

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE REGULAR MEETING
January 7, 2010**

CALL TO ORDER

Mayor Evans called the regular meeting to order in the Town Council Chambers, 303 N. Beeline Highway, Payson, Arizona at approximately 5:30 p.m.

INVOCATION:

Harold Fleeger, Director and Pastor, U-Turn for Christ led an invocation.

PLEDGE OF ALLEGIANCE

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

STAFF PRESENT: Debra Galbraith - Town Manager, Sam Streichman - Town Attorney, LaRon Garrett - Public Works Director, Don Engler - Police Chief, Buzz Walker - Assistant Public Works Director, Marti deMasi - Fire Chief, Cameron Davis - Parks, Recreation & Tourism Director, and Cindy Smith - Chief Fiscal Officer.

OTHERS PRESENT: Tim Wright - Deputy Town Attorney, Gaye Stidham - Deputy Town Clerk, Diane Stoyer - Legal Department Office Manager, Toni Balestrere - Paralegal II, Mary McMullen - Recreation Supervisor, and Hope Cribb - Financial Analyst

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

Betty Berryman, Northern Gila County Historical Society's newly elected president, introduced Judy Buettner (past president), Nancy Perky (treasurer), and Sandy Carlson (archivist). Ms. Berryman said the Historical Society will continue to show visitors our 'destination stop' town. Mayor Evans thanked Judy Buettner for her service to the community and the NGCHS. Her diligent work toward the wonderful improvements to the museum are greatly appreciated. Ms. Buettner said she will be focusing on her health, but hopefully will be back to serve in the future.

Dennis Pirch spoke representing the FLW Western Series Bass Fishing Tournament that will be coming to Roosevelt Lake in September. He said that 150 pros and 150 co-anglers will be pre-fishing Roosevelt Lake well in advance of the tournament. Contestants will be cut to 5 pros and 5 co-anglers for the last 3 days. He thanked the steering committee of volunteers whose passion for the outdoors brought these kinds of activities to the Payson area. Mr. Pirch also thanked the Town of Payson for its support.

B. CONSENT AGENDA

Motion: to approve the Consent Agenda.

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

Vote: Motion carried 7 - 0

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

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

Chief Engler reported that the police volunteers met a milestone. The program began in late 2000 and volunteers have logged 11,029 1/2 hours by 2009. The top areas of donated hours are the PATH program, office clerk, maintenance projects, property and evidence. Chief Engler was very proud of the volunteers and their donation to the Town of Payson.

Cameron Davis, Parks, Recreation and Toursim Director, announced that the Hash Knife Pony Express Riders will be making their annual trek beginning in Holbrook and covering over 200 miles through Payson to Scottsdale. They will be in Payson Wednesday, January 27th at Post Office at 4:45 p.m.

Roger Kreimer with the Payson Area Food Drive said the community wide support was wonderful. He thanked the Council, local newspapers, businesses and churches. Anonymous donations are at \$14,777.38 and the collection of food is over the half way to the goal.

Council Member Connell introduced the mascot for the Payson Area Food Drive, Woody the Squirrel. The costume was created by Deana Biesmyer. Ms. Biesmyer makes costumes and markets them worldwide. Council Member Connell thanked Ms. Biesmyer for her donation of the Woody costume for the cause. Woody will be making appearances throughout the community. The food drive has been extended through Super Bowl Sunday, February 7th. Boxes for food donations are in the grocery stores.

Mayor Evans presented a card to Council Member Wilson in honor of his 78th birthday.

Council Member Wilson announced the First Friday event on Main Street scheduled for January 8th. The Presbyterian Church will be having a fee supper that night from 5:00 p.m. to 7:00 p.m.

2. Documents, materials and information for Council review. (The Council will not discuss or take action on the attached; they are provided for information

only)

**D. CEREMONIAL; ANNOUNCEMENTS; PRESENTATIONS;
INTRODUCTIONS**

There were no items in this section.

E. MINUTES

1. Council Meeting Minutes:
12-01-09 Special Meeting Pages 1 -3
12-10-09 Regular Meeting Pages 1 -13
12-11-09 Special Meeting 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. * Planning and Zoning Commission Minutes:
10-12-09 Regular Meeting Pages 1 -4
11-09-09 Regular Meeting Pages 1 -3
CONSENT INFORMATION ONLY
3. * Surface Transportation Advisory Board:
11-04-09 Regular Meeting Pages 203 -205
CONSENT INFORMATION ONLY
4. * Design Review Board:
11-17-09 Regular Meeting Pages 126 -127
CONSENT INFORMATION ONLY
5. * Housing Advisory Commission:
09-27-09 Regular Meeting

F. HEARINGS AND APPEALS

1. This was a public hearing concerning an application for a Series #12 Liquor License filed by Richard P. Floyd, agent, Cardo's Pizza Italian Restaurant, 205 E. Highway 260, Suite A.1, Payson, Arizona.

Mayor Evans opened the public hearing. There were no comments from the public and he closed the public hearing.

Motion: to Approve an application for a Series #12 Liquor License filed by Richard P. Floyd, agent, Cardo's Pizza Italian Restaurant, 205 E. Highway 260, Suite A.1, Payson, Arizona.

Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

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

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. 2533, 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, Parks, Recreation and Tourism Director, explained the tournament activities. He said a questionnaire distributed to anglers after the last tournament set the economic impact to Payson and Gila County around \$700,000. The coming tournament should be even bigger. The event will be nationally televised, a series leading up to the event will also be televised and information will be in magazines and on the FLW Outdoor website.

Motion: to Approve Resolution No. 2533, 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 Vice-Mayor Mike Vogel.

Vote: Motion carried 7 - 0

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

3. The following three items will be heard together: Resolution No. 2536, Ordinance No. 774 and a Council Decision Request filed by Cameron Davis, Parks, Recreation and Tourism Director.

- a. Discussion/possible action concerning Resolution No. 2536, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AMENDING SECTIONS 33.95 THROUGH 33.99 OF THE CODE OF THE TOWN OF PAYSON, DECLARING SUCH AMENDMENT TO BE A PUBLIC RECORD AND DECLARING AN EMERGENCY. (PAYSON ADVISORY YOUTH COUNCIL)

Motion: to Approve Resolution No. 2536, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AMENDING SECTIONS 33.95 THROUGH 33.99 OF THE CODE OF THE TOWN OF PAYSON, DECLARING SUCH AMENDMENT TO BE A PUBLIC RECORD AND DECLARING AN EMERGENCY. (PAYSON ADVISORY YOUTH COUNCIL)

Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

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

- b. Public Hearing and Discussion/possible action concerning Ordinance No. 774, captioned as follows: AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AMENDING SECTIONS 33.95 THROUGH 33.99 OF THE CODE OF THE TOWN OF PAYSON AND DECLARING AN EMERGENCY. (PAYSON ADVISORY YOUTH COUNCIL) Public Hearing.

Mayor Evans opened the public hearing concerning Ordinance No. 774. There were no comments from the public and he closed the public hearing.

Motion: to Approve Ordinance No. 774, captioned as follows: AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AMENDING SECTIONS 33.95 THROUGH 33.99 OF THE CODE OF THE TOWN OF PAYSON AND DECLARING AN EMERGENCY. (PAYSON ADVISORY YOUTH COUNCIL)

Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

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

Member Michael Hughes, and Council Member John Wilson.

- c. Council Decision Request filed by Cameron Davis, Parks, Recreation and Tourism Director, to approve the appointment of the following students to the Payson Advisory Youth Council (PAYC)-Members Alicia Bayless, Lauren Best, Daniel Conley, Sam Grassel, Payton Pettet, Austin Shannon, Anthony Smith. Alternate Members Tyler Aguirre and Dillon Walker.

Mr. Davis gave a brief presentation explaining the duties and goals of the PAYC. Mary McMullen, Recreation Supervisor, will be the staff liaison and Council Member Connell will liaison for the Council. Mr. Davis introduced the new Payson Advisory Youth Council members and alternate members.

Motion: to Approve a Council Decision Request filed by Cameron Davis, Parks, Recreation and Tourism Director, to approve the appointment of the following students to the Payson Advisory Youth Council (PAYC)-Members Alicia Bayless, Lauren Best, Daniel Conley, Sam Grassel, Payton Pettet, Austin Shannon, Anthony Smith. Alternate Members Tyler Aguirre and Dillon Walker.

Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

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

4. * Discussion/possible action concerning Resolution No. 2537, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ENDORSING CONTINUED PARTICIPATION IN THE GILA COUNTY ENTERPRISE ZONE AND APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH GILA COUNTY RELATING TO THE OPERATION OF AN ENTERPRISE ZONE.
CONSENT APPROVED

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

I. NEW BUSINESS

1. * Council Decision Request to appoint Vice-Mayor Vogel as the Town of Payson representative to the Enterprise Zone Commission.
CONSENT APPROVED
2. * Council Decision Request to request the Transportation Advisory Board

study and provide recommendations back to the Town Council on the following subjects: 1) Highway 260, Granite Dells Road, and Safeway driveway intersection improvements; 2) Circulation and mobility throughout the Town; 3) Speeding on neighborhood streets; 4) Business impact of a bypass; 5) Sidewalk Study; and 6) Developing an annual priority list of street repairs/construction.

CONSENT APPROVED

3. Council Decision Request to approve the contract with Tetra Tech, Inc. for the Preliminary Engineering Design of the C.C. Cragin Treated Water Pipeline and authorize the Mayor to sign the necessary contract documents.

CONSENT APPROVED

4. Discussion/possible action re: Expenditures/Revenues of the FY 2009/2010 Budget and FY 2010/2011 Budget, including but not limited to: (Council Decision Request filed by Cindy Smith, CFO)

- A. Status of Revenue/Spending

- B. Projected Revenue Estimates

- C. Options for increasing revenue

- D. Potential limitations/reductions in spending and services, including but not limited to:

- (1) Potential reductions in departmental spending;

- (2) Potential reductions in services;

- (3) Potential employee work furloughs;

- (4) Potential employee salary reductions;

- (5) Potential employee lay-offs;

- (6) Potential redistribution of health care costs

- E. Establishment of responsibility to make appropriate reductions in spending and services.

Mayor Evans recommended directing staff to implement a furlough program and meet again in a special meeting to discuss issues that need additional input. The meeting was set for 3:00 p.m., Wednesday, January 13, 2010. Mayor Evans said that any delay would cost an additional pay period and a furlough program needed done tonight. He asked Ms. Galbraith to bring back specific details on the impact of the furlough program and other options at the Wednesday meeting.

Motion: to Approve directing staff to implement a furlough program and meet again in a special meeting Wednesday, January 13, 3:00 p.m. bringing to Council the quantified impact of other options so they might select from that menu both in the 2010 budget and for longer term.
Moved by Mayor Kenny J. Evans, seconded by Council Member John Wilson.

Ms. Galbraith asked if she could use her authority to make these decisions now. Mayor Evans said it was her authority to do so now and he wanted to make sure she understood the need to do this immediately.

Vice-Mayor Vogel said he would be available telephonically for Wednesday's meeting.

Vote: Motion carried 7 - 0

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

J. CLAIMS

1. * List of checks paid from December 1, 2009 through December 30, 2009, Check Nos. 008101 through , 008432 and authorization to file the checks for audit.
CONSENT APPROVED

K. MISCELLANEOUS

1. * Acceptance with regrets of the resignation of Donna Baade from the Housing Advisory Commission and thanks for a job well done. (Letter of resignation on file in the Town Clerk's office)
CONSENT APPROVED

L. PUBLIC COMMENTS

There were no comments from the public.

Mayor Evans recognized Vice-Mayor Vogel's hard work in bringing new manufacturing to Payson. They continue to look at more enterprise businesses coming in the future.

Mayor Evans adjourned the meeting at approximately 6:23 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 7 of January, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2010.

Gaye Stidham, Deputy Town Clerk



**COUNCIL WORK STUDY
MEETING
January 7, 2010
2:00 p.m.**

AGENDA – BUDGET

1. Status of Revenue/Spending
2. Projected Revenue Estimates
3. Options for increasing revenue
4. Potential limitations/reductions in spending and services, including but not limited to:
 - Potential reductions in departmental spending;
 - Potential reductions in services;
 - Potential employee work furloughs;
 - Potential employee salary reductions;
 - Potential employee lay-offs;
 - Potential redistribution of health care costs.

FY2009/10 BUDGET

- Current budget was created using very conservative revenue estimates and continued decreases in projected expenditures from the 2008/09 budget.
- Balanced Budget: The expenses/expenditures do not exceed the budgeted revenue plus the unreserved fund balance.

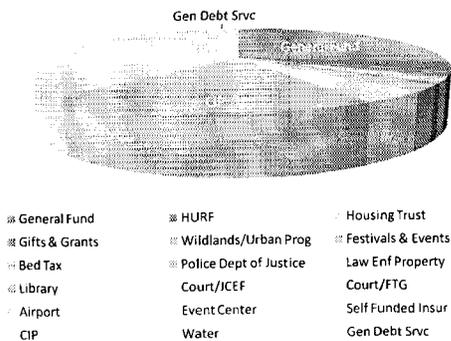


**FINANCIAL POLICY
NO. FIN 101**

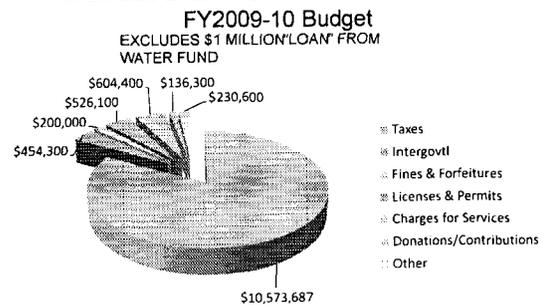
1.1.6 BALANCED BUDGET

The budget must be balanced for all budgeted funds. Total estimated expenditures for each of the governmental fund types must equal total anticipated revenues plus that portion of beginning of the year unreserved fund balance, in excess of the required fund balance reserve. Estimated expenses for proprietary fund types must equal total anticipated revenues and unreserved retained earnings.

REVENUE BUDGETS



GENERAL FUND REVENUES



FINANCIAL POLICY NO. FIN 101

1.3.2 REVENUE DECLINES

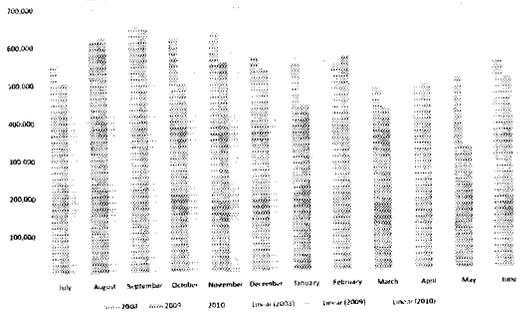
For short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow, expenditure reductions or restrictions may be imposed. Council may approve a contribution from reserves, inter-fund loans and/or, transfers from the Rainy Day fund to address temporary downturns in Town revenue. Inter-fund loans may be utilized to cover temporary gaps in cash flow.

Deficit financing and borrowing to support on-going operations is not the policy of the Town as a response to long-term (greater than one year) revenue shortfalls. Revenue projections will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast or revenue increases will be considered.

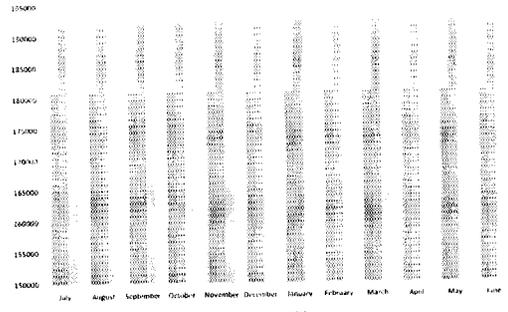
FY09/10 GF - CURRENT REVENUE BUDGET ANALYSIS

	CURRENT FY09/10 BUDGET	FY08/09 BUDGET	% BUDGET CHG	FY09/10 thru Dec09	FY08/09 thru Dec08	YTD VARIANCE	% YTD Variance to last year
SALES TAX - LOCAL	\$ 6,000,000	\$ 7,000,000	-14%	\$ 2,478,954	\$ 2,871,914	\$ (392,960)	-14%
INCOME TAX	1,993,000	2,213,400	-10%	966,678	1,154,081	\$ (187,403)	-16%
SALES TAX - STATE	1,100,000	1,396,600	-21%	458,303	523,827	\$ (65,524)	-12%
VEHICLE LICENSE TAX	856,800	1,026,000	-17%	368,000	414,270	\$ (46,270)	-11%
PROPERTY TAX	530,087	497,200	7%	261,710	230,914	\$ 30,796	13%
TOTAL	\$ 10,573,687	\$ 12,131,200	-13%	\$ 4,563,805	\$ 5,203,046	\$ (639,241)	-12%
ALL OF REVENUES	\$ 13,726,367	\$ 14,728,700	-8%	\$ 5,512,310	\$ 5,912,310	\$ (400,000)	-7%

LOCAL SALES TAX REVENUE LINEAR TREND ANALYSIS

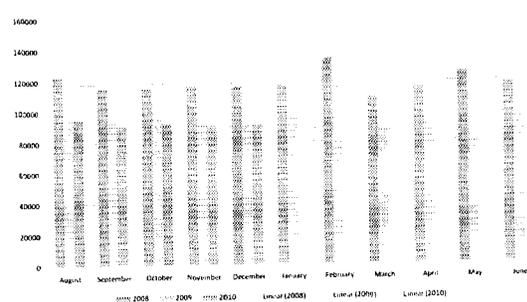


INCOME TAX REVENUE 3 YEAR HISTORY

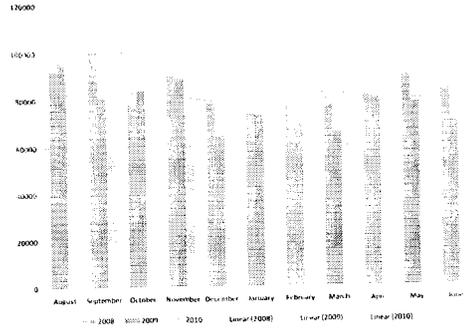


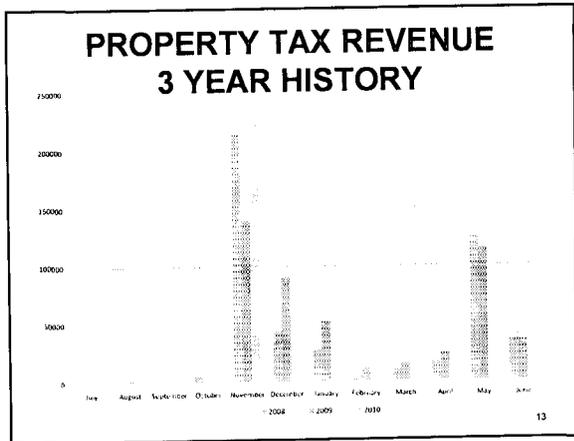
BASED ON INCOME LEVELS OF 2 YEARS PRIOR TO RECEIPT

STATE SALES TAX REVENUE LINEAR TREND ANALYSIS



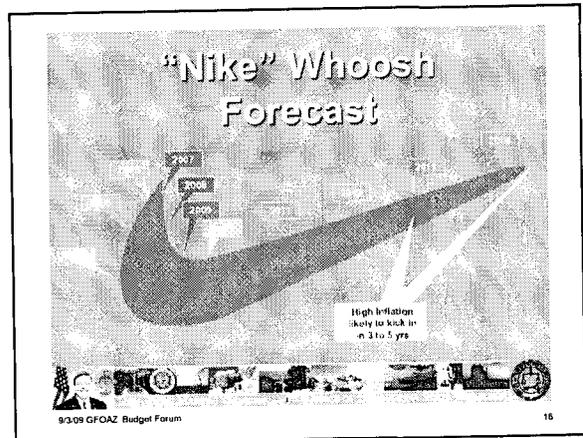
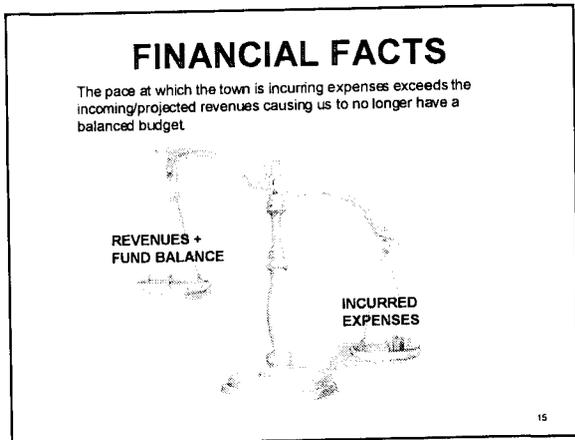
VEHICLE LICENSE TAX REVENUE LINEAR TREND ANALYSIS





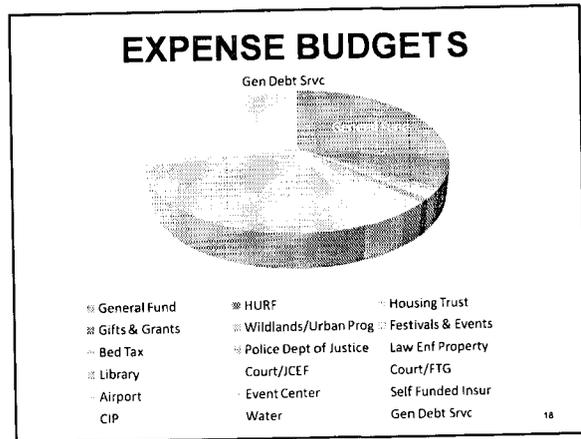
Town of Peoria Arizona Summary of Revenues by Category and Operating Expenditures by Department For the Fiscal Year Ending December 31, 2010

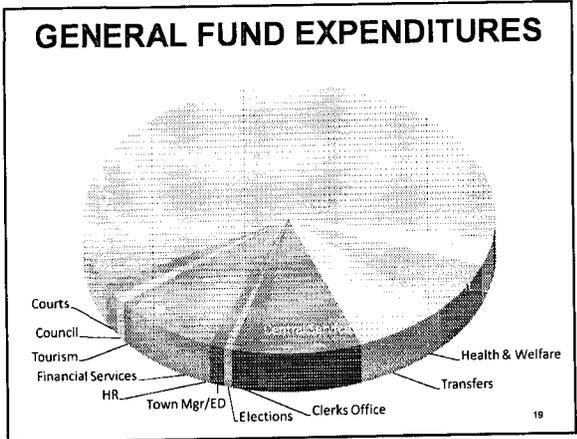
Category	"2009 Actual"			"2010 Actual"			Variance	Percentage
	2009	2010	% Chg	2010	2009	% Chg		
Revenues by Category								
Taxes	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
License and Permits	129,180	129,180	0%	129,180	129,180	0%	100%	
Developmental Services	148,500	148,500	0%	148,500	148,500	0%	100%	
Charges for Service	2,520,000	2,520,000	0%	2,520,000	2,520,000	0%	100%	
Interest on Debt	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Other	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Total Revenues	12,141,211	12,141,211	0%	12,141,211	12,141,211	0%		
Operating Expenditures by Department								
Administration	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Police	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Fire	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Public Works	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Library	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Event Center	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Water	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Gen Debt Svc	1,214,121	1,214,121	0%	1,214,121	1,214,121	0%	100%	
Total Operating Expenditures	12,141,211	12,141,211	0%	12,141,211	12,141,211	0%		



GENERAL FUND ADJUSTED REVENUE ESTIMATES

	ORIG BUDGET FY09/10	ADJUSTED BUDGET FY09/10	VARIANCE	% CHNG
SALES TAX - LOCAL	\$ 6,000,000	\$ 5,100,000	(\$900,000)	-15%
INCOME TAX	1,993,000	1,993,000	0	0%
SALES TAX - STATE	1,100,000	979,000	(121,000)	-11%
VEHICLE LICENSE TAX	\$ 950,600	\$ 845,000	(105,600)	-11%
PROPERTY TAX	530,087	530,087	0	0%
Tax Revenues	\$ 10,573,687	\$ 9,447,087	(1,126,600)	-11%
ALL GF REVENUES	\$ 13,725,387	\$ 12,126,200	(\$1,599,187)	-12%





BALANCING THE BUDGET

What are our options?

REVENUES

- Sell assets
- Grants
- Increase Tax Rates
- Increase Fines and Fees (2009)

EXPEDITURES

- Reduce/Renegotiate contract services (2009-janitorial, landscaping, waste refuse)
- Reduce programs
- Reduce expenses (2009-travel & training, utilities-4/10 hr work week)
- Increase Employee Benefit Contributions
- Furlough
- Pay reduction
- Layoff (2009)

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REVENUE OPPORTUNITIES

- SELL ASSETS
- PURSUE FEDERAL, STATE, LOCAL GRANTS
- INCREASE TAXES
- INCREASE FINES & FEES

21

SELL ASSETS

- LAND
- BUILDINGS
- OTHER CAPITAL ASSETS

➢ The Town does not own any assets to significantly impact revenues.

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GRANTS

- Federal
- State
- Local
- Other

➢ Ongoing opportunities

➢ Not always "free money"

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TAXES

- Sales Tax – Gila County

CITY	STA	GF	ROA	JAI	CAPIT	HEALT	CIT	TOTA
Globe	5.60	0.50	0.50	-	-	-	2.00	8.600
Hayden	5.60	0.50	0.50	-	-	-	3.00	9.600
Miami	5.60	0.50	0.50	-	-	-	2.50	9.100
Payson	5.60	0.50	0.50	-	-	-	2.12	8.720
Star	5.60	0.50	0.50	-	-	-	2.00	8.600
Winkelman	5.60	0.50	0.50	-	-	-	3.50	10.10

- Property Tax - Payson

Primary/Secondary	Net Assessed Valuation	Levy Amount	Tax Rate
LCV (Primary)	\$240,139,778	\$531,910	0.2215
FCV (Secondary)	\$262,116,724	\$258,444	0.0986

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MODEL CITY TAX CODE

• LOCAL OPTIONS (6/36)

OPTION	DESCRIPTION	MODEL	OPTION
B	Governmental entities as customers	Taxable	Exempt
E	License issuance conditional on meeting all other City Code	No	Yes
Q	Rental Occupancy Tax	Not Imposed	Imposed
S	Lodging rental to non-transients	Taxable	Exempt
CC	Gross income from destructive	Taxable	Exempt
DD	Cable TV Income	Taxable	Exempt

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MODEL CITY TAX CODE

• MODEL OPTIONS (8/16)

OPTION	DESCRIPTION	MODEL	OPTION
2	Food for home consumption	Exempt	Taxable
6	Transient (hotel "bed") tax as part of Privilege Tax	Imposed	Not Imposed
7	Income from coin-operated washing, drying car-wash & dry-cleaning machines	Exempt	Taxable
9	Factoring of parts and labor for "flat fee" retail repair service	Allowed	Not Allowed

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MODEL CITY TAX CODE

MODEL OPTIONS Continued (8/16)

OPTION	DESCRIPTION	MODEL	OPTION
10	Livestock, feed, and agricultural chemicals	Exempt	Taxable
11	Franchise & license fees credit against telecommunication	Allowed	Not Allowed
13	Franchise fee credit against utility	Allowed	Not Allowed
15	Use tax	Imposed	Not imposed

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FINES & FEES

• FRANCHISE FEES

- Electric..25 yr (2014) – flat rate subject to annual CPI adjustment. Agreement subject to termination on 10th year anniversary-2009
- Gas..25 yr (2014) - flat rate based on usage, no adjustment

➤ LICENSE FEES

- Cable..10 yr (2014) – 3% of gross revenues, subject to Council review and adjustment up to 5%

• CHARGES FOR SERVICES

- Fines and Fees adjusted during FY2009/10 budget cycle

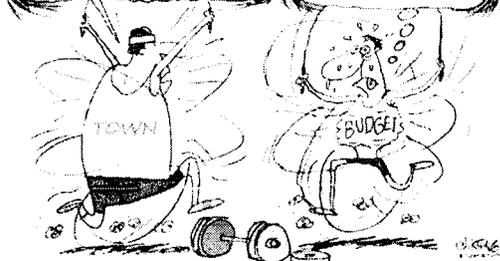
• OTHER

28

EXPENDITURES

LET'S GO!
WE NEED TO TRIM
THAT FAT!

WHAT FAT?
MY RIBS ARE
ALREADY
SHOWING!



SPENDING PLAN

• OPTIONS TO DECREASE EXPENDITURES

- Reductions in department spending
- Reduction in services
- Employee work furlough
- Employee pay reduction
- Employee lay-off
- Increase in employee share of medical premiums

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REDUCTIONS TO DEPARTMENT SPENDING

	Adopted Budget	26-Dec Actual	26-Dec Variance	% Total Budget	26-Jun Estimated	30-Jun Variance
REVENUE	\$ 13,725,097	\$ 13,916,534	\$ 191,437	36%	\$ 13,134,300	\$ -782,234

Budget vs 2017 Estimate
(does not include beginning fund balance - \$696,000)

	Adopted Budget	26-Dec Actual	Variance	% Total Budget	Debit Allocation
EXPENDITURES	\$ 13,320,000	\$ 14,408,000	\$ 1,088,000	8%	\$ 134,038
General Services	280,000	120,070	0.46	2%	33,196
Clark	84,000	1,236	0.01	1%	10,037
Deputies	164,000	70,118	0.48	1%	19,495
Town Manager	97,000	81,900	0.63	1%	11,238
HR	110,000	165,170	0.48	3%	46,470
Financial Services	542,000	333,700	0.39	4%	66,346
IT	136,000	48,896	0.42	1%	13,714
Township	138,000	56,467	0.42	1%	10,054
Clerks	237,500	126,760	0.56	2%	26,895
Attorney	334,000	226,740	0.41	4%	39,690
Police	4,466,200	1,913,030	0.43	33%	570,790
Fire-Operations	2,872,500	1,234,964	0.43	21%	330,598
Public Works	81,000	70,000	0.90	1%	9,611
Parks	992,000	421,114	0.43	7%	117,417
Community Development	980,200	412,335	0.42	7%	115,880
LEA Animal Control	150,000	72,721	0.47	1%	18,387
Transfer Out of CF to Other Dept	\$ (1,327,040)	\$ (1,065,000)			\$ 1,260,000

ALLOCATION OF TRANSFERS OUT OF CF

Cls & Chem	2,114	8%	2,114
Fire/Police	1,115	2%	1,115
Library	24,717	87%	24,717
Event Center	1,054	4%	1,054

REDUCTION IN SERVICES

- Typically the result of any type of reduction to the operational budget.

- Department spending cuts
- Furlough
- Layoffs

FURLOUGH

Employee furloughs are mandatory time off work with no pay.

ADVANTAGES

- The employer avoids layoffs for a period of time so employees have jobs.
- The employer saves compensation costs.

DISADVANTAGES

- You are disadvantaging your best employees, the top performers you really need to rebuild your business, following the downturn.
- Employees save money, but not as much as they think they will, because so many of an employer's costs for benefits continue during furloughs.
- The amount of work remains constant which makes returning workers feel overloaded and may affect the quality of their performance and products.
- The internal culture and relationships are often injured. Projects take longer to move forward.
- Employees experience stress from work expectations and fear that the furloughs will not solve the problems and that layoffs will come next. Gossip increases and work productivity decreases.
- Given less time at work, more time catching up incomplete work, and workload increases because of missing coworkers, innovation and continuous improvement fall by the wayside.

FURLOUGH ANALYSIS

- TOWN WIDE POLICY: Applicable to ALL employees regardless of position, department, fund, etc.

	Base Wages	Weekly	Hourly	2-10 Hr days	6 months	0.175% Admin 0.338% Police 0.180% Fire	Benefits Not Med Ins	Work Comp	Total by Fund
General Fund	\$ 174,179	\$ 3,350	\$ 84	\$ 1,675	\$ 10,049	\$ 1,785	\$ 3,326	\$ 32	\$ 422,773
Clerks	125,008	2,404	60	1,202	7,212	1,298	2,576	23	
Manager	57,200	1,100	28	560	3,300	578	1,091	10	
HR	296,235	5,816	142	2,832	17,033	2,891	5,441	54	
Finance	114,358	2,199	55	1,100	6,588	1,159	2,171	21	
IT	337,501	6,460	162	3,240	19,471	3,418	6,417	67	
Attorney	415,200	7,965	200	3,983	23,958	4,207	7,873	77	
Dispatch	1,777,770	34,188	855	17,084	102,584	34,577	64,717	640	
Police	216,567	4,303	108	2,100	12,610	2,214	4,217	40	
Police Admin	1,341,930	26,401	645	12,900	77,402	14,781	27,589	270	
Fire	528,570	10,185	254	5,082	30,484	5,355	9,951	95	
Community Development	206,627	3,974	99	1,987	11,921	2,093	4,051	39	
Public Works (Parks)	247,633	4,792	119	2,381	14,287	2,508	4,854	46	
Recreation, Tourism	\$ 5,830,508	\$ 112,288	\$ 2,807	\$ 56,149	\$ 338,895	\$ 78,894	\$ 8,854	\$ 84	
HURF	\$ 707,616	\$ 13,808	\$ 340	\$ 6,804	\$ 40,824	\$ 7,189	\$ 3,326	\$ 32	\$ 51,319
Library	\$ 243,651	\$ 4,668	\$ 117	\$ 2,343	\$ 14,057	\$ 2,468	\$ 45	\$ 45	\$ 16,570
Water	\$ 1,129,753	\$ 21,728	\$ 543	\$ 10,863	\$ 65,178	\$ 11,445	\$ 2,180	\$ 21	\$ 78,803
Total	\$ 7,920,528	\$ 152,318	\$ 3,808	\$ 76,153	\$ 456,954	\$ 99,076	\$ 14,434	\$ 144	\$ 246,768

FURLOUGH - PAYCHECK IMPACT

- Number of days worked
2,080 hrs / 10 hrs per day = 208 days
- % Gross Earnings Effect
 - 6 Furlough Days reduction $6/208 = 2.89\%$
 - 9 Furlough Days reduction $9/208 = 4.33\%$
 - 12 Furlough Days reduction $12/208 = 5.77\%$

Note: Employees on 8 hr work schedules will be subject to equivalent number

PAY REDUCTION

Totals reflective of 5% analysis

	Base Wages	1/2 Year	2%	3%	4%	5%	0.175% Admin 0.338% Police 0.180% Fire	Benefits Not Med Ins	Work Comp	Total by Fund
General Fund	\$ 174,179	\$ 87,000	\$ 1,742	\$ 2,613	\$ 3,484	\$ 4,354	\$ 785	\$ 3,326	\$ 32	\$ 183,202
Clerks	125,008	62,504	1,250	1,875	2,500	3,125	549	1,091	10	
Manager	57,200	28,600	572	858	1,144	1,430	251	502	5	
HR	296,235	147,818	2,962	4,428	5,906	7,381	1,298	2,576	23	
Finance	114,358	57,179	1,144	1,715	2,287	2,858	522	1,044	9	
IT	337,501	168,751	3,375	5,063	6,750	8,438	1,471	2,942	27	
Attorney	415,200	207,600	4,152	6,228	8,305	10,381	1,823	3,646	33	
Dispatch	1,777,770	888,885	17,778	26,667	35,556	44,444	15,027	30,054	297	
Police	216,567	108,284	2,166	3,249	4,332	5,415	960	1,920	17	
Police Admin	1,341,930	670,965	13,418	20,127	26,833	33,541	6,086	12,172	116	
Fire	528,570	264,285	5,286	7,929	10,572	13,214	2,320	4,640	45	
Community Development	206,627	103,314	2,066	3,099	4,133	5,166	927	1,854	18	
Public Works (Parks)	247,633	123,817	2,476	3,714	4,953	6,191	1,118	2,236	22	
Recreation, Tourism	\$ 5,830,508	\$ 2,915,254	\$ 58,305	\$ 87,458	\$ 116,190	\$ 145,867	\$ 33,384	\$ 6,677	\$ 64	
HURF	\$ 707,616	\$ 353,808	\$ 7,076	\$ 10,614	\$ 14,152	\$ 17,690	\$ 3,106	\$ 6,212	\$ 61	\$ 22,238
Library	\$ 243,651	\$ 121,826	\$ 2,437	\$ 3,656	\$ 4,873	\$ 6,091	\$ 1,070	\$ 2,140	\$ 21	\$ 7,180
Water	\$ 1,129,753	\$ 564,877	\$ 11,298	\$ 16,946	\$ 22,595	\$ 28,244	\$ 4,900	\$ 9,800	\$ 94	\$ 34,148
Total	\$ 7,920,528	\$ 3,960,264	\$ 78,206	\$ 118,800	\$ 158,411	\$ 198,013	\$ 42,500	\$ 8,500	\$ 84	\$ 246,768

LAYOFFS

- TEMPORARY PERSONNEL
- May be needed to reach targeted departmental budget reductions.

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PART-TIME/TEMPORARY PERSONNEL

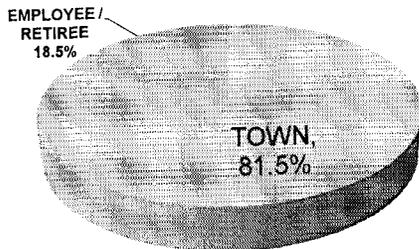
0 0765 Admin
0 3381 Police
0 2145 Fire

	PT/Temp	Benefits Nut Med Ins	Work Comp	Total by Fund
General Fund	Remaining Budget			
Clocks	0	0	0	0
Manager	0	0	0	0
HR	0	0	0	0
Finance	0	0	0	0
IT	0	0	0	0
Attorney	12,300	941	30	13,271
Dispatch	0	0	0	0
Police	0	0	0	0
Police Admin	0	0	0	0
Fire-On Call	30,000	435	1,068	31,503
CD	0	0	0	0
Public Works (Parks)	6,000	459	249	6,708
Recreation Tourism*	45,200	3,458	879	50,537
Total General Fund	93,500	5,793	1,277	100,570
HURF	0	0	0	0
Library	20,000	1,530	64	21,594
Water	0	0	0	0
Total	113,500	6,823	1,280	121,603

*Includes pool 627,200

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HEALTH INSURANCE PREMIUMS "Cost Share"



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HEALTH INSURANCE COSTS

	TOWN SHARE 81.5%	EMPLOYEE SHARE 18.5%	RETIREE SHARE 18.5%
CURRENT			
	Employee Only Medical/Dental/Vision	Empl + Family Medical/Dental/Vision	Retiree TOP Plan Medical/Dental/Vision
	Life	Life	Life
PAYER			Retiree-St. Choice Medical/Dental/Vision
Town	\$ 425.98	\$ 1,105.10	\$ 1,097.59
Employee	\$ 96.69	\$ 250.84	\$ 305.87 (A#)
Retiree	\$ -	\$ -	\$ 249.14
	\$ 522.67	\$ 1,355.94	\$ 1,348.73

PARTICIPANT POPULATION

Employee Only	35
Empl + Family	102
Retirees	35

MONTHLY INSURANCE PREMIUM

	TOWN	EMPLOYEE	RETIREE
Employee Only	\$ 14,910	\$ 3,396	\$ -
Empl + Family	\$ 112,710	\$ 25,602	\$ -
Retiree - TOP Plan	\$ 38,430	\$ -	\$ 8,715
Retiree-St. Choice	\$ 1,836	\$ -	\$ 414
	\$ 167,886	\$ 28,997	\$ 9,129

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HEALTH INSURANCE COST OPTION

	TOWN SHARE 81.5%	EMPLOYEE SHARE 18.5%	RETIREE SHARE 18.5%
CURRENT			
OPTION			
	Employee Only Medical/Dental/Vision/Life	Empl + Family Medical/Dental/Vision/Life	Retiree TOP Plan Medical/Dental/Vision/Life
	20% Option	20% Option	20% Option
PAYER			Retiree-St. Choice Medical/Dental/Vision/Life
Town	\$ 425.68	\$ 392.00	\$ 1,126.19
Employee	\$ 98.68	\$ 133.87	\$ 230.84
Retiree	\$ -	\$ -	\$ 338.99
	\$ 524.36	\$ 525.87	\$ 1,696.02

PARTICIPANT POPULATION

Employee Only	35
Empl + Family	102
Retirees	35

MONTHLY INSURANCE PREMIUM

	TOWN	EMPLOYEE	RETIREE
Employee Only	\$ 14,908	\$ 3,370	\$ -
Empl + Family	\$ 112,700	\$ 25,580	\$ -
Retiree - TOP Plan	\$ 38,418	\$ -	\$ 8,700
Retiree-St. Choice	\$ 1,830	\$ -	\$ 412
	\$ 167,856	\$ 28,950	\$ 9,112

SAVINGS

	EMPLOYEE ONLY	EMPL + FAMILY	RETIREE TOP PLAN	RETIREE ST. CHOICE PLAN	TOTAL
Town Share @ 81.5%	\$ 14,908	\$ 112,700	\$ -	\$ -	\$ 127,608
Town Share @ 70%	\$ -	\$ 10,720	\$ -	\$ -	\$ 10,720
Change in Townshare	\$ 1,168	\$ 9,560	\$ 8,100	\$ 3,004	\$ 22,232
Change in Townshare	\$ 14,271	\$ 107,860	\$ 12,100	\$ 38,804	\$ 173,035
TOTAL SAVINGS	\$ 15,347	\$ 131,120	\$ 20,200	\$ 41,808	\$ 208,475

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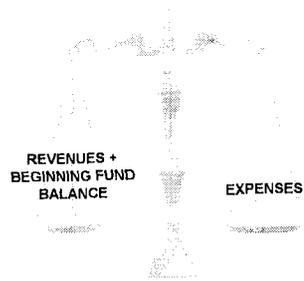
OTHER CONSIDERATIONS

- Non-Profits BUDGET: \$138,000*
- Humane Society BUDGET: \$88,800*
– According to state law... county responsibility.

*Numbers above are budgeted numbers... 50% of the funding has been awarded through December.

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BALANCING THE BUDGET



Financial policy calls for general fund reserve of 5% of total General Fund operating budgeted revenues (FY09/10 = \$688,269).

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FINANCIAL POLICY No. FIN 101

1.1.7 FUND RESERVES

The Town will maintain a fund reserve for the general fund to pay expenditures caused by unforeseen emergencies, for shortfalls caused by revenue declines and to eliminate any short-term borrowing for cash flow purposes. *This reserve shall be maintained at an amount that represents 5% of total General Fund operating budgeted revenues.*

Annual contribution will be budgeted from General Fund resources as available to maintain the target reserve level. This is in addition to the carryover balance discussed below. The Town's general fund will maintain a year-to-year "carryover balance" in an amount necessary to maintain adequate cash flow and to reduce the demand for short-term borrowing. The carryover balance will equal 90 days operating expenditures from the prior year. All other funds must never incur a negative fund balance.

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SUMMARY – GENERAL FUND

• BUDGET DEFICIT	(\$1,600,000)
• OPTIONS	
– DEPARTMENT REDUCTIONS	\$0-\$1,600,000
– EMPLOYEE LAYOFFS	\$0-?
• PART-TIME/TEMP	\$102,000
– FURLOUGH	
• 6-10 HR DAYS	
\$207,000	
• 9-10 HR DAYS	
\$312,000	
• 12-10 HR DAYS	\$414,000
– INSURANCE PREMIUM ADJUSTMENT (emo)	\$80,000
– PAY REDUCTION	
• 2%	\$73,000
• 3%	\$110,000
• 4%	\$146,000
• 5%	\$183,000
– FUND BALANCE	\$0-\$698,000

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