

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
June 5, 2012**

CALL TO ORDER

Mayor Evans called the meeting to order at approximately 5:00 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, Rick Croy - Council Member, and John Wilson - Council Member.

ABSENT: Su Connell - Council Member.

STAFF PRESENT: Debra Galbraith - Town Manager, LaRon Garrett - Assistant Town Manager, Marty deMasi - Fire Chief, Donald Engler - Police Chief, and Silvia Smith - Town Clerk.

OTHERS PRESENT: Tracie Bailey - Deputy Town Clerk, Kyle Mann - Deputy Town Attorney, Diane Stoyer - Legal Department Office Manager, Hope Cribb - Finance Manager, Tomi Huddlestun - Human Resources Manager, Tammy Enlow - Budget Analyst, and Margaret Goodell - Information Technician.

Mayor Evans welcomed Council Member Blair back. Council Member Blair responded it was very nice to be here.

- 1. Resolution No. 2666. Mayor Evans opened discussion/possible action concerning Resolution No. 2666 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, SUSPENDING FOR FISCAL YEAR 2012-2013 THAT PORTION OF SECTION 5.1.3 OF THE TOWN OF PAYSON PERSONNEL POLICY MANUAL REQUIRING PAYMENT TO EMPLOYEES OF CERTAIN UNUSED PAID TIME OFF. (PTO ROLL OVER)**

Debra Galbraith, Town Manager, explained the Town use to pay employees back for excess time, but with the budget issues the past few years the Town has not been able to do that and has had to roll the time over. Council Member Croy asked when an employee leaves does the Town have to pay them off. Ms. Galbraith replied yes, up to a certain number of hours. Council Member Carpenter asked when the Town did have to pay this would it be significant. Ms. Galbraith replied yes, it would eventually be an issue.

Motion: to approve Resolution No. 2666 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, SUSPENDING FOR FISCAL YEAR 2012-2013 THAT PORTION OF SECTION 5.1.3 OF THE TOWN OF PAYSON PERSONNEL POLICY MANUAL REQUIRING PAYMENT TO EMPLOYEES OF CERTAIN UNUSED PAID TIME OFF. (PTO ROLL

OVER)

Moved by Fred Carpenter - Council Member, seconded by Ed Blair - Council Member.

Vote: Motion carried 6 - 0

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

Absent: Su Connell - Council Member.

2. **Resolution No. 2667. Mayor Evans opened discussion/possible action concerning Resolution No. 2667 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, SUSPENDING THE LOAN PRINCIPAL PAYMENTS FROM THE GENERAL FUND TO THE WATER ENTERPRISE FUND FOR FISCAL YEAR 2012-2013 AND DIRECTING PAYMENT OF INTEREST FOR FISCAL YEAR 2012-2013.**

Motion: to approve Resolution No. 2667 captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, SUSPENDING THE LOAN PRINCIPAL PAYMENTS FROM THE GENERAL FUND TO THE WATER ENTERPRISE FUND FOR FISCAL YEAR 2012-2013 AND DIRECTING PAYMENT OF INTEREST FOR FISCAL YEAR 2012-2013.

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

Council Member Carpenter asked how much the interest payment was. Hope Cribb, Finance Manager, responded \$17,300 each year.

Mayor Evans called for the vote.

Vote: Motion carried 6 - 0

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

Absent: Su Connell - Council Member.

3. **Council Decision Request filed by Hope Cribb, Finance Manager, to Adopt the Tentative Budget for Fiscal Year 2012/2013 for \$37,579,554..**

Hope Cribb, Finance Manager, gave a presentation on the 2012/2013 budget.

Ms. Cribb went over some issues from her last presentation and explained she had done a new allocation and avoided layoffs. Ms. Cribb went over sources and uses. The Town had to pay out two police officers and a recreation coordinator who were leaving. The Town also had to pay the insurance deductible for a flooded building and pay back employees for the Arizona State Retirement System.

Debra Galbraith, Town Manager, noted the Police Department was down seven positions that were able to be hired. Council Member Carpenter asked how many positions in the Police Department were frozen. Ms. Galbraith replied three.

Ms. Galbraith explained that while it looked like the balance had gone up keep in mind the major part of that was a six million dollar loan being worked on for the Water Department and there was no longer a secondary property tax levy.

Council Member Carpenter asked what the increase in the Fire Department budget was. Ms. Cribb explained it was the SAFER Grant. Ms. Galbraith noted once the tentative budget was adopted the amounts could decrease, but the Council cannot increase the amounts. Council Member Blair asked if staff had included every possible loan for the C.C. Cragin water line and everything that could happen. Ms. Galbraith replied yes.

Motion: Adopt the Tentative Budget for Fiscal Year 2012/2013 for \$37,579,554.
Moved by John Wilson - Council Member, seconded by Rick Croy - Council Member.

Vote: Motion carried 6 - 0

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

ADJOURNMENT

Mayor Evans adjourned the meeting at approximately 5:16 p.m.

APPROVED:

_____ Date: _____

Kenny J. Evans, Mayor

ATTEST:

Silvia Smith, Town Clerk

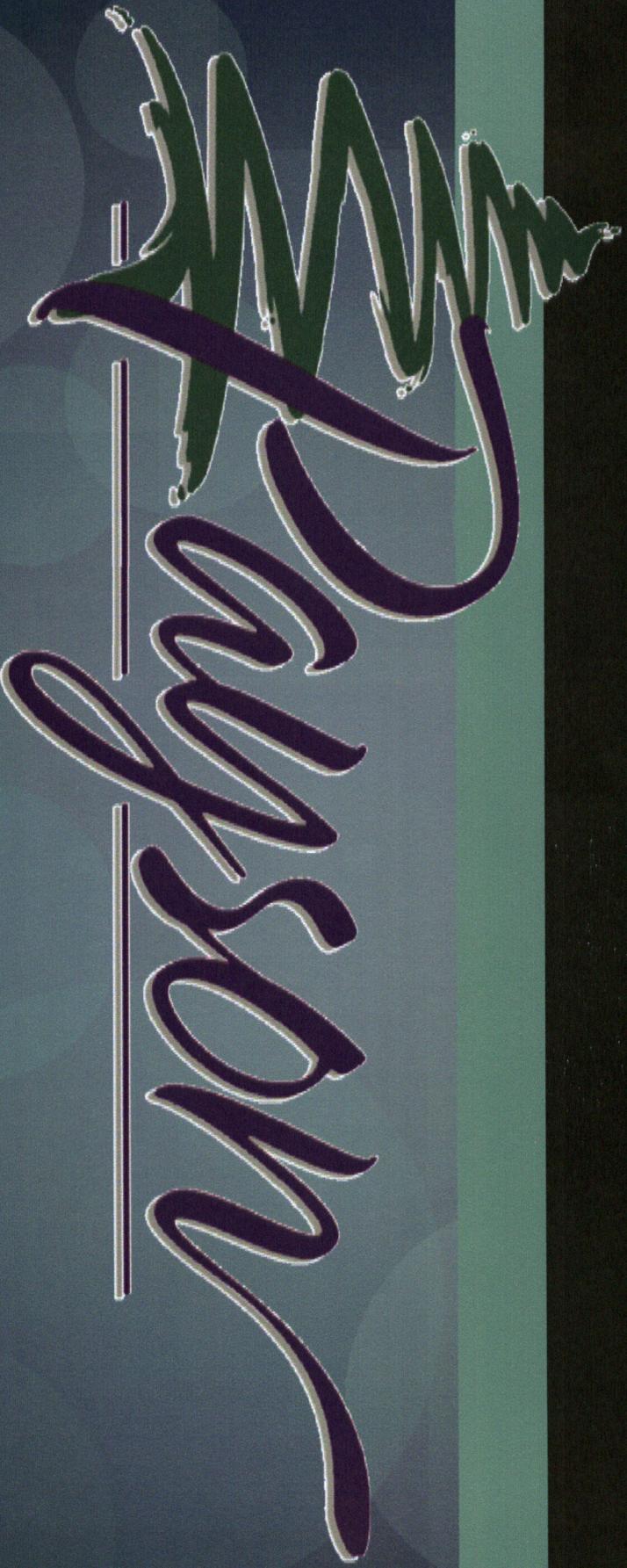
Certification

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 5 of June, 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

2012/2013 PRELIMINARY BUDGET



June 5, 2012

2012/13 Remaining Budget Meetings

- ◆ June 12 & 19, 2012
Publish budget in the newspaper
- ◆ June 21, 2012 (Special Budget Meeting)
Adopt Fee Schedule
Adopt Final Budget
Public Hearing – Primary Property Tax Levy
- ◆ July 5, 2012 (Special Council Meeting)
Adopt Property Tax Levy

2012/13 Budget - ALL FUNDS

SOURCES

Beginning Balance	\$ 10,463,274
Revenues	\$ 24,172,600
Grants	\$ 2,275,500
Transfers In	\$ 937,954
Debt Proceeds	\$ 6,700,000
<u>Other Source</u>	<u>\$ 1,710,200</u>
Total Sources	\$ 46,259,528

USES

Operations	\$ 24,697,100
Transfers Out	\$ 937,954
Capital Improvements	\$ 10,033,700
Loans Payable	\$ 17,300
<u>Debt Repayment</u>	<u>\$ 1,893,500</u>
Total Uses	\$ 37,579,554
ENDING BALANCE	\$ 8,679,974

2012/13 Budget Sources and Uses By Fund Group

	General Fund	Restricted Funds	Restricted Capital Funds	Debt Service	Water	Total All Funds
SOURCES OF FUNDS						
Beginning Balance	\$225,332	\$1,192,273	\$883,765	\$761,853	\$7,400,051	\$10,463,274
Revenues	\$11,881,000	\$6,223,400	\$208,500	\$408,000	\$5,451,700	\$24,172,600
Grants	\$768,800	\$668,000	\$838,700	\$0	\$0	\$2,275,500
Transfer In	\$105,249	\$198,100	\$12,000	\$622,605	\$0	\$937,954
Debt Service	\$0	\$0	\$450,000	\$0	\$6,250,000	\$6,700,000
Other Sources	\$441,700	\$240,500	\$0	\$0	\$1,028,000	\$1,710,200
TOTAL SOURCES	\$13,422,081	\$8,522,273	\$2,392,965	\$1,792,458	\$20,129,751	\$46,259,528
USES						
Operations	\$12,474,600	\$7,084,300	\$628,000	\$0	\$4,510,200	\$24,697,100
Capital Improvements	\$158,500	\$690,000	\$1,405,700	\$0	\$7,779,500	\$10,033,700
Loans Out	\$17,300	\$0	\$0	\$0	\$0	\$17,300
Debt Repayment	\$0	\$0	\$0	\$1,015,400	\$878,100	\$1,893,500
Transfer Out	\$424,700	\$207,849	\$199,605	\$105,800	\$0	\$937,954
TOTAL USES	\$13,075,100	\$7,982,149	\$2,233,305	\$1,121,200	\$13,167,800	\$37,579,554
ENDING BALANCE	\$346,981	\$540,124	\$159,660	\$671,258	\$6,961,951	\$8,679,974

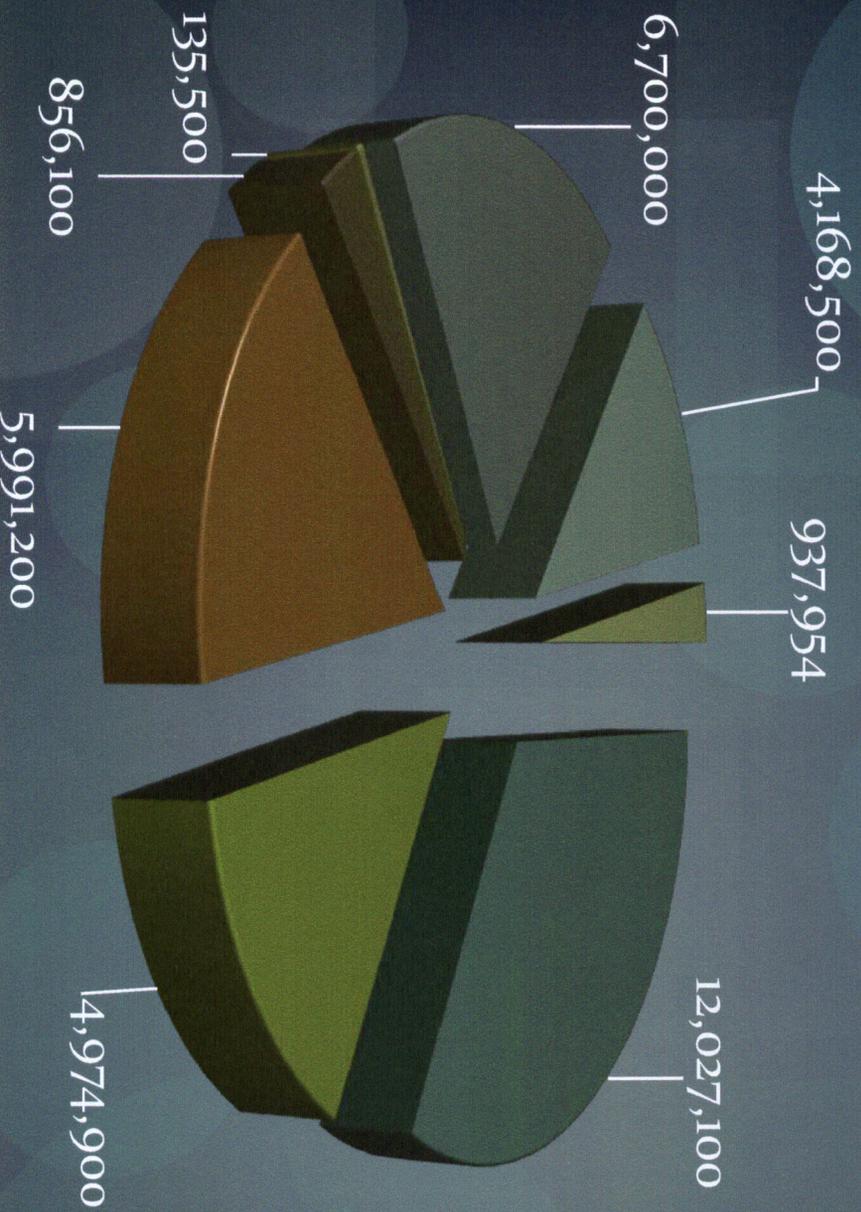
2012/13

Budget vs. Prior Year Budgets

Budget Category	2008/09	2009/10	2010/11	2011/12	2012/13	2012/13 vs. 2011/12	
						\$ Increase/ (Decrease)	% Increase/ (Decrease)
SOURCES							
Beginning Balance	\$13,658,375	\$14,948,901	\$15,650,349	\$9,691,392	\$10,463,274	\$771,882	7.96%
Revenues	\$28,856,000	\$49,491,368	\$65,290,100	\$41,776,973	\$33,830,300	(\$7,946,673)	-19.02%
Other	\$2,021,500	\$2,701,000	\$2,637,745	\$1,887,801	\$1,965,954	\$78,153	4.14%
Total Sources	\$44,535,875	\$67,141,269	\$83,578,194	\$53,356,166	\$46,259,528	(\$7,096,638)	-13.30%
USES							
Operations	\$24,488,621	\$26,144,711	\$25,564,645	\$25,208,400	\$24,697,100	(\$511,300)	-2.03%
Cap. Improvements	\$8,328,300	\$25,570,800	\$47,231,200	\$19,490,800	\$10,033,700	(\$9,457,100)	-48.52%
Debt Repayment	\$1,255,400	\$1,627,800	\$1,422,000	\$1,523,200	\$1,893,500	\$370,300	24.31%
Other	\$2,021,500	\$3,883,881	\$925,500	\$1,236,473	\$955,254	(\$281,219)	-22.74%
Total Uses	\$36,093,821	\$57,227,192	\$75,143,345	\$47,458,873	\$37,579,554	(\$9,879,319)	-20.82%
ENDING BALANCE	\$8,442,054	\$9,914,077	\$8,434,849	\$5,897,293	\$8,679,974	(\$2,537,556)	-43.03%

Revenues by Function

Revenues



- Taxes
- Intergovernmental
- Charges for Services
- Licenses & Permits
- Fines
- Debt Proceeds
- Other
- Transfer In

PROPERTY TAX

2011/12 Levy

Net Assessed Value

\$199,908,740

(Reflects increase for new construction)

Property Tax Levy

\$612, 672

Rate .30648/\$100 AV

Secondary Tax Levy

\$61,921 Rate .000313

2012/13 Levy

Net Assessed Value

\$178,102,500

(Reflects increase for new construction)

Property Tax Levy

\$623,792

Rate .3502/\$100 AV

Secondary Tax Levy

None

2012/13 Expenditures by Function

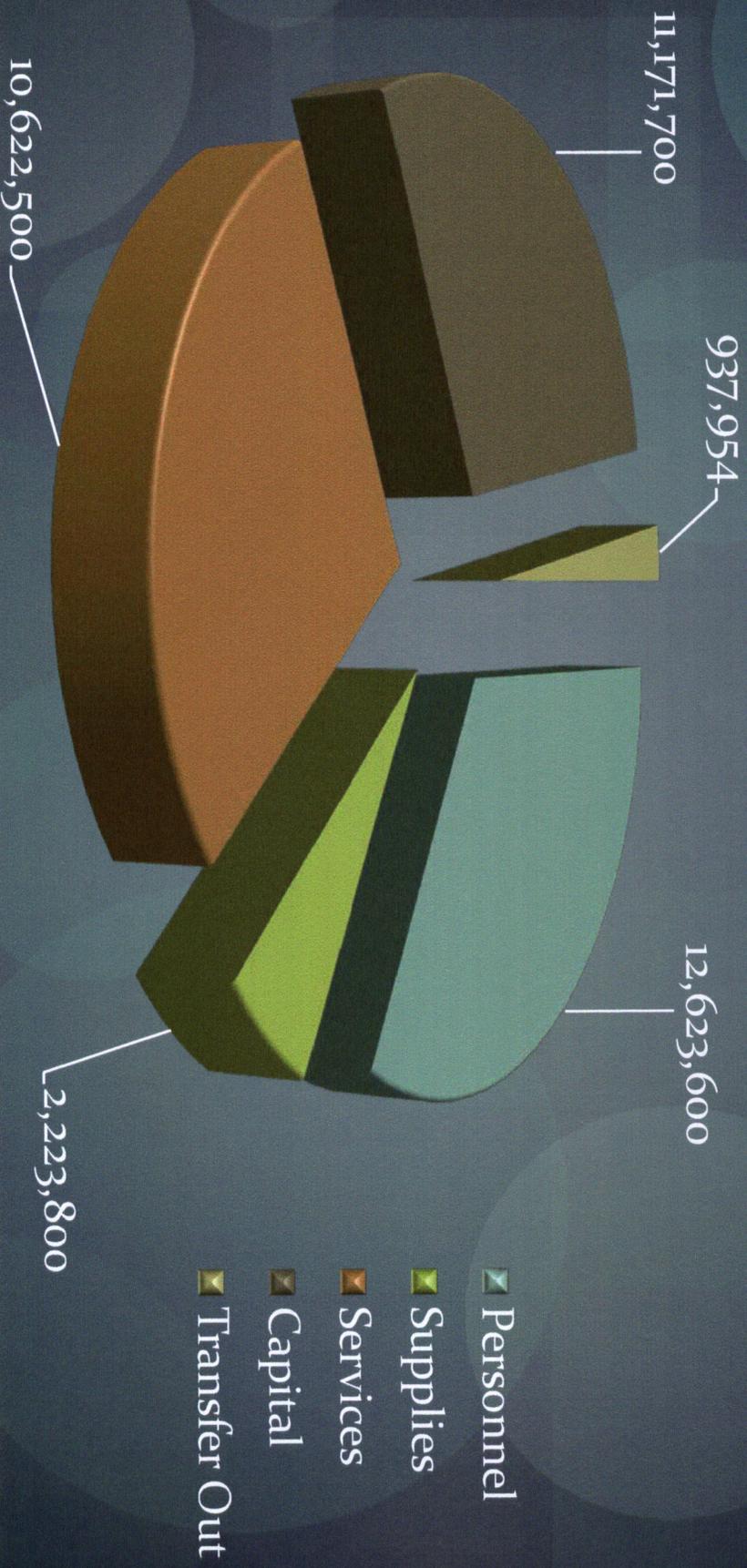
FUNCTION	PRELIMINARY BUDGET
Council	\$118,300
Clerk/Elections	\$294,300
Manager	\$198,100
Central Services/Ins	\$3,804,100
Financial Services	\$331,800
Human Resources	\$180,300
Attorney	\$348,900
Magistrate Court	\$223,600
Police	\$6,942,600

2012/13 Expenditures by Function-con't.

FUNCTION	PRELIMINARY BUDGET
Fire	\$3,908,500
Community Development	\$869,100
Public Works	\$3,829,300
Parks & Recreation & Tourism	\$764,300
Information Technology	\$532,500
Library	\$373,800
Water	\$13,922,100
Transfers Out/Loans Out	\$937,954
TOTAL	\$37,579,554

Expenditures by Type

Expenditures



Questions/Suggestions

- Questions?
- Suggestions?
- Changes?