

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE REGULAR MEETING
June 4, 2009**

CALL TO ORDER: Mayor Evans called the regular meeting to order at approximately 5:30 p.m. in the Town Hall Council Chambers.

INVOCATION: Senior Pastor Kelly Wooldridge from the First Assembly of God, led the meeting in an invocation.

PLEDGE OF ALLEGIANCE

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

STAFF PRESENT: Debra Galbraith - Town Manager, Sam Streichman - Town Attorney, Marti deMasi - Fire Chief, Silvia Smith - Town Clerk, Ray Erlandsen - Acting Community Development Director, and Cameron Davis - Parks, Recreation & Tourism Director.

OTHERS PRESENT: Gaye Stidham - Deputy Town Clerk, Tim Wright - Deputy Town Attorney, Sgt. Donald Garvin

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

Gary Bedsworth expressed his thanks to the Mayor, Council, Water Department and Town staff for the work done to bring together the stimulus package funding for the C.C. Cragin project. He considered the project a great investment in our future and an economic stimulus for our community. Mr. Bedsworth was also grateful for the provision for environmental studies and the vision for the East Verde River becoming a premier trout stream. On June 13 the Payson Fly Casters, Gila Trout Casters of Gila Trout Unlimited will be pickin gup trash along the East Verde River. Volunteers are needed to help with that effort. They will be meeting at Home Depot at 7:00 a.m. Mr. Bedsworth thanked Game and Fish for their help also. Mayor Evans offered the help of the local Boy Scouts in their clean-up.

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 Su Connell.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, Vice-Mayor Ed Blair, Council Member Su Connell, Council

Member Richard Croy, Council Member Michael Hughes, Council Member Mike Vogel, and Council Member John Wilson.

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

Cameron Davis announced the 4th of July celebrations in Payson. He thanked the Payson Water Department and the Gila County Sanitary District for their generosity in funding the event. He reminded everyone that First Friday will be July 3rd. On the 4th of July there will be a kiddie parade and foot races. June 12 and 13 the High School Rodeo finals will be held at the Payson Event Center. He thanked Neumann Paints for the paint used to repaint the entire interior of the Event Center. He also thanked Pat Phaneuf and Real Painting for their labor and Chris and Mary Wolfe for covering the cost of extra paint needed for the project.

Vice-Mayor Blair said he would not be attending First Friday on Main Street tomorrow because he would be supporting the Relay for Life, a fund raiser for cancer research. He invited citizens to attend the event that opened at 6:00 p.m. at the Payson High School football field. Vice-Mayor Blair will be in the dunk tank to help raise funds.

Council Member Connell announced the First Friday on Main Street event that will feature Kiwanis brauts.

Council Member Wilson suggested those attending the First Friday event ride the van from supper at the Presbyterian Church and go up and down Main Street perusing the stores and vendors.

Mayor Evans commended Debra Galbraith, Town Manager, for her work on the budget under the stress of this financial atmosphere. He said he was grateful for her diligence and her willingness to work long hours to ensure that the Council receives timely information. He said her ability to organize the process and respond to the Council was appreciated.

D. CEREMONIAL; ANNOUNCEMENTS; PRESENTATIONS; INTRODUCTIONS

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

Council Member Wilson said the Friends of Parks and Recreation received a check for \$2,500 from the Arizona Diamondbacks for Parks and Recreation programs. He thanked the towns people for their support and the diligence and efforts of Cameron Davis.

E. MINUTES

1. * Council Meeting Minutes:
05-05-09 Special Meeting Minutes Pages 1 -5
05-07-09 Regular Meeting Minutes Pages 1 -11
05-08-09 Community Event 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. * Parks and Recreation Commission:
04-08-09 Regular Meeting Minutes Pages 1 -12
CONSENT INFORMATION ONLY

F. HEARINGS AND APPEALS
There are no items in this section.

G. RESOLUTIONS AND ORDINANCES
There are no items in this section.

H. UNFINISHED BUSINESS
There are no items in this section.

I. NEW BUSINESS

1. Council Decision Request filed by Martin A. deMasi, Fire Chief, to authorize the Mayor to sign all necessary documents associated with the vehicular training agreement between the Town of Payson and Yavapai College.

Chief deMasi explained this agreement saying it was one of many they have with training institutions around the State.

Motion: to Approve a Council Decision Request filed by Martin A. deMasi, Fire Chief, to authorize the Mayor to sign all necessary documents associated with the vehicular training agreement between the Town of Payson and Yavapai College. Moved by Council Member Mike Vogel, seconded by Council Member John Wilson.

Vote: Motion carried 7 - 0

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

2. Council Decision Request filed by Debra A. Galbraith, Town Manager, to adopt Fiscal Policy 103 and 104 re: Capital Improvements and Debt Management, with changes, if any, as recommended during the meeting.

Motion: to Approve a Council Decision Request filed by Debra A. Galbraith, Town Manager, to adopt Fiscal Policy 103 and 104 re: Capital Improvements and Debt Management, with changes, if any, as recommended during the meeting. Moved by Vice-Mayor Ed Blair, seconded by Council Member John Wilson.

Vote: Motion carried 7 - 0

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

3. Council Decision Request filed by Bethany Beck, Housing/Grants Coordinator, to direct staff to initiate the town-wide Affordable Housing Donation Campaign with the following actions: (1) work with the Housing Advisory Commission to solicit donations from the community as a whole; and (2) separate all affordable housing donations from the development approval process.

Ms. Beck explained that affordable housing contributions have been voluntary in the past but this would open the contribution base to more than developers. The affordable housing donation would be removed and separate. There have been concerns voiced about the fairness of current type of a contribution.

Council Member Hughes said that according to the plat process, by State statute, you can only review whether a plat fits the criteria or not. He did not believe the law allowed a required contribution in the development process and that any contribution to affordable housing could not legally be tied to approval or disapproval of a plat. Council Member Hughes described the process now as "if you don't donate, we will make it hard on you." He said that contributions will still be discussed with developers, but it would not be tied to the approval process.

Vice-Mayor Blair did not think it was a mistake to make this a part of the development process. He asked Ms. Beck to explain what developers had already contributed. Ms. Beck said that, in terms of realization of contributions, there were different triggers for different developers. Regardless of the Council's decision, the contributions already committed would go forward. There had been \$252,000 in contributions of which \$9,000 had actually been received. There was a commitment for \$217,000 for cash services or water credits for Habitat for Humanity. The majority of that contribution was from Terra Capital. The water credits for the Payson Regional Housing Development of \$56,000 are pending. There has been a total of \$550,000 committed and \$150,000 received.

Council Member Vogel congratulated Ms. Beck saying that the Housing Study was one of the best studies he had ever seen. He asked Ms. Beck how many of the contributions had been viable by developers so far. Ms. Beck replied that she couldn't speak to what had not already been actually donated or just what had been promised through the development process but not yet contributed. The economic difficulties might also impact what actually comes forward. She cited Bison Homes who were going to offer a number of homes for affordable housing but the development fell through. Council Member Vogel said he would be in favor of true voluntary contributions and to not hold contributions over a developer's head.

Vice-Mayor Blair asked the Acting Community Development Director, Ray Erlandsen, if contributions were truly voluntary or was there pressure applied. Mr. Erlandsen replied that it was explained to developers that donations were voluntary but the perception was that a contribution was required.

Vice-Mayor Blair moved to approve a Council Decision Request filed by Bethany Beck, Housing/Grants Coordinator, to direct staff to initiate the town-wide Affordable Housing Donation Campaign with the following action: (1) work with the Housing Advisory Commission to solicit donations from the community as a whole. The motion did not receive a second and was lost.

Motion: to Approve a Council Decision Request filed by Bethany Beck, Housing/Grants Coordinator, to direct staff to initiate the town-wide Affordable Housing Donation Campaign with the following actions: (1) work with the Housing Advisory Commission to solicit donations from the community as a whole; and (2) separate all affordable housing donations from the development approval process. Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Mayor Evans said that from the presentation on Tuesday, the nexus of the program for affordable housing was a commitment from businesses. As employers come to Town there needs to be a buy into a real interest in assuring that we have affordable, workforce housing. He believed this to be another step to help reach these people. Council Member Connell wanted to make sure that developers receive information about affordable housing and how important it is to our community and the need for voluntary contributions. Mr. Erlandsen assured her that is part of the development process. Ms. Beck said that staff has bent over backwards trying to explain that any contribution was voluntary, but the perception remained that it was mandatory. Council Member Wilson believed that the key was letting them know about the voluntary process but not to have it in a written document that says a development is approved with these donations.

Vote: Motion carried 6 - 1

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

No: Vice-Mayor Ed Blair.

4. Council Decision Request filed by Silvia Smith, Town Clerk, to approve the schedule change to cancel the Special Budget Meetings of June 11, 2009, June 18, 2009, and June 23, 2009, August 6, 2009 and August 13, 2009.

Motion: to Approve a Council Decision Request filed by Silvia Smith, Town Clerk, to approve the schedule change to cancel the Special Budget Meetings of June 11, 2009, June 18, 2009, and June 23, 2009, August 6, 2009 and August 13, 2009. Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

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

5. Council Decision Request filed by Debra A. Galbraith, Town Manager, to change the Council Meeting Schedule as follows: July 7, 2009 -Special Council Meeting to adopt the 2009/2010 tentative budget; July 23, 2009 -Regular Council Meeting public hearing and adoption of the 2009/2010 final budget; and August 6, 2009 to adopt the 2009/2010 property tax levy.

Motion: to Approve a Council Decision Request filed by Debra A. Galbraith, Town Manager, to change the Council Meeting Schedule as follows: July 7, 2009 -Special

Council Meeting to adopt the 2009/2010 tentative budget; July 23, 2009 -Regular Council Meeting public hearing and adoption of the 2009/2010 final budget; and August 6, 2009 to adopt the 2009/2010 property tax levy.

Moved by Council Member John Wilson, seconded by Vice-Mayor Ed Blair.

Vote: Motion carried 7 - 0

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

6. Council Decision Request filed by Bethany Beck, Housing/Grants Coordinator, to approve the Town of Payson Housing Needs Assessment and Strategy and authorize staff to begin implementation of the document.

Motion: to Approve a Council Decision Request filed by Bethany Beck, Housing/Grants Coordinator, to approve the Town of Payson Housing Needs Assessment and Strategy and authorize staff to begin implementation of the document.

Moved by Vice-Mayor Ed Blair, seconded by Council Member John Wilson.

Ms. Beck explained this request was for a formal approval of the Housing Needs Assessment and Strategy and to authorize staff to begin implementation of the document.

Bruce Hopkins, Housing Advisory Commission, said he appreciated the Council's interest in the study. He said implementation of the study would need a sustainable funding source to meet the strategies and plans. Receiving voluntary contributions is very, very difficult.

Gary Bedsworth said he did not believe soliciting voluntary contributions would work and suggested a type of contribution like the Untied Way in the Payson business community. He said that affordable housing was a key to the success of our business community and, somehow, the businesses should be active in developing a program where they give to this effort.

Mike Foil, Housing Advisory Commission, thanked the Council for their positive vote concerning development contributions for affordable housing. He was very opposed to the way "voluntary" contributions had worked in the past. He said that if affordable housing was an issue for the Town of Payson then it was a town problem and not a developer problem.

Cliff Potts, Housing Advisory Commission, said that the affordable housing plan was a great tool to help move the town forward. He believed other plans had failed to be implemented in the whole or in part because of the expense and a lack of commitment, disregarding the efforts of the plan. The challenge was to put the plan to work and he said the Commission was committed to making it work and to do it right. He saw a great deal of support for the elements of the plan from the Council and would look for it in the community. Mr. Potts wanted safe, clean affordable housing with, probably, a higher density because of land costs.

Mayor Evans said implementation would mean spending money and would come back to Council for approval. Council Member Vogel asked what the Commission would be doing about educating the public. Ms. Beck said it would take a concerted, unified effort by those who support the plan and would take person to person interaction. She and Commission members would present the plan to community groups and employers. A neighborhood or area would be focused upon to keep momentum going. The Commission will pull out the goals from the Study and create a more specific plan and come back to Council.

Vice-Mayor Blair liked what had been presented. He felt that property out by the airport would be a good place for higher density housing. He suggested Ms. Beck present the need for affordable housing about once a month on the KMOG Town Forum.

Council Member Wilson suggested developers be asked to downsize lots rather than donate financially. Council Member Hughes reminded the Council that neighbors to new developments were often opposed to higher density close to them and suggested leadership from the Council was needed.

Mr. Erlandsen pointed out that the acreage Vice-Mayor Blair had eluded to was already earmarked for higher density. He said this was a long-term issue and the study was a key element of the General Plan. The General Plan will be looking at the entire town and asking for Council help in this important element of education.

Vote: Motion carried 7 - 0

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

7.

A. Discussion/possible action re: Council Decision Request filed by Debra Galbraith, Town Manager,

1.) to direct staff to publish notice to hold a "Truth in Taxation" hearing to consider whether to raise the property tax to the rates allowed per Arizona Revised Statutes.
OR

2.) Do nothing and leave the property tax rates to reflect adding only the change in assessed value for new construction, as has been done in the past.

B. Potential uses for additional tax revenues if the property tax is raised.

Motion: to Approve A. Discussion/possible action re: Council Decision Request filed by Debra Galbraith, Town Manager,

1.) to direct staff to publish notice to hold a "Truth in Taxation" hearing to consider whether to raise the property tax to the rates allowed per Arizona Revised Statutes.
Moved by Vice-Mayor Ed Blair, seconded by Council Member John Wilson.

Council Member Vogel said the he did not support a discussion concerning a measure that would raise property tax, no matter how small.

Council Member Wilson believed the tight budget necessitated the discussion. He

wanted to find out what was involved.

Vice-Mayor Blair felt that the small amount of rise in property taxes for those who have \$200,000 homes was very doable.

Council Member Vogel moved to call the question. The motion did not receive a second and was lost.

Vote: Motion carried 6 - 1

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

No: Council Member Mike Vogel.

Mayor Evans opened for discussion "B.", the potential use of tax funds. He asked for discussion to give staff direction.

Council Member Wilson suggested leaving any funds in contingency.

Mayor Evans explained that the tax levy was the function of the rate they set times the assessed valuation. The current rate by future assesment would increase revenues by approximately \$20,000. If raised, the net impact would be \$93,000. \$50,000 of this would bring the Humane Society to the \$80,000 area.

Vice-Mayor Blair suggested using any tax funds to supplement the Humane Society budget by \$50,000.

Council Member Vogel was not in favor of earmarking any funds at this time.

Council Member Connell said a public hearing might give the Council more information about what the public would want any funds used for. She felt it was premature to decide at this time.

Mayor stated that proposals made by the State Senate would take other large amounts from cities and towns. Governor Brewer had not signed the budget and had stated she veto a budget that was balanced by hurting munciplaities.

Council Member Croy said he wanted to talk more about the budget before talking about possible tax funds.

Council Member Wilson asked if any adjustments were made to the property tax rate when it would show up on residential tax bills. Manager Galbraith said that it would show on the tax bills from the Council in October.

Council Member Croy suggested workforce housing could also be a good place to fund.

Vice-Mayor Blair asked for clarification concerning that Item 5, approving the tentaive budget on July 23. He wanted to know if that was when the public hearing would be on the tax levy. Manager Galbraith said that the "Truth in Taxation"

haring would be before the August final hearing on the budget. She did not have specific dates as yet.

Council Member Wilson asked if any adjustments were made to the property tax rate when it would show up on residential tax bills. Manager Galbraith said that it would show on the tax bills from the Council in October.

J. CLAIMS

1. * List of checks paid from 05/12/09 through 05/21/09, Check Nos. 005789 through 005939, and authorization to file the checks for audit. *CONSENT* APPROVED

K. MISCELLANEOUS

L. PUBLIC COMMENTS

There were no comments from the public.

ADJOURNMENT

Mayor Evans adjourned the regular meeting at approximately 7:10 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 4 of June, 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