

**TOWN OF PAYSON  
TOWN COUNCIL MEETING  
MINUTES OF THE REGULAR MEETING  
April 21, 2011**

**CALL TO ORDER**

Mayor Evans opened the regular meeting at approximately 5:30 p.m. in the Town Hall Council Chambers, 303 North Beeline Highway, Payson, Arizona.

**INVOCATION**

Pastor Joe Hittle, Calvary Chapel offered an invocation.

**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, Tim Wright - Town Attorney, Don Engler - Police Chief, Silvia Smith - Town Clerk, LaRon Garrett - Public Works Director, and Cameron Davis - Parks, Recreation and Tourism Director.

**OTHERS PRESENT:** Gaye Stidham - Deputy Town Clerk, Ray Erlandsen - Community Development Director, Colin P. Walker - Water Superintendent.

**A. PUBLIC COMMENTS (SPEAKER'S REQUEST FORM SUBMITTED)**

1. Communications and comments or suggestions from citizens present who have submitted a Speaker's Request Form to the Mayor, Town Clerk, or designee, prior to the meeting being convened, concerning matters other than those listed on the agenda for consideration, shall be heard by the Council.

Penny Pew from Congressman Gossar's office reported she saw 15 - 20 citizens at the County offices in Payson today. She also reported that the C.C. Cragin dam issue is moving along in Washington, D.C. Congressman Gossar will be in Payson next week for a Town Hall at Tiny's at 6:00 pm.

**B. CONSENT AGENDA**

**Items listed on the agenda with an asterisk which are considered to be routine in nature and which will be enacted by one motion.**

**Motion:** to approve the CONSENT AGENDA.

Moved by Council Member John Wilson, seconded by Council Member Su Connell.

**Vote:** Motion carried 7 - 0

Yes: 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.

**C. CURRENT EVENTS PRESENTATION BY THE TOWN MANAGER, MAYOR, AND/OR COUNCIL MEMBER**

1. Brief presentation of current events by the Town Manager, Mayor, and/or Council Members.

Cameron Davis, Parks, Recreation and Tourism Director reminded everyone that children under 12 were invited to participate in the Easter Extravaganza at Rumsey Park. He reported that the Beeline Cruis'-in car show was next weekend, April 29 - 30, 2011. Registration for the Mountain High Games is open. So far they have 15 teams competing in different events.

2. Documents, materials and information for Council review. (The Council will not discuss or take action on the attached; they are provided for information only) There were no documents or materials for Council review.

**D. CEREMONIAL; ANNOUNCEMENTS; PRESENTATIONS; INTRODUCTIONS**

1. Comments, Commendations, and Presentations by Mayor, Council Members, and/or Town Staff. There were no comments from the Mayor, Council Members or Town Staff.

Mayor Evans moved the Water Resources Management 2011 Status Report presentation to be heard after both proclamations.

2. Proclamation declaring May 05, 2011 as the National Day of Prayer. Pastor Joe Hittle, Member of the Payson Christian Ministerial Fellowship, was present to accept the proclamation.

Council Member Blair read the proclamation in full. Pator Joe Hittle accepted the proclamation on behalf of the Payson Ministerial Association. He reminded those present of the Easter celebration sponsored by the Association this weekend at Rumsey Park.

4. Proclamation declaring May 1 - 7, 2011 as Public Service Recognition Week.

Mayor Evans read the proclamation in full. Council Member Wilson, treasurer for the Mogollon Chapter of the National Active and Retired Federal Employees Association accepted the proclamation.

3. Presentation. Water Resources Management 2011 Status Report (Buzz Walker, Water Superintendent)

Mr. Walker reported on the aquifer status saying we are consuming less water than is being replenished in Town wells. The consumption per person is at 79 gallons per person; 10 gallons per person lower than the goal set in in 1998.

Mr. Walker updated the Council concerning the C.C. Cragin project. The agreement to share expenses with SRP concerning rehabilitating the facilities from the reservoir

including the pump house, pipeline and hydro-electric generator is complete with an approximate investment from the Water Department of \$4.5 million. The raw water pipeline and finish water pipeline design engineering and cost estimates are at the 30% stage. The water system master plan revision is complete. The water treatment plant design is only waiting for a final site selection for completion. The SCADA study is about 40% complete as expected at this time. He noted that the purchase of the pipeline was done through grant monies.

Council Member Carpenter asked when ground water was replenished if springs that are now dry would run again. Mr. Walker replied that part of the plans is to monitor the process so too much is not put in, changing the aquifer. Historic springs would run if they are fed by that aquifer.

Council Member Wilson asked if there would be any water quality problems from the chemical differences between the existing Payson aquifers/wells and the incoming C.C. Cragin project water. Mr. Walker said those differences would be available in a hydrogeochemical report which is 90% complete now. They will buffer water to make it more like the water we already have. This is all part of the pilot water treatment plant process.

Council Member Blair asked who actually will decide the placement of the water treatment plant. Mr. Walker replied that although the Town makes recommendations, the final decision rests with the Forest Service.

Mr. Walker commended Payson hydrogeologist Michale Ploughe for exemplary reports over the years.

## **E. MINUTES**

1. \*Council Meeting Minutes: 04-07-11 Regular Meeting Pages 1 - 6  
\*CONSENT\* APPROVED

BOARDS/COMMISSIONS MEETING MINUTES (Note: Minutes of various boards/commissions/committees are for Council information only and may or may not have been approved by the respective board/commission.)

2. \*Planning and Zoning Commission Minutes: 02-14-11 Regular Meeting Pages 1 - 3  
\*CONSENT\* INFORMATION ONLY
3. \*Design Review Board Minutes: 10-26-10 Regular Meeting Pages 152 - 154, 11-16-10 Regular Meeting Pages 155 - 156, 12-14-10 Regular Meeting Pages 157 - 158, 01-11-11 Regular Meeting Pages 159 - 160, 02-08-11 Regular Meeting Pages 161 - 162, 03-08-11 Regular Meeting Pages 163 - 164  
\*CONSENT\* INFORMATION ONLY
4. \*Transportation Advisory Board Minutes: 03-02-11 Regular Meeting Pages 244 - 248  
\*CONSENT\* INFORMATION ONLY

## **F. HEARINGS AND APPEALS**

There were no items in this section.

## **G. RESOLUTIONS AND ORDINANCES**

1. \* As Council, staff, and the audience have the titles to all resolutions and ordinances, authorization to forego verbal title readings.  
\*CONSENT\* APPROVED
2. \*Discussion/possible action concerning Resolution No. 2595, captioned as follows:  
A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN EXTENSION TO THE PROMISSORY NOTE EXECUTED BY CHILTON L.L.C. IN FAVOR OF THE TOWN OF PAYSON (EXTENSION OF DOOR STOP PROMISSORY NOTE)  
\*CONSENT\* APPROVED

## **H. UNFINISHED BUSINESS**

1. \* Council Decision Request filed by Ray LaHaye, Building Official, to authorize Mayor Kenny J. Evans to execute the 2010 Energy Conservation Block Grant Project by signing all documents related to this project.  
\*CONSENT\* APPROVED
2. Council Decision Request filed by LaRon Garrett, Public Works Director, to award the water line portion of the Airline Road Area Water and Sewer construction project to Pierson Construction in the amount of approximately \$508,611.00 and authorize staff to proceed with the improvements in accordance with the Intergovernmental Agreement between the Town and the Northern Gila County Sanitary District approved with Resolution No. 2563.

Mr. Walker described the project. It will be the reconstruction of the water system on the north side of Payson Airpark subdivision. The bid amount came in about \$250,000 less than the engineer's estimate.

**Motion:** to Approve a Council Decision Request filed by LaRon Garrett, Public Works Director, to award the water line portion of the Airline Road Area Water and Sewer construction project to Pierson Construction in the amount of approximately \$508,611.00 and authorize staff to proceed with the improvements in accordance with the Intergovernmental Agreement between the Town and the Northern Gila County Sanitary District approved with Resolution No. 2563.

Moved by Council Member Ed Blair, seconded by Council Member John Wilson.

**Vote:** Motion carried 7 - 0

Yes: 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.

## **I. NEW BUSINESS**

1. Council Decision Request filed by Colin P. Walker, Water Superintendent, to authorize an agreement with the Payson Restaurant Alliance, L.L.C. for the deferred payment of a Water Development Fee in the amount of \$100,908.00 over a ten-year period at 0% interest rate and to authorize the Mayor to execute the agreement after approval by the Town Attorney as to form and content.

Mr. Walker explained the request and it's impact on water development.

**Motion:** to Approve a Council Decision Request filed by Colin P. Walker, Water Superintendent, to authorize an agreement with the Payson Restaurant Alliance, L.L.C. for the deferred payment of a Water Development Fee in the amount of \$100,908.00 over a ten-year period at 0% interest rate and to authorize the Mayor to execute the agreement after approval by the Town Attorney as to form and content. Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Mr. Walker explained the request as it complies with Administrative Policy A608. This type of financing development fees more closely reflects the need for a dedicated revenue stream rather than cash on hand. The current operating philosophy is to be as business friendly as possible while maintaining the integrity of the finances of the Water Department.

Council Member Carpenter stated that the Ordinance concerning deferring development fees for commercial projects passed by Council last fall dictates an interest amount be charged.

Mayor Evans remembered the discussion of that Ordinance regarding the difference between commercial and residential developments. Mult-family developments pose more risk as they would not be operational until they were fully occupied unlike commercial developments.

Attorney Wright believed the Ordinance implemented says there shall be an interest amount but he could argue either way whether putting 0% as an interest rate would suffice.

Council Member Blair felt that charging no interest to a particular project made the Town like a bank. Other restaurants would not be receiving the same benefits.

Mr. Walker explained that policies change over time and the policy of the sitting Council is what applies. He cited the example of the fire sprinkler requirements that were imposed at a certain point in time. They were not imposed on any building before that time. Those before and after each policy change reap the ramifications of the current policy. The philosophy of administrative policies for staff are to do the right things and to do things right. Changing times dictate how we operate. Departments do not set policy. Manager Galbraith reiterated that deferring development fees is done at the individual's request and staff was not making the policy. Each request will come to Council

Vice-Mayor Hughes said the main concern during discussions regarding this Ordinance was concern about developers who develop with the intent to resell and their greater security risk for repayment. This is not the case here. Each request is come before the Council on its own merits. One case does not set the policy.

Mayor Evans interjected that SB1625 had gone through the State Legislature. It does away with all development fees. He thought it better to begin the revenue stream now than to wait and receive no revenue stream whatsoever. The senate bill exempts existing contracts.

Council Member Carpenter again stated that the Ordinance included an interest requirement.

Attorney Wright said it would be safe to charge a nominal rate.

Council Member Blair hoped the senate bill would not pass. But, he believed this new competition would adversely affect existing restaurants and voiced his opposition to a no interest deferment.

Council Member Connell voiced her support for a zero interest deferment. She noted that each new business filled a niche not filled by others.

**Motion:** to Amend the motion to read to approve Council Decision Request filed by Colin P. Walker, Water Superintendent, to authorize an agreement with the Payson Restaurant Alliance, L.L.C. for the deferred payment of a Water Development Fee in the amount of \$100,908.00 over a ten-year period at 1% interest rate and to authorize the Mayor to execute the agreement after approval by the Town Attorney as to form and content.

Moved by Council Member Ed Blair, seconded by Council Member Fred Carpenter.

Vote: Motion failed 2 - 5

Yes: Council Member Ed Blair, and Council Member Fred Carpenter.

No: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Su Connell, Council Member Richard Croy, and Council Member John Wilson.

Mayor Evans called for a vote on the original motion to approve the Council Decision Request as written.

**Vote:** Motion carried 5 - 2

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

No: Council Member Ed Blair, and Council Member Fred Carpenter.

2. Council Decision Request filed by Ray Erlandsen, Community Development Director, to prepare a code amendment to create a new zoning district classification, Education.

Mr. Erlandsen explained that additional growth in the educational system in Payson suggests the need for a designated zoning for the facilities created. He would do more research and come back to Council if so directed.

**Motion:** to Approve a Council Decision Request filed by Ray Erlandsen, Community Development Director, to prepare a code amendment to create a new

zoning district classification, Education.  
Moved by Council Member Ed Blair, seconded by Council Member Fred Carpenter.

**Vote:** Motion carried 7 - 0

Yes: 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.

**J. CLAIMS**

1. \*List of checks paid from 04-01-11 through 04-14-11, Check Nos. 013589 through 013777, except Check No. 013701, and authorization to file the checks for audit.  
\*CONSENT\* APPROVED
2. \* Check No. 013701 and authorization to file the check for audit. (Note: due to a perceived and/or conflict of interest, Mayor Evans will be considered to abstain from the voting on this item.)  
\*CONSENT\* APPROVED

**K. MISCELLANEOUS**

There were no items in this section.

**L. PUBLIC COMMENTS**

1. Public Comments: Note: Communication and comments or suggestions from citizens present who have not submitted a Speaker's Request Form, on matters other than those listed on the agenda for consideration, shall be heard by the Council. There were no further comments by the public.

**ADJOURNMENT**

Mayor Evans adjourned the regular meeting at approximately 6:26 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 regular meeting of the Town Council of the Town of Payson held on this day the 21 of April, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_day of \_\_\_\_\_, 2011.

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Gaye Stidham, Deputy Town Clerk