

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
April 28, 2009**

CALL TO ORDER: Mayor Evans called the Work Study Meeting to order at approximately 5:05 p.m.

PLEDGE OF ALLEGIANCE

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

STAFF PRESENT: Debra Galbraith - Town Manager, Sam Streichman - Town Attorney, Silvia Smith - Town Clerk, and Don Engler - Police Chief.

OTHERS PRESENT: Tim Wright - Deputy Town Attorney, Gaye Stidham - Deputy Town Clerk, Tomi Huddlestun - Human Resources Analyst, Hope Cribb - Budget Analyst and Steve DeHaan - Information Systems Manager.

PURPOSE OF MEETING

- A. Discussion/possible action on 2009-2010 budget including but not limited to revenues. Discussion/possible action re: Departmental Budget Presentations

Mayor Evans briefly described the accounting systems of municipal government giving the underlying reason for a recent discovery of funds that had previously not appeared in the budget. Mayor Evans said that municipalities have more complicated financial statements than corporations. Municipal budgets have the compounding factor of keeping track of money across multiple time periods and staying compliant with state statutes. He described the three dimensional budget; fund balance accounting. With the ability for an elected body to restrict certain money to be spent for only one purpose, another tier is created in the financial reporting.

Debra Galbraith, Town Manager, explained that \$500,000 in HURF funds and \$586,000 in general funds discovered. She said these funds were always in the bank so to speak and always accounted for. However, the funds were restricted but, because auditors were not able to verify the reason for the restrictions, they were overlooked in recent past accounting. She said that these funds have been moved from the unidentified restricted category to unrestricted.

Vice-Mayor Blair asked if these funds had been accruing interest over the years. Manager Galbraith said they had been in the investment pool with other Town funds. Council Member Wilson recalled that they may have been unspent general funds that were placed in a restricted Capital Improvement Project fund waiting for a five year capital improvement plan that did not materialize. Manager Galbraith explained that the funds did not show as a transfer from general funds to capital funds. She said that the placement of these funds in a restricted fund went back as

far as Chief Fiscal Officer Corrigan.

Council Member Connell asked what was being done so that this didn't happen again. Mayor Evans responded saying that the Town's accounting system and Manager Galbraith's responsiveness with reporting would not allow it to happen again. Manager Galbraith will talk to the auditors to make sure that a list of reporting questions are given both to the CFO and the Town Manager for further oversight.

1. Town Manager Budget Presentation

Hope Cribb, Budget Analyst, gave an overview of the budget process. She reviewed the 2009-2010 proposed budget document. Ms. Cribb noted where economic stimulus money was showing in revenues and expenditures, especially in capital project funds. A large portion of economic stimulus money was in the Enterprise Fund (water) for the C.C. Cragin pipeline project and the Tonto Apache Tribe reclamation pond. Ms. Cribb discussed the proposed budget's personnel changes: Park operations moved to the newly formed Public Works Department with all part time positions eliminated, two police officer positions (now in Academy) reimbursed by a COPS grant and three vacant positions not funded, one full time Library position remaining vacant and not funded, two new firefighter positions, if funded by the SAFER grant, filled, creation of a Human Resource Manager position and promotion of a current employee and upgrading several employees for assuming additional duties, buyout of sick time deferred from last December and filling the CFO vacancy. Other highlights included the purchase of Airport land with the PRAA assuming responsibility for hangars effective October 1, 2009 and non-profit funding reduction based on the formula approved in 2005.

Council Member Connell voiced her concern about realizing grant monies presented in the budget. Town Manager Galbraith explained that the economic stimulus grants and the CDBG grants were already in progress. She believed the grant money numbers represented in the budget were firm numbers as no money would be spent unless the grants were funded. Council Member Croy pointed out that the grant funds reflected two years, not just one. Manager Galbraith explained that grant money went into grant fund accounts to be able to track the revenue and expenditure of each grant. Economic stimulus money was different in that it goes directly to the fund account from which it would be spent. She said that the only money reflected in the budget from grants were for grants already applied for or ready to go.

Manager Galbraith explained that the Friends of the Parks and Recreation were anticipating contributing toward part-time staff needed for youth programs in the summer. The budget reflects this as a place holder if contributions were available or needed. Cameron Davis, Parks, Recreation and Tourism Director, believed that revenue to Parks and Recreation will be higher this year because he expected a higher participation in youth programs.

Manager Galbraith noted that the budget reflected a loan from the Water Department of \$500,000 that will not be used unless it is necessary. The budget document also totaled \$3.4 million in stimulus money applied for and \$525,000 in bonds to be issued. Again, she explained, these were place holders to be able to take in revenue to permit expenditures.

Vice-Mayor Blair asked where the economic stimulus money application was in the approval process. Mayor Evens replied that the latest grant application packets had been forwarded to Chief deMasi and Manager Galbraith.

Manager Galbraith noted that the budget document had the Parks Department now under Public Works. Streets Department employees can help with parks projects when needed. The Police Department will reimburse academy graduates from the COPS grant. She explained some other non-funded positions. Council Member Wilson asked if the Friends of the Library could help to fund the filling of a full-time position to be left vacant at the Library. Manager Galbraith said that with some cuts to the amount of books ordered and cutting the full-time position to a part-time position, and if she put the revenue into the budget it could be expended in that manner. She also explained that, if this budget was approved, it included two new positions.

Manager Galbraith thanked the budget committee, Council Member Vogel, Council Member Hughes and Hope Cribb for their hard work. The committee was formed to add internal controls to a budget prepared by the Town Manager rather than a CFO with Manager oversight. She explained that the Chamber was funded previously out of a different fund and that non-profit organization funding was the same organizations as last year.

2. Central Services Budget Presentation

Manager Galbraith explained the budgets of Central Services (expenditures not attributable to a specific function or department), such as general liability insurance, worker's compensation, memberships and dues of the Council, bank fees and non-profit funding.

John Stanton, Rim Country Regional Chamber of Commerce, explained their need for \$36,000 noted in the budget to the Visitor's Center. The Visitor's Center is manned by a part-time manager, a bookkeeper and himself. Volunteers also assist. He said that visitors to the center had increased by 9%, and in the most recent quarter by 11%.

Manager Galbraith continued explaining changes in the Town Manager's budget line were due to having only one employee now as opposed to two last year. Last year's budget also included the payouts to laid off employees of that department. The services amount is also lower because travel reimbursement is now included as it is included in the Town Manager's contract.

The Human Resources Department has only one full time employee now where it had two full-time and one part-time employee in the past. The 2009-2010 budget proposes changing to a manager position who would supervise an analyst in the future. This would eliminate the Human Resource Director position.

3. Financial Services Department Budget Presentation

The Financial Services Department is down three employees from last year. This budget is asking to fill the position of CFO but not to fill the Finance Manager

position. It is also reflecting an upgrade of position for the added duties of formulating a centralized purchasing program and fleet management administration.

4. Town Council Budget Presentation

In the Town Council's portion of the budget, personnel costs vary by how many Council Members use the Town insurance. Other changes appear because of moving memberships/dues to a different category. Manager Galbraith noted that prior year figures were actual where this year's budget numbers were proposed.

5. Magistrate Court Budget Presentation

The Magistrate Court services are provided through an intergovernmental agreement (IGAO with Gila County). The Town funds the Judge and Judge Pro-Tem, as well as certain costs related to the Magistrate Court. The Judge and Judge Pro-Tem are considered employees. The major portion of the services budget is for the rental of the court room.

Manager Galbraith explained our self funded insurance benefits. She said there was no anticipated increase in premiums.

She explained for the Council the Debt Service, general obligation and certificate of participation bonds. All the current debt service was listed in the budget document. Two new improvement districts were included as place holders. The residents of those areas had indicated a possibility of applying for improvement districts this coming year. Manager Galbraith explained that the debt service for public safety bonds had increased because some of the bonds had not been issued. If these were issued, there would be debt service so that was included also as a place holder for the 2009-2010 budget. The general debt service accounts pay for lease purchases, two fire trucks and three police cars.

Manager Galbraith reiterated that the proposed budget reflected requests for a change to some positions. It asked to authorize the position of Human Resource Manager and two fire fighter positions. The fire fighter positions were grant funded. The budget also included a request for an increase in compensation for Cameron Davis and Ray Erlandsen along with a position in the Finance Department and Legal Department.

6. Information Systems Technology Budget Presentation

Steve Dehaan, Information Technology Department Manager, presented a prioritized list of projects for the coming year. It included desktop replacements, an e-mail archiving/storage solution, disaster recovery, internet monitoring, internal e-mail SPAM filtering, video camera security at Town Hall, a VPN solution, a GIS solution, a document management solution, blackberries for department heads if needed and costs anticipated for public safety. He stated that these projects would only go forward as funds were available in his department and as prioritized.

7. Town Clerk Department Budget Presentation

Silvia Smith, Town Clerk, presented budget requests for the Town Clerk's

Department. She noted that in Mr. DeHaan's presentation the blackberries were offered, in part, because the Godaddy accounts receiving forwarded emails would not be available to department heads in the future. Debra Galbraith, Town Manager, interjected that there had not been a lot of interest indicated by department heads so far. Ms. Smith continued explaining that salaries included in the Town Clerk's budget included the buy out of a retired employee. She reviewed the break down of line items and said she would furnish the Council with the total number for supplies.

8. Police Department Budget Presentation

Chief Don Engler presented an overview of the Police Department proposed budget. He explained to the Council the proposed reduction in animal impound fees to the Humane Society. Chief Engler noted an area of concern, the 1,461 calls per officer answered last year. He believed the loss of two officers this last year were, in part, to the stress of this number. He would like to bring down the number per officer to more around 1,000. With the Won't have the 1,400 calls that were for Star Valley. Chief Engler explained these were separate calls and not supplemental to reports, etc. Council Member Croy asked if Chief Engler had contacted the County regarding sharing dispatch services. Chief Engler responded that a series of meetings had been ongoing for about six months to combine law enforcement and fire service (seven fire districts). The Gila County Sheriff's Office dispatches now for two fire districts. He said there was not enough time to implement anything in this budget process but he would try to make headway to present in the next budget process. There are presently 52 volunteers who had worked approximately 90,000 hours since 2001 when the program began. It is getting harder to get volunteers to work because of the amount of events in recent months. Chief Engler believed that vehicle mileage will be come an issue in the future with older vehicles needing repairs. Council Member Vogel asked if he agreed that mileage on the cars had doubled because they were no longer assigned to a particular officer who could take them home but looped back in to service for the next shift. Chief Engler agreed. Council Member Vogel also noted that Chief Engler covered for sergeants that were not available. Council Member Vogel also voiced his opinion that any new police vehicles should be purchased out right and not lease-purchased. Chief Engler said there was a need for more discs to training on the FATS. Next year's budget would also reflect a rise in ammunition costs that had doubled in the last year and any increased Department of Public Safety laboratory fees.

9. Legal Department Budget Presentation

Town Attorney Sam Streichman explained that his office are attorneys for internal customers (mayor, council, departments and boards) and to minimize the Town's liability. He described one of their purposes was to "think" situations through for the Town. Their other job is external in prosecuting misdemeanor criminal matters within Town limits and to work with victims of those crimes. They process about 100 cases a month with 75% of those including victims. Each victim receives multiple contacts and are provided information on all events of their case. Attorney Streichman said his department is asking for \$496,900, about \$4,800 less than last year. He outlined the cost saving measures the Legal Department had employed to reach those budget figures. Vice-Mayor Blair asked how the personnel costs had been reduced. Attorney Streichman explained that a current full-time employee will

be part-time

Manager Galbraith said that if the Council would like any additions or deletions to this proposed budget they should get in contact with her during this week. The next budget meeting is set for Tuesday, May 5, 2009. She reminded the Council that the regular meeting had changed to Tuesday, May 19, to accommodate Payson High School graduation.

Mayor Evans adjourned the work study at approximately 8:45 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 special meeting of the Town Council of the Town of Payson held on this day the 28 of April, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2009.

Gaye Stidham, Deputy Town Clerk