

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
May 6, 2014**

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

STAFF PRESENT: Debra Galbraith - Town Manager, LaRon Garrett - Assistant Town Manager, Tim Wright - Town Attorney, Don Engler - Police Chief, Silvia Smith - Town Clerk, Cameron Davis - Parks, Recreation and Tourism Director, Emily Linkey - Library Director, and Tanner Henry - Water Division Manager.

OTHERS PRESENT: Tracie Bailey - Deputy Town Clerk, Hope Cribb - Finance Manager, Tammy Enlow - Budget Analyst, Tomi Huddlestun - Human Resources Manager, Sheila DeSchaaf - Zoning Administrator, Ray LaHaye - Chief Building Official and Nelson Beck - Parks Supervisor.

PURPOSE OF MEETING

1. Discussion/possible action re: FY 2014/2015 Budget including, but not limited to Projected Revenues and Expenditures.

Mayor Evans opened discussion and asked Hope Cribb, Finance Manager, to give the presentation on the FY 2014/2015 Budget.

Ms. Cribb went over the budget meeting schedule and some items of note. There would be a nine percent increase in insurance, a three percent merit increase was included and a paid time off buyback of two years was included. Ms. Cribb went over revenues details. Vice-Mayor Hughes noted even though the beginning balance was bigger last year the ending balance was what mattered.

Council Member Carpenter asked if the Water Department was still paying an administrative fund to the General Fund. Ms. Cribb replied yes. Ms. Cribb went over prior budget years. The beginning balance was down fourteen percent, but revenues were up. Ms. Cribb noted the fund balance reserve should be five percent, but there was only enough left to cover three to four weeks of operating the Town. Council Member Carpenter asked how much

State Shared Sales Tax and Local Sales Tax had gone up. Ms. Cribb replied the State Shared Sales Tax was 1.345% (\$40,000) and the local tax had gone up to 5.9% from 5.8%. Mayor Evans asked how that related to the 6.253%. Ms. Cribb responded she had to add the allowance from the other fund.

Ms. Cribb noted the property tax levy had gone up by a small margin. Council Member Carpenter asked how much it had gone up for the average home. Ms. Cribb believed it was less than thirty dollars. Mayor Evans replied it was less than a dollar a home. Council Member Carpenter asked if there was a secondary tax. Ms. Cribb replied no, it was paid off.

Ms. Cribb went over expenditures by type. Council Member Carpenter asked if most of the expenditures were due to the C. C. Cragin Project. Ms. Cribb replied yes. Ms. Cribb noted Worker's Comp had gone up 20%, general insurance had gone up 5% and Public Safety Personnel Retirement System (PSPRS) contributions had increased from 40.91% to 42.14% of wages. Mayor Evans asked where the PSPRS contribution would level off. Ms. Cribb had not heard anything regarding the contribution.

Ms. Cribb went over expenditures by department. Council Member Carpenter asked if the Town Clerk's budget had increased in the event the Town had to have a General Election. Silvia Smith, Town Clerk, replied yes, the increase was a little over five thousand dollars for each election. Ms. Cribb went over Capital Expenditures. Council Member Carpenter asked what the Town was doing to the Main Street street lights. Ms. Cribb replied they needed to be replaced. Council Member Connell noted it was a safety hazard. Council Member Carpenter asked if there were any large pavement preservation projects. LaRon Garrett, Assistant Town Manager, responded no, these were all minor projects. Council Member Carpenter asked if the Rumsey Road project would go through. Mr. Garrett replied there was some money to help with that. Council Member Blair asked when the sign replacement would be done. Mr. Garrett replied one shipment would be in this week and a second shipment would be in next week then staff would put the signs up. Mr. Garrett noted he would like to use the addition of the Highway User Revenue Funding (HURF) on pavement preservation. Mayor Evans asked if there was a long term plan to maintain streets. Mr. Garrett replied yes. Council Member Carpenter approved of using the addition of HURF funding on pavement preservation. Council Member Blair asked if that included buying the paving machine. Mr. Garrett responded yes.

Ms. Cribb went over Airport Capital Expenditures. Mayor Evans asked if these were 95% to 97.5% grants. Mr. Garrett replied the runway safety area was a 90/10% grant and the Echo ramp expansion was approximately a 92/4/4% grant. Ms. Cribb went over Water Department expenditures. Council Member Carpenter asked if the C. C. Cragin money would be used for a project. Mr. Garrett responded that was one third of the construction left to do. Council Member Carpenter asked if that was a significant part of project. Mr. Garrett replied yes. Council Member Blair asked what the fish fence would do. Tanner Henry, Water Division Manager,

responded the fish fence would be at the big Green Valley Park lake and would keep the white amur fish used for eating algae from going down stream. Council Member Blair asked if someone caught a white amur would they be fined. Mr. Henry replied staff would ask that you please put it back in the lake.

Ms. Cribb noted there would not be any money in this budget for new carpet or a new telephone system. Mayor Evans asked if the HURF Bill the Governor had signed was inaccurate or reasonably projected. Ms. Cribb believed it was reasonable and that the number was close. Debra Galbraith, Town Manager, noted staff does not calculate that number it was given to them and if the amount in the budget for the Hurf Fund was less staff could back off on some other things. Council Member Croy asked how much time a new Finance Department employee would spend to keep track of the impact fees. Ms. Cribb responded staff would not know until the fees were adopted, this was still an unknown area. Vice-Mayor Hughes believed there was plenty of work in the Finance Department for another person. Council Member Carpenter asked what revenues were higher. Ms. Cribb replied the State Sales Tax was higher, the electric franchise fee was higher and building permits were higher than expected. Council Member Wilson believed this was a sign the Town was recovering. Mayor Evans noted revenues were up and expenses were down. Council Member Connell noted it was a pleasure to have some money to give the employees merit increases and reward the employees for their faithful service. Council Member Connell thanked the employees for their service and for staying through difficult times. Vice-Mayor Hughes felt this was the most difficult budget year because there was a little bit of revenue and it was hard to make choices what to spend money on. Mayor Evans thanked Ms. Cribb. Tim Wright, Town Attorney, asked the Mayor if staff should schedule a budget meeting on May 8, 2014. Council Member Carpenter noted if a budget meeting was not needed on the 8th Council did not need a budget meeting on May 20th. Mayor Evans asked what the Council's desire was. It was Council consensus to cancel both budget meeting. Council Member Carpenter recognized Tim Greer, the Star Valley Town Manager, who was in the audience.

ADJOURNMENT

Mayor Evans adjourned the meeting at approximately 4:48 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 6 of May, 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