

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
July 23, 2009**

CALL TO ORDER

Mayor Evans called the meeting to order at approximately 5:00 p.m. in the Town Council Chambers, 303 N. Beeline Highway, Payson, Arizona.

PLEDGE OF ALLEGIANCE

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

ABSENT: Council Member Su Connell.

STAFF PRESENT: Debra Galbraith - Town Manager, Sam Streichman - Town Attorney, LaRon Garrett - Town Engineer, Martin de Masi - Fire Chief, and Silvia Smith - Town Clerk.

Council Member Wilson was present telephonically.

1. **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.

No action was taken on the Consent Agenda.

PURPOSE OF MEETING

1. Truth in Taxation
 - A. Council Decision Request filed by Debra A. Galbraith, Town Manager, concerning proposed Primary and Secondary Tax Rates for Fiscal Year 2009-10 budget.

Mayor Evans pointed out the nineteen percent number was defined by statute and was not a nineteen percent increase.

- B. This is a Public Hearing pursuant to A.R.S. §42-17107 concerning the Town of Payson's intention to raise its primary property taxes over last year's (2008/2009 fiscal year) level. The Town of Payson is proposing an increase in primary property taxes of \$93,527.00 or 19%. All interested citizens are invited to attend this public hearing. This is a Public Hearing

Mayor Evans opened the Public Hearing.

Gary Bedsworth looked at the tax increase from a retirement position. Mr.

Bedsworth felt that a little bit of a tax increase added up to alot for retirees and did not support a tax increase.

- C. Discussion/Possible Action re: Motion to levy the increased property taxes. NOTE: After the Public Hearing is closed, the Town Council is required under A.R.S. §42-17107(A)(4) to consider a motion to levy the increased property taxes by roll call vote.

Mayor Evans explained the Council had looked at multiple options. The actual levy rate has declined over the last three years. Council could raise the rate or keep the rate the same this year.

Motion: to go with option C holding it where it is at .2215.

Moved by Vice-Mayor Mike Vogel, seconded by Council Member Michael Hughes.

Council Member Wilson believed the tax rate should be increased.

Mayor Evans was concerned that Council could not control the state budget and supported this option. Mayor Evans believed it was good for the town.

Council Member Blair stated former Town Manager, Fred Carpenter, had said the Town's share was less than three percent of the total tax collected.

Mayor Evans explained the maximum rate was twenty cents per person per month and closed the Public Hearing. Mayor Evans asked Silvia Smith, Town Clerk, to take a roll call vote.

Vote: Vice-Mayor Vogel, yes; Council Member Blair, yes; Council Member Hughes, yes; Council Member Wilson, yes; Mayor Evans, yes; Council Member Croy, yes.

ABSENT: Council Member Connell.

Motion carried, 6-0.

2. Property Tax

- A. This is a Public Hearing concerning the Primary Property Tax Levy for Fiscal Year 2009/2010. The Town received the Preliminary 2009 Levy Limit Worksheet from the Gila County Assessor's Office in February and it is available for public inspection. The 2009 worksheet has been posted at Payson Town Hall and the Payson Public Library. The primary tax levy for the Fiscal Year 2009/2010 is projected to provide \$590,264 of revenue at the rate of \$0.2458 per \$100/assessed valuation. The primary property tax levy is scheduled for adoption by Ordinance at the Special Town Council meeting scheduled for August 6, 2009. Any comments or questions from the public will be taken at this time. This is a Public Hearing.

Mayor Evans opened the Public Hearing concerning the Primary Property Tax Levy. There were no public comments.

Sam Streichman, Town Attorney, explained no action was needed. Mayor Evans closed the Public Hearing.

- B. This is a Public Hearing concerning the Secondary Property Tax Levy for Fiscal Year 2009/2010. The voters for the Town of Payson approved the Green Valley Park Project at the special bond election held September 15, 1992. The Secondary Tax Levy will be set at a level sufficient to raise \$150,000. The actual rate will not be known until the County notifies the Town of the Secondary Assessed Value. The Secondary Property Tax Levy is scheduled for adoption by Ordinance at the Special Town Council meeting scheduled for August 6, 2009. Any comments or questions from the public will be taken at this time.

Mayor Evans explained voters had approved a special bond election with a secondary tax levy.

There were no public comments. Mayor Evans closed the Public Hearing.

3. Budget

- A. * As Council, staff and audience have the titles to all resolutions and ordinances, authorization to forego verbal title readings.
CONSENT APPROVAL
- B. This is a Public Hearing pursuant to A.R.S. §42-17104 regarding Estimates of Revenues and Expenditures/Expenses and the Proposed Budget for fiscal year 2009/2010. Any comments or questions from the public will be taken at this time.

Mayor Evans opened the public hearing. There were no public comments. Mayor Evans closed the Public Hearing.

- C. Council Decision Request filed by Debra A. Galbraith, Town Manager, to adopt Resolution No. 2498 as the Final Budget for the Town of Payson for Fiscal Year 2009/20010
OR
to adopt Resolution No. 2498 with the change to reduce the Property Tax Levy to amounts calculated without the increase that was proposed through the Truth in Taxation hearings.

Debra Galbraith, Town Manager, explained this Council Decision Request and asked Council to adopt the final budget. The motion needed to be reworded to reflect the tax changes.

Mayor Evans asked if changing the word *reduce* to *reflect* the property tax levy pursuant to the motion in the public hearing immediately preceding this would take care of it. Mr. Streichman stated yes. Council Member Wilson stated he would move that.

Motion: Adopt Resolution No. 2498 in conformity with the motion that was made in regard to the property tax Levy and change the word reduce to reflect.
Moved by Council Member John Wilson, seconded by Council Member Ed Blair.

Ms. Galbraith stated staff had all the numbers needed and would go in and reduce the tax number.

Mayor Evans was concerned that using the word reduced sounded like the number was being reduced and the word conformity should be used. The Mayor called for the vote.

Vote: Motion carried 6 - 0

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

Absent: Council Member Su Connell.

D. Discussion/possible action concerning Resolution No. 2498, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING ESTIMATES OF REVENUES AND EXPENDITURES/EXPENSES AND ADOPTING THE SAME AS THE FINAL BUDGET OF THE TOWN OF PAYSON FOR THE FISCAL YEAR 2009/2010.

The Town Council met on July 7, 2009 and approved the Tentative budget for the fiscal year 2009-2010. The tentative Budget was approved at a total of \$57,227,192.

The funding to support this budget is made up of \$14,948,901 (estimate) of surplus revenues expected to be carried forward from Fiscal Year 2008/2009; \$21,783,036 in projected revenue, other than property tax collections; \$590,264 in primary tax collections; \$150,000 in secondary property tax collections; \$21,027,400 grant receipts; \$3,883,881 in transfers and loans between funds; \$3,225,000 debt service proceeds; and \$620,200 proceeds from other financial sources.

The Budget Expenditure Limitation for Fiscal Year 2009/2010 is \$53,343,311. This amount is the total Budget of \$57,227,192 less the Interfund Transfers and Loans of \$3,883,881. The expenditures for the Interfund Transfers are accounted for in the Expenditure Limitation of \$57,227,192.

Mayor Evans asked if Council had to adopt the resolution. Mr. Steichman stated the motion was to adopt the resolution. Ms. Galbraith stated Council had to adopt the budget with the dollar amounts in it.

Mayor Evans stated pursuant to Item D there was some language at the bottom of page two and the top of page three with the numbers for the final budget. The Mayor asked if a motion to adopt the final budget pursuant to that language and in conformity with the prior motion would be in order. Council Member Wilson stated he would make that motion.

Motion: Adopt the final budget pursuant to the language contained on the bottom of page two and the top of page three and in conformity with the prior levy.

Moved by Council Member John Wilson, seconded by Vice-Mayor Mike Vogel.

Council Member Blair opposed the Mud Springs Road money in the capital projects

in the budget . The money had to be there from the beginning. LaRon Garrett, Public Works Director/Town Engineer, stated the money was there for the construction funding.

Mayor Evans called for the vote.

Vote: Motion carried 6 - 0

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

Absent: Council Member Su Connell.

ADJOURNMENT

Mayor Evans adjourned the meeting at approximately 5:29 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 23 of July, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2009.

Tracie Bailey, Deputy Town Clerk

Revised

2009-2010 FINAL BUDGET

July 23, 2009

2009/2010 Budget – ALL FUNDS

SOURCES

Beginning Balance	\$ 14,948,901
Revenues	\$ 22,523,300
Grants	\$ 21,027,400
Transfers In	\$ 2,783,881
Loans In	\$ 3,225,000
Other Source	\$ 980,800
Total Sources	\$ 67,209,482

USES

Operations	\$ 26,144,711
Transfers Out	\$ 2,783,881
Capital Improvements	\$ 25,570,800
Loans Out	\$ 1,100,000
Debt Repayment	\$ 1,627,800
Total Uses	\$ 57,227,192

ENDING BALANCE \$ 9,982,290

2009/10 Budget Sources and Uses By Fund Group

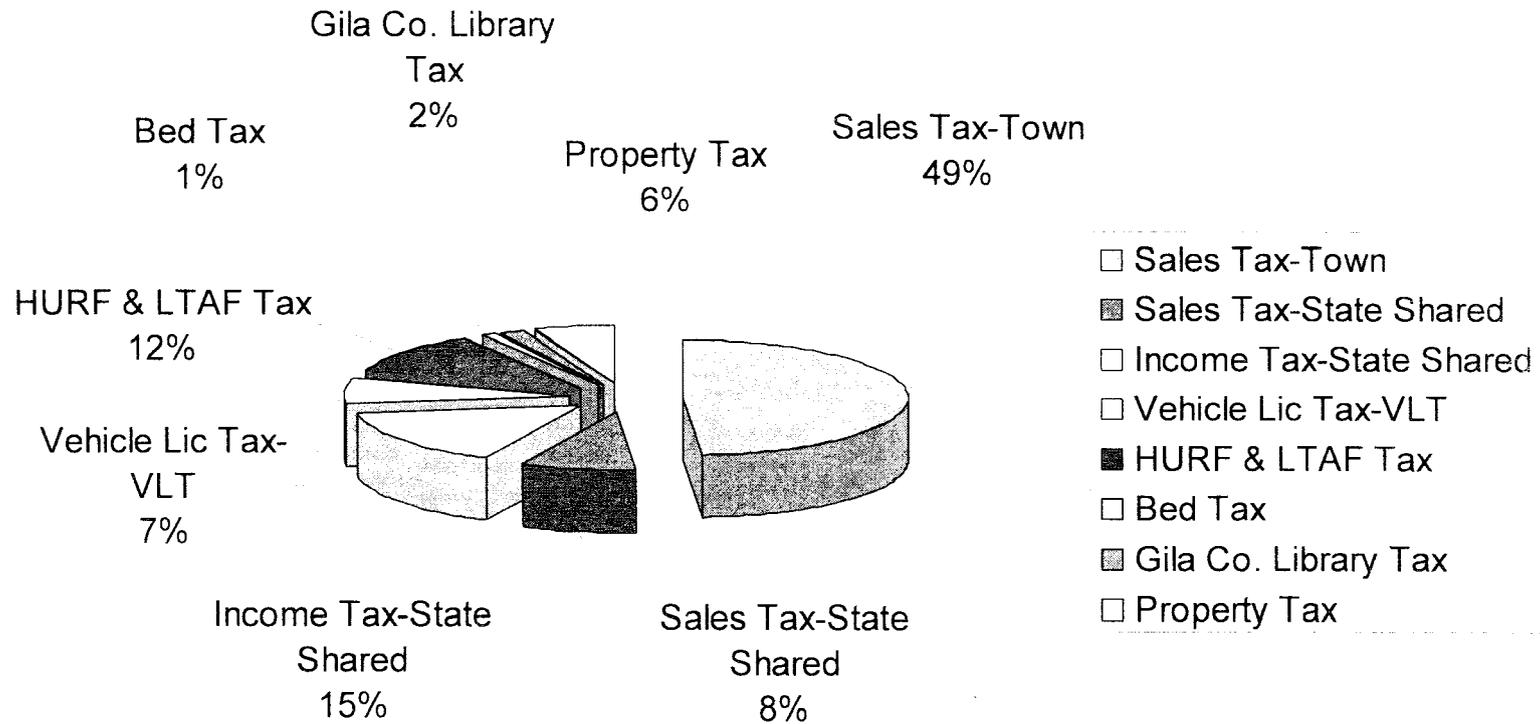
	General Fund	Restricted Operations	Restricted Capital	Debt Service	Water	Total All Funds
SOURCES OF FUNDS						
Beginning Balance	\$886,200	\$2,045,500	\$1,962,701	\$1,575,600	\$8,478,900	\$14,948,901
Revenues	\$12,384,300	\$5,039,600	\$152,700	\$907,400	\$4,039,300	\$22,523,300
Grants	\$404,300	\$1,767,900	\$6,470,200	\$0	\$12,385,000	\$21,027,400
Transfer In	\$5,000	\$662,230	\$136,600	\$480,051	\$1,500,000	\$2,783,881
Debt Service	\$0	\$0	\$3,225,000	\$0	\$0	\$3,225,000
Loans In	\$1,000,000	\$0	\$100,000	\$0	\$0	\$1,100,000
Other Sources	\$0	\$260,200	\$0	\$360,000	\$980,800	\$1,601,000
TOTAL SOURCES	\$14,679,800	\$9,775,430	\$12,047,201	\$3,323,051	\$27,384,000	\$67,209,482
USES						
Operations	\$13,248,661	\$6,403,300	\$1,475,000	\$0	\$5,017,750	\$26,144,711
Capital Improvements	\$43,000	\$1,591,000	\$10,079,300	\$0	\$13,857,500	\$25,570,800
Loans Out	\$0	\$0	\$0	\$0	\$1,100,000	\$1,100,000
Debt Repayment	\$0	\$0	\$0	\$1,627,800	\$0	\$1,627,800
Transfer Out	\$741,130	\$141,200	\$96,551	\$0	\$1,805,000	\$2,783,881
TOTAL USES	\$14,032,791	\$8,135,500	\$11,650,851	\$1,627,800	\$21,780,250	\$57,227,192

2009/10 Budget vs. Prior Year Budgets

Town of Payson, Arizona
Original Adopted Budgets 2006/07 to 2009/10 Proposed

Budget Category	2006/07	2007/08	2008/09	2009/10	2009/010 vs. 2008/09	
					\$ Increase/ (Decrease)	% Increase/ (Decrease)
SOURCES						
Beginning Balance	\$8,687,757	\$9,140,275	\$13,658,375	\$14,948,901	\$1,290,526	9.45%
Revenues	\$24,063,461	\$29,470,980	\$28,856,000	\$49,559,581	\$20,703,581	71.75%
Other	\$8,247,542	\$4,516,140	\$2,021,500	\$2,701,000	\$679,500	33.61%
Total Sources	\$40,998,760	\$43,127,395	\$44,535,875	\$67,209,482	\$22,673,607	50.91%
USES						
Operations	\$23,476,495	\$27,222,961	\$24,488,621	\$26,144,711	\$1,656,090	6.76%
Cap. Improvements	\$9,514,138	\$6,186,440	\$8,328,300	\$25,570,800	\$17,242,500	207.04%
Debt Repayment	\$1,969,284	\$1,293,650	\$1,255,400	\$1,627,800	\$372,400	29.66%
Other	\$4,435,392	\$4,516,140	\$2,021,500	\$3,883,881	\$1,862,381	92.13%
Total Uses	\$39,395,309	\$39,219,191	\$36,093,821	\$57,227,192	\$21,133,371	58.55%
ENDING BALANCE	\$1,603,451	\$3,908,204	\$8,442,054	\$9,982,290	\$1,540,236	18.24%

Tax Revenue



Property Tax-Primary Levy Rate

- In the past the Town has only increased the assessed value by the amount of new construction which reduces the levy rate. This is option #1.
- Option #2 reflects an increase in the levy rate to the amount allowed by the statutory limit.
- Option #3 reflects using the current tax levy rate.

Property Tax- Primary Levy (con't)

2008/09 Levy

Net Assessed Value

\$224,447,881

Property Tax Levy

\$496,737

Rate .2215/\$100 AV

Property Tax- Primary Levy (con't)

2009/10 Levy (Option #1)	2009/10 Levy (Option #2)	2009/10 Levy (Option #3)
Net Assessed Value	Net Assessed Value	Net Assessed Value
\$240,139,778 (Reflects increase for new construction)	\$240,139,778 (Reflects increase for new construction)	\$240,139,778 (Reflects increase for new construction)
Property Tax Levy	Property Tax Levy	Property Tax Levy
\$521,595	\$590,254	\$522,087
Rate .2172/\$100 AV	Rate .2458/\$100 AV	Rate .2215/\$100 AV

Questions/Suggestions

- Questions?
- Suggestions?
- Changes?