

**TOWN OF PAYSON  
TOWN COUNCIL MEETING  
MINUTES OF THE SPECIAL MEETING  
March 27, 2014**

**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:** Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Ed Blair, Council Member Richard Croy, and Council Member John Wilson.

**ABSENT:** Council Member Fred Carpenter, and Council Member Su Connell.

**STAFF PRESENT:** Debra Galbraith - Town Manager, Tim Wright - Town Attorney, Don Engler - Police Chief, and Silvia Smith - Town Clerk.

**OTHERS PRESENT:** Tracie Bailey - Deputy Town Clerk, Hope Cribb - Finance Manager and Tammy Enlow - Budget Analyst.

**PURPOSE OF MEETING**

1. **Alternative Expenditure Limitation (Home Rule).** This was the First Public Hearing proposing to continue use of the Alternative Expenditure Limitation (Home Rule).

Mayor Evans opened the Public Hearing and explained the purpose of the meeting. Hope Cribb, Finance Manager, gave a brief presentation on the Alternative Expenditure Limitation (Home Rule). In 1980, Arizona voters approved a tax reform package that placed an expenditure limitation on cities and towns. This legislation also allowed local voters to approve an exception to the State imposed expenditure limitation known as Home Rule. If Home Rule was not approved, the Town would operate under the existing State imposed expenditure limit. Under the limit the Town would not be able to expend all of the revenue it collected. Debra Galbraith, Town Manager, noted the Town had the revenue to meet the expenditures and if the Town went with the State imposed budget the Town could not spend the money. It was about who got to decide what the Town would spend, the State or the Town.

Mayor Evans asked if there was a Police Department in 1980. Don Engler, Police Chief, responded it was small. Ms. Galbraith noted the Water Department was not as big. Ms. Cribb replied there was no library. Vice-Mayor Hughes noted the Town had less roads to take care of. Ms. Galbraith

explained there was a permanent base adjustment that was calculated by population and expenditures and had to be voted on by the people. Ms. Galbraith believed it would be better to wait until the Town had a higher population to do that. Right now the permanent base adjustment would not be that big.

Council Member Wilson asked what the process was for the permanent base adjustment. Ms. Galbraith explained it had to go to a vote of the people and the Town could do the permanent base adjustment every year. Council Member Blair felt this was a drastic change between numbers. Ms. Galbraith noted if Home Rule was not chosen all services would have to be cut, the money would sit in the bank and the Town could not spend it. It would be two years before it could be voted on again. Vice-Mayor Hughes asked if the Town could do a permanent base adjustment if Home Rule did not pass. Mr. Wright responded the Town would be stuck with it for two years.

Ms. Cribb explained Home Rule did not impose any new taxes. Council Member Croy asked if there was a concern that people would not pass Home Rule. Mayor Evans felt the concern was that the ballot would be too long and people would just start marking no. Ms. Galbraith noted people may think it was a tax increase because of the way it was worded. Council Member Wilson wanted to take this Power Point out to the public and asked if he could do that. Mr. Wright replied yes, Council Members could do that staff could not. Staff could answer factual questions. Ms. Galbraith noted there was a frequently asked questions link on the Alternative Expenditure Limitation on the website. Council Member Wilson asked if Ms. Cribb could make a poster showing the difference in the amount of the budget. Mr. Wright responded staff could not do that, but Ms. Cribb could provide the Power Point presentation to the Council. Council Member Wilson asked if he could make his own poster from the presentation. Mr. Wright replied yes. Mr. Wright noted the Town has approved Home Rule every four years, but this was the first time it would be on a consolidated election ballot. Independent voters would have to request a party ballot so they would get a ballot to vote. Council Member Croy asked if there was a permanent base now. Ms. Galbraith replied no, it had to be on the ballot. The permanent base adjustment only bumped the total up a couple of million. Council Member Croy believed in the last election Home Rule was a landslide, but in this election it could be an issue. Mayor Evans believed the consolidated election would impact other ballot measures too. Mr. Wright responded the schools and transportation tax would be on the General Election ballot and the Town would be on the Primary Election ballot. Council Member Blair asked if Home Rule would be decided in the Primary Election. Mr. Wright replied yes. Council Member Blair asked if Home Rule could be at the top of the ballot. Silvia Smith, Town Clerk, responded Council could encourage people to vote on the Town issues first then vote on the other issues. Council Member Wilson noted it would be up to the Council to get the word out.

Pam Swain was curious what the situation was that brought expenditure limitation about. Mayor Evans explained Arizona was a state with tremendous growth in the 60s and 70s. A number of Valley cities recognized how fast the State was growing and there were rampant annexations. This caused the Legislature to slow that growth down and part of the process was to tie the two factors of population and inflation together. Ms. Swain noted that without Home Rule being passed Payson lost a lot of money. Mayor Evans clarified the Town would not be able to spend the money and tax payers do not get to keep it. Ms. Swain thanked the Council.

Mayor Evans closed the Public Hearing.

2. **Resolution No. 2769.** Mayor Evans opened discussion/possible action concerning Resolution No. 2769 captioned as follows: A RESOLUTION OF THE TOWN OF PAYSON AUTHORIZING THE MAYOR TO FORMALLY REQUEST A FEDERAL NEGOTIATION TEAM TO ASSIST IN THE SETTLEMENT OF THE TONTO APACHE TRIBE'S WATER RIGHTS CLAIMS AND AUTHORIZING THE TOWN TO PARTICIPATE IN NEGOTIATIONS TO RESOLVE SUCH CLAIMS.

Mayor Evans explained this Resolution was to deal with Indian treaties and to expedite the settlement on the Tonto Apache Tribe's Water Rights Claim. For the Town to get its agreement with the Tribe done a Federal Negotiation Team had to be appointed and the Town had to comply with this 1990 order.

**Motion:** to Approve Resolution No. 2769 captioned as follows: A RESOLUTION OF THE TOWN OF PAYSON AUTHORIZING THE MAYOR TO FORMALLY REQUEST A FEDERAL NEGOTIATION TEAM TO ASSIST IN THE SETTLEMENT OF THE TONTO APACHE TRIBE'S WATER RIGHTS CLAIMS AND AUTHORIZING THE TOWN TO PARTICIPATE IN NEGOTIATIONS TO RESOLVE SUCH CLAIMS. Moved by Council Member John Wilson, seconded by Vice-Mayor Michael Hughes.

**Vote:** Motion carried 5 - 0

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

## **ADJOURNMENT**

Mayor Evans adjourned the meeting at approximately 5:30 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 27 of March, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_

Tracie Bailey, Deputy Town Clerk