

**TOWN OF PAYSON  
TOWN COUNCIL MEETING  
MINUTES OF THE SPECIAL MEETING  
May 1, 2012**

**CALL TO ORDER**

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

**PLEDGE OF ALLEGIANCE**

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

**ABSENT:** Rick Croy - Council Member.

**STAFF PRESENT:** Debra Galbraith - Town Manager, LaRon Garrett - Assistant Town Manager, Tim Wright - Town Attorney, Marty deMasi - Fire Chief, Donald Engler - Police Chief, Silvia Smith - Town Clerk, Terry Morris - Library Director, and Cameron Davis - Parks, Recreation and Tourism Director.

*Council Member Blair was present telephonically.*

**OTHERS PRESENT:** Tracie Bailey - Deputy Town Clerk, Tomi Huddlestun - Human Resources Manager, Hope Cribb - Finance Manager, Tammy Enlow - Budget Analyst, Kaprice Bachtell - Recreation Coordinator, Janell Blizard - Administrative Assistant, Deb Rose - Recreation Coordinator, Mary Wolf - Recreation Coordinator, Gaye Stidham - Deputy Town Clerk, Ray LaHaye - Chief Building Inspector, Colin Walker - Water Superintendent, Angie Lucchesi - Street Maintenance Worker, and Nelson Beck - Parks and Recreation Supervisor.

**PURPOSE OF MEETING**

1. Projected Revenue Estimate/Spending.
2. Proposed Spending Reductions.

Mayor Evans asked Council Member Blair how he felt and explained Council Member Blair had fallen last week and broke his hip. Council Member Blair replied he felt good.

Council Member Blair asked Hope Cribb, Finance Manager, if there were any changes to the presentation. Ms. Cribb replied there were no changes.

Mayor Evans explained staff was trying to stay ahead of the curve and that not every thing was cast in stone and Council wanted to give staff the opportunity to see if there could be changes.

Ms. Cribb introduced the Budget Committee: Debra Galbraith, Town Manager,

**MAY 17 2012 E.1**

Michael Hughes, Vice-Mayor, Su Connell, Council Member, LaRon Garrett, Assistant Town Manager, Tammy Enlow, Budget Analyst and herself. Ms. Cribb went over expenditures and revenues. The trend for sales taxes were going up, but not aggressively. Council Member Carpenter asked if that was the maximum amount of property tax and if more could be raised. Ms. Cribb replied no more could be collected. Ms. Galbraith noted the Town went to the maximum amount last year. Ms. Cribb explained the Town may or may not get some of the grants that were projected in the revenue and that expenditure was mostly on personnel. There was an increase in medical insurance of five to seven percent and retiree insurance was higher. Mayor Evans asked how these numbers compared with prior years. Ms. Cribb responded it was over \$800,000 last year and this year the the Public Safety Personnel Retirement System (PSRS) was higher by almost sixteen percent. Council Member Carpenter asked if there was an increase in the Arizona State Retirement System (ASRS) rate this year. Ms. Cribb replied it was still in the legislature and there would not be a decision until the budget was passed. Ms. Galbraith noted the League of Cities and Towns was trying to figure out if towns had to pay a portion of ASRS back to the employees. Worker's Comp was going up over ten percent. Council Member Blair asked how long the \$55,000 for police vehicles would continue. Ms. Cribb responded three years and that 2012/2013 was the first year. Ms. Cribb summarized her presentation and went over options to make more cuts. Ms. Galbraith noted the Town had to provide a visitors center which was the Chamber of Commerce and that the Town had not touched the Senior Center or Humane Society money. Ms. Cribb went over other options to cut spending and the current ending picture.

Council Member Carpenter asked what the change in the split on medical insurance would cost the employees. Ms. Cribb replied approximately \$90 per pay period for the highest coverage. Council Member Carpenter asked if any department was adding an employee. Ms. Cribb replied not at this time. Ms. Galbraith noted staff was still analyzing some things at this point and hoped not to have to layoff any employees. Council Member Blair stated he did not want to see any layoffs and asked when the layoffs would start. Ms. Galbraith replied July 1, 2012. Ms. Galbraith went over other options the Budget Committee had considered. If Fire Station 3 closed the Town would have to enter into an agreement with Hells Gate Fire Department that would cost more than keeping the fire station open. Ms. Cribb noted furloughs would be too hard on employees pay checks with the higher insurance. Council Member Carpenter asked if additional operating from the Water Department had been considered. Ms. Galbraith responded there was a utility institute that the Mayor and Mr. Walker had attended and in the presentation an admin fee had been discussed. The Water Department would pay the town or city it was attached to. Ms. Cribb had talked to Phoenix and Tuscon about how they calculated the number and had looked at updating Payson's number. Mayor Evans had a discussion with the other entities and found there were statutory barriers, but there was a way to get it done and call it an admin fee. Council Member Carpenter asked how the Budget Committee had decided the Clerk's Department and IT could operate with fewer employees. Ms. Galbraith responded the Committee had considered every department for layoffs and if there were duties that could go to other departments. The IT Manager had gone without assistance for two years and could get by. The Clerk's Department had a frozen position and could use other departments to help cover the front counter. The accounts payable person had wanted to spend more time with her family and was happy to take the layoff.

Council Member Blair asked if there was any impact that would come to the Town from the college this year. Ms. Galbraith replied maybe, but it was not in the budget. Mayor Evans noted if the development started the Town would need additional staff and if there were impact fees the staffing cost would offset the development fees. Council Member Carpenter was deeply concerned that the Clerk's Department would not be able to handle their core duties with a reduced staff and was also concerned that IT was losing the assistance. Council Member Carpenter deferred any action on his part until he had seen if there was anything more that could be done. Ms. Galbraith noted no action was required by Council tonight. Council Member Carpenter wanted to avoid layoffs. Council Member Wilson asked if additional staffing was needed for the development of the campus would that be considered not spent until the Town had it. Ms. Galbraith replied yes. Council Member Connell stated when the Budget Committee got to the positions to cut it was the final step taken and the layoff positions were considered with all department heads involved. The Budget Committee felt that they could not wait on this decision so this meeting was called early to let people know that the Committee had tried everything and that laying off employees was the last thing they wanted to do. Council Member Connell was proud of all of the employees. Council Member Carpenter stated he was not pointing fingers at anyone and asked how many Fire Department employees were assigned to Fire Station 13. Ms. Galbraith replied three and if the safer grant came through Chief deMasi had requested six. Council Member Wilson stated the Committee had done a tremendous job and commended them for their hard work. Mayor Evans asked if any of the employees had any ideas.

John Huffman, retired employee, was bothered by the debt and that it was not taken care of three years ago. Mr. Huffman felt the debt would not go down and asked why it was not looked at. Mayor Evans responded revenue was down and the Town was being asked to do more with less. Mr. Huffman believed there was an avenue for the Council to find out what was going to happen with health care. Mayor Evans replied when the retirees program was created there was a steady ratio now that ratio has flipped upside down because the number of working staff was reduced while retirees have stayed the same. Mr. Huffman appreciated Council Member Carpenters comments and thanked the Council.

Council Member Hughes stated revenues were dictated to the Town and the Town had no way of generating revenue. The Town had to deal with increasing costs constantly with decreasing revenues. It was hard for the Budget Committee to make the decisions on personnel. Council Member Hughes noted towns were expected to give the lions share of services with decreasing revenue. Mayor Evans noted it was dictated by the legislature and that was much of the problem. This meeting was to get a sense of where the Town was and the magnitude of the problem and to give staff time to adjust.

## **ADJOURNMENT**

Mayor Evans adjourned the meeting at approximately 4:54 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 1 of May, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Tracie Bailey, Deputy Town Clerk