

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
June 17, 2010**

CALL TO ORDER

Mayor Evans called the special meeting to order at approximately 4:00 p.m. in the Town Hall Council Chambers, 303 N. Beeline Highway, Payson, Arizona.

PLEDGE OF ALLEGIANCE

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

STAFF PRESENT: Debra Galbraith - Town Manager, Sam Streichman - Town Attorney, Police Chief - Don Engler, Silvia Smith - Town Clerk, Ray Erlandsen - Acting Community Development Director, and Cindy Smith - Chief Fiscal Officer.

OTHERS PRESENT: Gaye Stidham - Deputy Town Clerk and Battalion Chief Jim Rasmussen.

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.

Motion: to approve the CONSENT AGENDA.

Moved by Council Member John Wilson, seconded by Vice-Mayor Michael Hughes.

Vote: Motion carried 7 - 0

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

PURPOSE OF MEETING

1. Truth in Taxation
 - A. Council Decision Request filed by Cindy Smith, Chief Fiscal Officer, concerning proposed Primary and Secondary Tax Rates for Fiscal Year 2010 -2011 budget.

CFO Smith gave a brief presentation concerning the primary property tax levy. She noted on page six the history/trend of property taxes since 2008. Increases in new construction brought property tax up although the levy stayed the same. Currently, however, the property values have decreased and there is little new construction making a decrease in property tax if the current levy stays the same. She outlined the tentative budget's proposed increase in the property tax levy.

Mayor Evans said the net assessed values, if they stayed the same even with new construction, would still decline.

CFO Smith discussed the secondary property tax rate saying that it would be going down since the repayment of debt service has decreased. Clmn. Carpenter asked about what this would mean for a \$100,000 house. Mayor Evans explained that the net decrease between the raise in the primary and decrease in the secondary property tax would be a decrease of .0051.

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 (2009/2010 fiscal year) level. The Town of Payson is proposing an increase in primary property taxes of \$74,405.00 or 14%. All interested citizens are invited to attend this public hearing.

Mayor Evans opened the public hearing. Joe Pickins said he lived in a part of Payson where there is no public water, no public sewer and minimal support from our budget. He appreciated the Council's trying to help keep within their budget. In the future, net assessed values will go up and so will Council's desire to raise property taxes. He didn't want the rate raised now because it will cause his taxes to go up even higher when the assessed values go back up.

Mayor Evans closed the public hearing.

Clmn. Blair commented on Mr. Pickin's concern. He explained that we can change the rate down if the net assessment goes up. Mayor Evans further explained that at the first budget meeting he attended as Mayor the rate was lowered by about 12% keeping the amount coming into the Town about the same. Clmn. Blair asked if the County Board of Supervisors who drive the tax levy also must hold truth in taxation hearings. Mayor Evans replied they did and Attorney Streichman echoed his reply. Clmn. Wilson added that this process is annual and one year from now we will evaluate the tax levy again and adjust according to what the needs are. He suggested Mr. Pickins add his comments early in the budget process.

Mayor Evans asked Mr. Pickins to look at his tax bill and notice that the Town's portion is quite small. Mr. Pickens said although the Town's portion is small, it is still the highest property tax bill he has ever paid.

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.

Motion: to Approve to increase the primary property taxes of \$74,405.00 or 14%. The motion was followed by a roll call vote.

Moved by Council Member John Wilson, seconded by Council Member Fred Carpenter.

Vote: Motion carried 7 - 0

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

2. Property Tax

A. This was a Public Hearing concerning the Primary Property Tax Levy for Fiscal Year 2010/2011. The Town received the Preliminary 2010 Levy Limit Worksheet from the Gila County Assessor's Office in February and it is available for public inspection. The 2010 worksheet has been posted at Payson Town Hall and the Payson Public Library. The primary tax levy for the Fiscal Year 2010/2011 is projected to provide \$606,315 of revenue at the rate of \$0.2560 per \$100/assessed valuation. The primary property tax levy is scheduled for adoption by Ordinance at the Special Town Council meeting scheduled for July 1, 2010. Any comments or questions from the public will be taken at this time.

B. This was a Public Hearing concerning the Secondary Property Tax Levy for Fiscal Year 2010/2011. 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 \$145,000. The secondary property tax rate will be .0590 based on the secondary assessed value of \$245,707.080 received from the County. The Secondary Property Tax Levy is scheduled for adoption by Ordinance at the Special Town Council meeting scheduled for July 1, 2010. Any comments or questions from the public will be taken at this time.

Mayor Evans opened the public hearing. No comments were made by the public and he closed the public hearing.

Motion: to Approve to set the Secondary Tax Levy level sufficient to raise \$145,000. The secondary property tax rate will be .0590 based on the

secondary assessed value of \$245,707.080 received from the County.
Moved by Council Member John Wilson, seconded by Council Member Su
Connell.

Vote: Motion carried 7 - 0

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

3. Budget

A. * As Council, staff and audience have the titles to all resolutions and
ordinances, authorization to forego verbal title readings.

***CONSENT* APPROVED**

B. This was a Public Hearing pursuant to A.R.S. §42-17104 regarding
Estimates of Revenues and Expenditures/Expenses and the Proposed
Budget for fiscal year 2010/2011. Any comments or questions from
the public will be taken at this time.

Mayor Evans opened the public hearing. There were no comments from the
public. Clmn. Blair asked if these were revised numbers. CFO Smith
replied that these were the same numbers adopted in the tentative budget.
With no further comments, Mayor Evans closed the public hearing.

C. Council Decision Request filed by Cindy Smith, Chief Fiscal Officer,
to adopt Resolution No. 2560 as the Final Budget for the Town of
Payson for Fiscal Year 2010/2011. OR to adopt Resolution No. 2560
with the change to reduce the Property Tax Levy to amounts
calculated without the increase that was proposed through the Truth in
Taxation hearings.

CFO Smith reiterated that the final budget is the same as the tentative
budget approved on June 3, 2010.

Motion: to Approve C. Council Decision Request filed by Cindy Smith,
Chief Fiscal Officer, to adopt Resolution No. 2560 as the Final Budget for
the Town of Payson for Fiscal Year 2010/2011.

Moved by Council Member Richard Croy, seconded by Council Member Su
Connell.

Vote: Motion carried 7 - 0

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

- D. Discussion/possible action concerning Resolution No. 2560, 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 2010/2011. The Town Council met on June 3, 2010 and approved the Tentative budget for the fiscal year 2010-2011. The tentative Budget was approved at a total of \$75,572,845. The funding to support this budget is made up of \$15,650,349 (estimate) of surplus revenues expected to be carried forward from Fiscal Year 2009/2010; \$18,765,785 in projected revenue, other than property tax collections; \$606,315 in primary tax collections; \$145,000 in secondary property tax collections; \$38,723,300 grant receipts; \$808,200 in transfers and loans between funds; \$6,350,000 debt service proceeds; and \$2,637,745 proceeds from other financial sources. The Budget Expenditure Limitation for Fiscal Year 2010/2011 is \$74,764,645. This amount is the total Budget of \$75,572,845 less the Interfund Transfers and Loans of \$808,200.

Motion: to Approve Resolution No. 2560, 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 2010/2011.

The Town Council met on June 3, 2010 and approved the Tentative budget for the fiscal year 2010-2011. The tentative Budget was approved at a total of \$75,572,845.

The funding to support this budget is made up of \$15,650,349 (estimate) of surplus revenues expected to be carried forward from Fiscal Year 2009/2010; \$18,765,785 in projected revenue, other than property tax collections; \$606,315 in primary tax collections; \$145,000 in secondary property tax collections; \$38,723,300 grant receipts; \$808,200 in transfers and loans between funds; \$6,350,000 debt service proceeds; and \$2,637,745 proceeds from other financial sources.

The Budget Expenditure Limitation for Fiscal Year 2010/2011 is \$74,764,645. This amount is the total Budget of \$75,572,845 less the Interfund Transfers and Loans of \$808,200.

Moved by Council Member Richard Croy, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

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

ADJOURNMENT

Mayor Evans adjourned the meeting at approximately 4:31 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 17 of June, 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