

**TOWN OF PAYSON  
TOWN COUNCIL MEETING  
MINUTES OF THE SPECIAL MEETING  
May 18, 2010**

**CALL TO ORDER**

Mayor Evans called the special meeting to order at approximately 4:00 p.m. in the Town 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 Michael Hughes, Council Member Richard Croy, Council Member Su Connell, and Council Member John Wilson.

**STAFF PRESENT:** Debra Galbraith - Town Manager, Sam Streichman - Town Attorney, Silvia Smith - Town Clerk, Marty deMasi - Fire Chief, LaRon Garrett - Public Works Director, Ray Erlandsen - Acting Community Development Director, Cameron Davis - Parks, Recreation & Tourism Director, and Cindy Smith - Chief Fiscal Officer.

**OTHERS PRESENT:** Tim Wright - Deputy Town Attorney, Gaye Stidham - Deputy Town Clerk, Hope Cribb - Budget Analyst.

**PURPOSE OF MEETING**

1. Discussion/possible action re: Draft 2010/2011 Budget

Cindy Smith, Chief Fiscal Officer, presented preliminary budget. No major changes were made since the previous presentations. She announced the remaining budget meetings: the tentative budget, adoption of the fee schedule, adoption of the Capital Improvement Plan, adoption of the Corporate Strategic Plan, adoption of the Business Plan, Truth in Taxation public hearing, Primary Property Tax Levy public hearing, Secondary Property Tax Levy public hearing, Expenditure Limitation public hearing, adoption of the Final Budget and public hearing and the adoption of the Final Budget.

Ms. Smith summarized the sources and uses of all funds budgeted for FY 2010/11. Council Member Blair asked if the budget includes the maximum allowable property tax levy. Ms. Smith explained the budget reflects a raise in property tax rates. These rates will be addressed at the June 17th meeting. The final budget may be adopted with changes, however, as Council may not choose to go with the higher levy. She also reviewed possible grant funds including the EECBG and JAB grants.

In her overview of expenditures, Ms. Smith pointed out that no personnel

lay-offs were planned for the next fiscal year. The five day work week will be restored and the early retirement incentive program will be complete with costs reflected in the proposed budget. The budget reflects the retention of a cost share percentage for insurance, frozen vacant positions and no PTO buyback. Because of the frozen vacancies and the early retirement incentive, there is a decrease of 13 positions townwide. The number of full-time employees is about the same as 2006.

Ms. Smith reviewed Capital Projects beginning with Streets/Drainage Improvements. Ms. Galbraith indicated those projects funded either by grant funds or by an improvement district; Manzanita Street Reconstruction, Mud Springs Road Construction and the Montezuma Castle Land Exchange.

Capital Projects/Water Improvements included \$9,835,000 to retain the ability to do the work on the C.C. Cragin Water Line and submit costs for reimbursement although Mr. Garrett did not believe that much would be spent during this year.

Mayor Evans asked Ms. Smith to change the word "park" in the category Capital Projects/Park Improvements. Ms. Galbraith suggested "community facility improvements."

Ms. Galbraith pointed out that most of the capital projects listed under Airport Improvements are FAA funded and, should those funds become available for a project, a small Town match was required.

There was discussion concerning replacing of carpeting under Facilities Improvements. Council Member Blair suggested the carpet in the Community Development office also needed replaced where it has worn through. Council Member Wilson suggested changing the item to "carpeting where needed" or with something better than carpeting.

Ms. Smith explained that in the WIFA Loan for the C.C. Cragin project the \$4,000,000 forgivable portion will be used first. Principal payments on this loan will begin in July.

Preliminary budget concerns included estimated beginning fund balances were subject to change, estimated ending fund balances were low, fiscal policies were not being followed due to the lack of available funds, the uncertain outcome of Proposition 100 (temporary state tax increase) and the amount of property tax levy.

Mayor Evans voiced his concern about the indications of a fund named "rainy day". Ms. Galbraith explained the name probably originated from a layman's term but was an accounting term. Mayor Evans asked that another term be found for this fund.

Ms. Galbraith pointed out the percentage of revenue from shared revenue

funds had dropped. There has been a shift in local and state shared amounts with local sales tax is bearing the brunt.

**ADJOURNMENT**

Mayor Evans adjourned the special meeting at approximately 4:38 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 18 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