

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
May 11, 2010**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

PRESENT: Mayor Kenny Evans, Vice-Mayor Mike Vogel, Council Member Ed Blair, Council Member Su Connell, Council Member Richard Croy, Council Member Michael Hughes, and Council Member John Wilson.

STAFF PRESENT: Debra Galbraith - Town Manager, Silvia Smith - Town Clerk, Don Engler - Police Chief, Marty deMasi - Fire Chief, LaRon Garrett - Public Works Director, Colin P. Walker - Assistant Public Works Director, Ray Erlandsen - Acting Community Development Director, Cameron Davis - Parks, Recreation & Tourism Director, and Cindy Smith - Chief Fiscal Officer.

Council Member Hughes was present telephonically.

OTHERS PRESENT: Gaye Stidham - Deputy Town Clerk, Tim Wright - Deputy Town Attorney, Hope Cribb - Budget Analyst, and Tomi Huddlestun - Human Resources Manager (arrived at 4:30 p.m.).

PURPOSE OF MEETING

Cindy Smith, CFO, explained the Budget Committee consisted of Debra Galbraith - Town Manager, Hope Cribb - Budget Analyst, Vice-Mayor Vogel, Council Members Hughes, Council Member Connell and herself.

A. Discussion/possible action re: 2010/2011 budget.

Cindy Smith, CFO, reviewed the revenue and expense summaries for the preliminary budget. The tentative budget is scheduled for adoption on June 3, 2010. The tentative budget's adoption freezes any budget increase, but the budget can decrease. June 17, 2010 is scheduled for the final budget adoption. Ms. Smith explained that of the \$61,000,000 in expected revenue, \$22,000,000 is an estimate of capital projects funded by grants that may or may not come to fruition.

Ms. Smith said revenue is expected to be down 2% next year. The income tax revenue is down about 25%, the vehicle license tax is down about 6.5%, HURF funds are down about 2% and state shared revenue is down about

12% from last year. She expected sales tax to be about \$700,000, down 12%.

There will be a \$117,000 loan payment from the General Fund to the Water Fund. \$42,000 is available to transfer to the General Fund from the Water Fund if a referendum is filed on the increase in water rates.

She noted that The Friends of the Library will continue to fund the part-time librarian.

Ms. Smith reviewed the history of all funds from 2006 to present.

Ms. Smith reviewed possible property tax options: keeping the tax rate the same, adjusting the rate to sustain the FY 2009 revenue and adding new construction or adopting the maximum allowable rate. Fred Carpenter, a newly elected Council Member, commented that assessed values are down this year. The same rate of property tax will generate less revenue. Tax rates would need to be increased to receive the same amount of revenue. Ms. Smith asked for direction from the Council. Council Member Blair suggested waiting until the results of the May 18th election concerning the increase in state sales tax was complete. Mayor Evans said Council should consider that this is a tentative budget that cannot be increased after adoption but could be decreased. He suggested starting with a higher tax rate so that it can be lowered. This tentative budget is not scheduled for adoption until June 3. Council Member Wilson agreed that keeping revenues the same was best for now. Mayor Evans put forward going to the maximum rate and then adjusting it back if needed. He received verbal consensus from the remaining Council. Ms. Smith said she would plan on that option and adjust if needed.

Ms. Smith continued explaining the expenditure history from FY 2009 until the present.

B. Discussion/possible action re: Departmental Budget Presentations.

1. Fiscal Year 2010/11 Preliminary Budget Overview
2. Police Department Budget Presentation

Chief Engler presented the Police Department recommended budget. He noted that the budget for Communications was slightly down from last year but projected an increase in the coming year because of necessary overtime. The department continues its efforts in decreasing overtime overall by strict control, limited training and limited special project responses. He said that limiting training was a very real strain on the department with so many newer, less experienced officers.

Mayor Evans asked if information concerning upgrading police vehicles to

flex-fuel vehicles was coming to him. Chief Engler had not received the information and Mayor Evans agreed to forward the information to him. Council Member Blair asked if the animal control officer was still a part of the Police Department budget. Chief Engler assured him he was.

3. Recreation and Tourism Budget Presentation

Cameron Davis, Parks, Recreation and Tourism Director, presented his department's recommended budget. (Vice-Mayor Vogel left the meeting at approximately 4:30 p.m.)

Mr. Davis explained that "parks" for his department is part of the programming of the department and the maintenance of the parks themselves is now part of the Public Works Department.

4. Water Department Budget Presentation

Buzz Walker, Assistant Public Works Director and Water Superintendent, presented the proposed Water Department Budget and answered questions from the Council.

5. Public Works Department Budget Presentation

LaRon Garrett, Public Works Director, presented the preliminary budget for his department. He noted that the date on his powerpoint presentation was incorrect. The Public Works capital projects of \$435,000 included GPS survey equipment, new skidsteer, crack sealing machine, \$250,000 for pavement preservation, the final payment for the Airport Road roundabout, an aerial photo update and \$10,000 for continued Bonita Steet right-of-way acquisition. Potential federal funding for other projects could be as much as \$21,718,700. Fred Carpenter asked if the possible federal funding included traffic control at th intersection of Highway 260 and Mud Springs Road. Mr. Garrett said it was not included.

Council Member Blair asked how the development of Montezuma's Castle land exchange would impact this budget. Mr. Garrett replied that the developers would pay an improvement district assessment equal to the bond payments similar to the improvement district project on Westerly.

- a. Engineering
- b. Streets
- c. Grounds
- d. Airport

(1) Council Decision Request filed by LaRon Garrett, Public Works Director, concerning the offer from Payson Regional Airport Authority

to fund the ADOT portion of any airport related grants the Town receives for fiscal year 2010-2011 and agree to reimburse the Payson Regional Airport Authority said amount if and when the Town receives those funds from ADOT.

Motion: to Approve a Council Decision Request filed by LaRon Garrett, Public Works Director, accepting the offer from Payson Regional Airport Authority to fund the ADOT portion of any airport related grants the Town receives for fiscal year 2010-2011 and agree to reimburse the Payson Regional Airport Authority said amount if and when the Town receives those funds from ADOT.

Moved by Council Member Ed Blair, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny Evans, Vice-Mayor Mike Vogel, Council Member Ed Blair, Council Member Su Connell, Council Member Richard Croy, Council Member Michael Hughes, and Council Member John Wilson.

ADJOURNMENT

Mayor Evans adjourned the special meeting at approximately 5:57 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 11 of May, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2010.

Gaye Stidham, Deputy Town Clerk