

**TOWN OF PAYSON  
TOWN COUNCIL MEETING  
MINUTES OF THE SPECIAL MEETING  
May 5, 2015**

**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 Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, Council Member Chris Higgins, and Council Member John Wilson.

**STAFF PRESENT:** Debra Galbraith - Town Manager, Hector Figueroa - Town Attorney, LaRon Garrett - Assistant Town Manager, Donald 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 - Chief Deputy Town Clerk, Hope Cribb - Finance Manager, Tammy Enlow - Budget Analyst, Bobby Davis - Economic Development, Nelson Beck - Parks Supervisor, Ray LaHaye - Chief Building Official, Sheila DeSchaaf - Planning and Development Director, Kaprice Bachtell - Recreation Coordinator, and Courtney Spawn - Recreation Coordinator.

**PURPOSE OF MEETING**

1. **Discussion/possible action re: FY 2015/2016 Budget** including, but not limited to Projected Revenues and Expenditures.

Mayor Evans explained the purpose of the meeting. LaRon Garrett, Assistant Town Manager, announced the last two or three years the Town has been trying to replace the lights on Main Street and today the first new light went up. The Town has purchased twelve new lights to go up and down Main Street.

Rory Huff represented the Parks and Recreation Commission and noted as a Commission the members felt they were past due to have their projects funded in the budget. The South Soccer field was a source of pride for Payson, but has become an embarrassment because it was in need of repair and the Kiwanis ball fields needed lighting. Mr. Huff asked the Council to support the park's projects.

Hope Cribb, Finance Manager, gave a presentation on the budget. There would be a re-vised budget meeting if needed on May 21, 2015. The Fee

Schedule and Tentative Budget would be adopted on June 4, 2015. June 9 and 16, 2015 the budget would be published in the paper. The final budget would be adopted on June 18, 2015 and the first public hearing for the property tax levy would be held. On July 2, 2015 the property tax levy would be adopted. Ms. Cribb went over items of note. Council Member Carpenter asked how much the paid time off would cost. Ms. Cribb replied about eighty seven thousand dollars. Council Member Carpenter asked if people would have the chance to change their insurance plans. Ms. Cribb believed open enrollment had already been held. Debra Galbraith, Town Manager, noted the only difference was that a \$2,500 deductible plan had been added to the plan. Council Member Connell asked what a Property Equipment Technician does. Don Engler, Police Chief, felt it was more appropriate to use the Technician position. The person would assist with the disposal of property and sending CDs to the County Attorney. Mayor Evans asked Chief Engler to consider the technology when going forward because CDs were going by the way side.

Ms. Cribb went over revenues and uses for all funds. Council Member Carpenter asked how this ending Fund Balance compared to prior years. Ms. Cribb did not have that information on hand. Council Member Carpenter noted the eleven million dollars was one third of the C.C. Cragin project. Ms. Galbraith responded that was correct, the money was put there whether or not it was all spent. Mayor Evans asked why there was debt service in the water column. Ms. Cribb explained the debt service column was the fire truck and bonds. Mayor Evans asked why the debt service for water was isolated. Ms. Cribb responded because it was an Enterprise Fund. Ms. Galbraith noted it could not be with other debt service funds. Council Member Croy asked where the C. C. Cragin project was at. Tanner Henry, Water Division Manager, explained the plan was to get Line A done now then the Penstock Line. It was also for aquifer storage and Line C and some SCADA upgrades. Mayor Evans noted the Town already owned the pipe, the big piece was getting it laid and the treatment plant. Mr. Henry agreed, there were still miles to lay and the treatment plant.

Ms. Cribb reviewed the budget vs prior year budgets. Vice-Mayor Hughes asked if the Town was receiving the Transportation Tax from the County. Ms. Cribb replied yes. Council Member Carpenter asked how much the tax was. Ms. Cribb replied the payments were fifty seven thousand and fifty eight thousand. Council Member Carpenter asked if that was for two months. Ms. Cribb responded that was for January and February. Ms. Cribb reviewed the Financial Policy regarding the Fund Balance reserve. Mayor Evans asked if this was using the General Fund and not the Street Fund balance. Ms. Cribb replied yes and the Street Fund balance would not be that high.

Ms. Cribb reviewed revenues by function and went over the property tax rate of .3877 per \$100 of assessed value. Ms. Cribb noted it could be increased. Council Member Carpenter responded the Town's percentage of the property tax was very minimal. Council Member Connell noted there was a \$10,000 difference in the property tax levy from page 10. Ms. Cribb

explained the Town budgeted for the prior years tax. Ms. Cribb went over personnel expenditures. The Public Safety Personnel Retirement System (PSPRS) rate had increased from 42.14% to 57.45% of wages. The contribution rate has increased 32.35%. The Fire rate increased from 20.89% to 24.66%. Council Member Carpenter noted the problem with the PSPRS has been a problem for several years and asked why the costs were getting so obsorvant. Ms. Cribb responded the State has uncovered accounting errors. Vice-Mayor Hughes noted the Town as the employer absorbs 100% of that. Ms. Galbraith noted the employees have met their contribution limits so it was 100% on the Town. Mayor Evans noted it was \$2000 per capita on employers and the major change was the rate of retirement payouts was substantially different. The funds were taken out to pay current debt obligations and there was a reduced rate on returns now. Council Member Carpenter noted this was a problem for a lot of cities.

Ms. Cribb went over expenditures. Council Member Carpenter asked if both Kiwanis Fields would get lights. Cameron Davis, Parks, Recreation and Tourism Director, responded yes. Council Member Carpenter asked if there were three people on every fire truck in town. David Staub, Fire Chief, replied the Fire Department had the positions, but has not been able to fill them due to shortages of people. Council Member Carpenter asked if the positions were frozen. Chief Staub replied staff was going through the process to fill the positions. Council Member Carpenter asked if it was the goal to have three people on every fire truck. Chief Staub replied that was correct. Council Member Carpenter asked if the airport carried itself or if it was funded by the General Fund. Ms. Cribb replied this year the Town would have to do a transfer into the Airport Fund and there was a grant match. Council Member Carpenter asked how much the transfer in was not counting the grant. Ms. Cribb replied thirty seven thousand. Ms. Galbraith noted in the past the Town always did transfers into the Airport Fund. When the Payson Regional Airport Authority (PRAA) took over the airport they built up money for improvements so the Town has been able to use that money the past couple of years. Now that money was gone and the Town would have to make transfers in for the airport. Council Member Carpenter asked if there was anything the Council asked for that the Budget Committee was not able to do. Ms. Cribb responded the following items were taken out of the budget: carpet for Town Hall, the storage building for law enforcement, replacement of fire engines, highway landscaping, the dog licensing system, ava access route to the ramps, the pickup truck for the airport, and the Parks and Recreation Master Plan and trails continuation were not funded. Council Member Carpenter asked if there was money for Fire Prevention information. Ms. Cribb replied yes, that was part of the grant.

Ms. Cribb reviewed Capital Expenditures. Council Member Connell believed the leadership academy was very important though it could be something that could be postponed. Last time there was not that much interest. Council Member Connell felt the Budget Committee worked very hard to save money and congratulated the department heads for working with

the Committee. Council Member Higgins asked how much the trails extension was. Ms. Cribb replied one hundred and twenty five thousand dollars. Vice-Mayor Hughes explained the plans were taken out because the Committee did not want to spend money on plans that would sit on the shelf and then become out dated. Council Member Carpenter expressed his sadness that the Parks Master Plan was not being done, but was glad that the soccer field and ball field lights would be done. Ms. Cribb reiterated the lights and soccer field were part of the plan. Council Member Higgins asked what the one hundred and twenty five thousand would cover. Mr. Davis responded that would be the full completion of the plan of the Payson Area Trails System (PATS). Council Member Higgins asked if it was possible to break that down and do a few connector trails up by the airport and the bottom of the reservation and by Phoenix Street. Council Member Higgins asked Mr. Davis to break it down and get a number for a few of the critical trails. Mr. Davis replied yes, he could do that. Council Member Higgins felt this would help people coming to Payson to hike. Mr. Davis replied he could break it down. Council Member Wilson noted there was a small amount of money in the Friends of the Parks and Recreation that could help fund that. Council Member Croy asked Mr. Davis when the ball field lighting was actually being done. Mr. Davis replied it would probably have to be done in the winter time. Council Member Croy noted those tournaments were booked well in advance so there was no chance of getting revenue. Ms. Galbraith asked the Council if they wanted Mr. Davis to look at the PATS and bring back another budget. Mayor Evans felt one of the options was to tap enterprises to come to town and beef up the Friends of Parks and Recreation funds to help fund that. Mayor Evans felt the people needed to be energized and the people who wanted to do this could put together a group that wanted to do the project. Council Member Higgins believed the people would definitely volunteer, they were just waiting for a commitment from the Town and this could generate a lot of revenue for the Town. Council Member Wilson noted there was a position open for a Director of the Friends of Parks and Recreation and suggested Council Member Higgins might be interested in that. Council Member Higgins felt the trails were for a different group. Council Member Wilson explained the Friends of Parks and Recreation had a former employee who was quite versed on the trails, but came up short on volunteers and asked Council Member Higgins to join the Board. Council Member Carpenter suggested the ten thousand for the Leadership Academy could be used for this. Ms. Galbraith explained the Budget Committee would have to recalculate and cut items if that was done. Council Member Higgins responded no, he did not want the Committee to do that. Council Member Carpenter asked if the Council needed to take any action. Mayor Evans replied no. Ms. Galbraith noted the May 21, 2015 budget meeting was not needed.

## **ADJOURNMENT**

Mayor Evans adjourned the meeting at approximately 5:00 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 May, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2015.

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Tracie Bailey, Chief Deputy Town Clerk