He questioned the need for any deferment in paying water impact fees as he believed that Payson would see continued development citing the current 1,000 lots and possible future 800 lots near the airport awaiting building. He explained that impact fees are added on to the cost of a house and it would be the buyer that would bear the cost, not the developer. This would put the burden of deferred fees on the current residents. Any reduction in fees

collected would increase any bond issue to support the costs of the Blue Ridge project. He asked what conditions would be applied to any deferrment, whether the deferrment would be passed on to future buyers, whether interest would be charged or credit checks be made. He believed the proposed impact fee deferrment was far too lenient and ill defined. He asked the Council to remove this portion of the proposed Ordinance.

Clmn. Blair asked Buzz Walker, Assistant Public Works Director, to explain the process of deferred impact fees. Mr. Walker said he appreciated the thoughtful and well expressed comments of Mr. Hipple. He said that this was not much change from the current process. Mr. Walker explained this was not used for single family residents, but rather on select, subsidized housing projects where ownership is retained in one entity. It could possibly be used for dedicated, single family residents through affordable housing. Any deferrment would not be for long. The real risk is to do it without interest and businesses that would go out of business before paying back. The protection of the public's ability to collect fees in the future is a legal question. Deferred fees would apply toward projects declared by council as extraordinary in nature because of the accomplishments of the project and the project's benefit along with the risk being small. A set of guidelines as an administrative policy would be developed.

Clmn. Wilson asked if a lien could be attached on property rather than an individual. He would rely on legal advice for these answers.

Clmn. Croy asked what the risk would be if the Town were in 3rd or 4th position and the party would need to pay off a 1st and 2nd mortgage before getting paid. He asked what the timing would be when impact fees are paid. Mr. Walker responded that impact fees are paid with building permits. Clmn. Croy suggested changing the rule to paying the impact fee when the certificate of occupancy is issued.

Clmn. Croy said the Town had offered long term payments to the Green Valley Apartments and the Senior Apartments.

Mayor Evans asked Mr. Walker if 30 to 40 year financing for Blue Ridge was the best estimate. Mr. Walker said that would be about correct. He added that of the 1,000 homesites, impact fees are a minor part of financing the Blue Ridge project. He said that he had never had a developer do a single family residential project with affordable or subsidized pricing.

Clmn. Blair asked if the impact fee deferrment would not be designed for single family homes or condos. Mr. Walker replied that he was correct. Clmn. Blair then asked if the Majestic Rim and Home Depot had paid their full water impact fees. Mr. Walker replied they had. Clmn. Blair suggested that in Section 4.C it would be helpful to change it to read "for commercial projects or affordable housing". He did not believe it was the Town's role to be a bank for any for-profit development.

Clmn. Vogel said the perception of Payson was that it was anti-business and anti-growth. In an effort to be more business friendly and having confidence in future councils to make decisions concerning deferred impact fees, he was in favor.

Clmn. Blair said that the Council was not dealing with a perception problem but with an ordinance. He said that we need to be savy so we don't become a bank.

Clmn. Croy believed that this could be a stimulous. He said that some flexibility was needed. He was comfortable with individual approvals coming to Council and he would be voting yes.

Mayor Evans closed the public hearing.

Motion: to Approve Resolution No. 2416 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING TECHNICAL AND CONFORMING CHANGES TO THE VARIOUS CODE PROVISIONS RELATING TO WATER CONSERVATION AND THE TIMING OF IMPACT FEE PAYMENTS, AND DECLARING SUCH AMENDMENTS TO BE A PUBLIC RECORD and Ordinance No. 748, AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OFPAYSON, ARIZONA,A DOPTING TECHNICAL AND CONFORMING CHANGES TO VARIOUS CODE PROVISIONS RELATING TO WATER CONSERVATION AND THE TIMING OF IMPACT FEE PAYMENTS.

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

Vote: Motion carried 6 - 1

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

No: Council Member Ed Blair.

4 .* Discussion/possible action concerning Resolution No. 2436 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPOINTING ELECTION OFFICIALS FOR THE NOVEMBER 4, 2008 SPECIAL ELECTION, FIXING THEIR COMPENSATION, AUTHORIZING THE TOWN CLERK TO APPOINT AN ELECTION BOARD AND A TALLY BOARD, AND DECLARING AN EMERGENCY.

CONSENT APPROVED

5. * Discussion/possible action concerning Resolution No. 2437 captioned as

follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH GILA COUNTY FOR CERTAIN SERVICES TO BE PROVIDED BY THE COUNTY TO THE TOWN OF PAYSON FOR THE NOVEMBER 4, 2008 SPECIAL ELECTION, AND DECLARING AN EMERGENCY. *CONSENT* APPROVAL

H. UNFINISHED BUSINESS There were no items for this section.

I. NEW BUSINESS

1. Council Decision Request filed by LaRon Garrett, Public Works Director, to approve the Amended Final Plat for the Rim Ridge Estates Subdivision and authorize the Mayor to sign said document and authorize staff to record said document. If this Subdivision Plat is not recorded with the Gila County Recorders Office within six months, this approval is null and void.
CONSENT APPROVED (Note: Council Member Rick Croy will be deemed to have abstained from voting on this item.)
2. Council Decision Request filed by Debra Galbraith, Town Manager, to:
 - 1) Direct staff to look into exploring other options for animal control pickups and during such exploration to not execute the current contract with the Payson Humane Society; or
 - 2) Direct staff to amend the service agreement with the Payson Humane Society to remove the appropriations clause.

Motion: remove from the agenda a Council Decision Request filed by Debra Galbraith, Town Manager, to:

- 1) Direct staff to look into exploring other options for animal control pickups and during such exploration to not execute the current contract with the to Payson Humane Society; or
- 2) Direct staff to amend the service agreement with the Payson Humane Society to remove the appropriations clause.

Moved by Council Member Ed Blair, seconded by Council Member Mike Vogel.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, 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.

3. Council Decision Request filed by LaRon Garrett, Public Works Director, to direct staff to move forward with the environmental assessment on Sky Park Tract A and the future airport 13.5 acre parcel, to approve Authorization of Services #08-01 upon FAA approval of the Services #0801 and Scope of Services.

Mr. Garrett explained that part of the process to get reimbursed from FAA is to do an environmental assessment. The environmental assessment is part of the Airport Improvement Plan. Typically we would wait for ADOT to fund their 2.5%, but, currently, ADOT did not have the funds. He said that ADOT was willing to work with us and, as soon as they could, they would reimburse the 2.5%. He said the next step would be to send the scope of services to ADOT/FAA and go forward with the environmental study for Sky Park Tract A, etc.

Clmn. Blair said he was not against this and asked if we were able to find the \$300,000 for this study. Mr. Garrett explained this money was already budgeted and after the money is spent, we would apply to FAA to receive their 95% funding.

Vice-Mayor Connell said that part of her fear with this project was the current economy and the State's financial difficulties. She was struggling about supporting this. Mr. Garrett explained that if ADOT didn't fund, the cost to the Town would be \$7,500. The FAA has committed to 95% of the project. 50% of that funding had been funded by ADOT to FAA. Vice-Mayor Connell asked if they didn't fund the FAA for this project would the study stop at the current 50% funding and if the impact would delay the project. Mr. Garrett replied that this request was to get the process moving as it took several months to apply and receive funding.

Motion: to Approve a Council Decision Request filed by LaRon Garrett, Public Works Director, to direct staff to move forward with the environmental assessment on Sky Park Tract A and the future airport 13.5 acre parcel, to approve Authorization of Services #08-01 upon FAA approval of the Services #0801 and Scope of Services.
Moved by Council Member John Wilson, seconded by Council Member Michael Hughes.

Vote: Motion carried 5 - 2

Yes: Mayor Kenny J. Evans, Council Member Ed Blair, Council Member Mike Vogel, Council Member John Wilson, and Council Member Michael Hughes.

No: Vice-Mayor Su Connell, and Council Member Richard Croy.

4. Council Decision Request filed by Cameron Davis, Office of Tourism/Economic Vitality Director, to: 1) Approve the change of Payson's Brand Image Name to "Arizona's Cool Mountain Town"; or 2) Do nothing.

Cameron Davis, Tourism and Economic Vitality Director had reviewed what promises to visitors the current brand image name was projecting and if we were delivering on that promise. The target audience was the Phoenix valley and he did not believe they were seeing a mountain town with a western

heritage. He believed that cooler weather, hiking, camping, biking, etc. were the main attractions. In contrast, the only thing western as an attraction was the rodeo. The tourism website is designed to expose the outside world to Payson and it is necessary to understand the target audience and communicate with them. Of the 80,000 who visited the tourism site since March, the number one page visited was mountain recreation and next was hiking trails. The rodeo was number thirteen.

Mayor Evans said that the issue in changing the brand name was the play on words and brevity of the brand. He said that about 950 people were surveyed and that was a significant number.

Council Member Blair said he appreciated the work that Mr. Davis had done. He thought that the current brand included the western heritage portion partly because of the timing. The 125th anniversary was in the front of everyone's minds at the time. He said KRIM was upset because KCMA is branded "Cool Mountain Radio." This brand is very similar and they saw that as an unfair advantage. Council Member Blair suggested changing it to "Cool R and R in the Mountains."

Council Member Wilson asked if it could be "A Cool Mountain Town". Mr. Davis replied that the word Arizona was part of the brand because it helps the people from out-of-state search for Payson.

Vice-Mayor Connell asked what was a brand name. She believed that to bring in funds we needed to appeal to Valley residents.

Council Member Blair asked if there was a way to separate cool from mountain or add the words recreation or pines. He was hopeful that for our friends at KRIM it could be changed.

Council Member Croy suggested the word recreation be included since it was so high in the survey. Mr. Davis replied that brevity was important. The brand can imply many things reflective of the most sellable attributes.

Motion: to Approve a Council Decision Request filed by Cameron Davis, Office of Tourism/Economic Vitality Director, to approve the change of Payson's Brand Image Name to "Arizona's Cool Mountain Town".
Moved by Vice-Mayor Su Connell, seconded by Council Member John Wilson.

Vote: Motion carried 6 - 1

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

No: Council Member Ed Blair.

J. CLAIMS

- 1. * List of checks paid from 9/11/08 through 9/19/08, Check Nos. 003061 through 003240, except Check Nos. 003094 and 003169, and authorization to file the checks for audit. *CONSENT* APPROVED
- 2. * Check No. 003094 paid 9/16/08, and authorization to file the check for audit. (Note: due to a perceived and/or conflict of interest, Mayor Evans will be considered to have abstained from voting on this item.) *CONSENT* APPROVED
- 3. * Check No. 003169 paid 9/16/08, and authorization to file the check for audit. (Note: due to a perceived and/or conflict of interest, Council Member Wilson will be considered to have abstained from voting on this item.) *CONSENT* APPROVED

K. MISCELLANEOUS

- 1. * Acceptance of the resignation of Jeanie Langham from the Design Review Board with thanks for a job well done. Term to expire December 31, 2008. *CONSENT* APPROVED

L. PUBLIC COMMENTS

Council Member Vogel asked how were the finances going. He asked when the promised monthly report would be presented. Town Manager Debra Galbraith reported that the financial report was scheduled to be presented at the next meeting.

ADJOURNED: The regular meeting adjourned at approximately 7:34 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 2 of October, 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