



PAYSONAZ.GOV



# TOWN MANAGER'S REPORT

OCTOBER 11, 2023

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# MESSAGE FROM THE TOWN MANAGER



This document is developed and provided to help inform residents about what is happening with Town operations, services and programs; to answer frequently asked questions; and to encourage citizen participation in our local government. We aim to provide high quality programs and services to our residents in an effort to create a high quality of life. We welcome public comment and participation in the governance of our town. Residents are encouraged to join a council appointed board, commission or committee, speak at a council meeting during the public comment period, or fill out an [online comment form](#). Town staff and I are honored to serve the residents of our town; we are committed to excellence and welcome you all to join us in the spirit of service.

-Troy Smith, Town Manager

# FINANCE DEPARTMENT

There has been some recent discussion on social media related to the State of Arizona Public Safety Personnel Retirement System (PSPRS). Unfortunately, most of the information that is being shared on social media is inaccurate and therefore the accompanied analysis noted as part of the social media posts is also flawed. To help residents understand what has happened, the below factual information is being provided.

In 2017, staff requested a 1% "sales tax" increase (also known as the Towns "TPT" (Transaction Privilege Tax) to help address the Town's revenue shortfalls. This request included projected revenues based on the 1% assumption. The Town Council evaluated the information and instead approved a .88% sales tax increase on May 4, 2017. The Town's stated budget was adjusted downward accordingly.

The money generated from the tax increase was intended to go into the Town's General Fund, a fund appropriated at the discretion of the Town Council and could be used for any type of operational needs.

The text of Ordinance No:888, which approved the tax increase reads, "the Town of Payson will use the Sales Tax Revenues to pay General Obligation Bonds and other authorized expenditures as may be identified and authorized by the Mayor and Council at Town Council Meetings, Town Hall meetings and through the Town Budgetary Process." During the hearing the Council referenced several priorities they intended to fund with the money generated from this tax increase, including repaying a portion of the Town's PSPRS debt. However, any assertion that this revenue was exclusively dedicated to repay PSPRS is false.

Prior to 2017, the State's PSPRS system faced several financial challenges, leaving it significantly underfunded. Issues that contributed to the PSPRS system being underfunded included permanent benefit increases, underperforming investment returns, unrealistic expected rates of return, and the high cost of investment fees and expenses. In an effort to address this situation, the State initiated a number of actions including the adoption of higher employer contributions, which escalated over time. This meant that in addition to repaying the underfunded portion of the pension system (as a result of lower than needed contributions in the past) the future cost(s) for operating the system were also going to increase over time.

# FINANCE DEPARTMENT

Starting August 2017 the Town of Payson began making extra payments in addition to the normal employer contribution to the PSPRS starting. In the past five years, since the .88% “sales tax” increase went into effect, the Town of Payson has paid \$17,191,663 to PSPRS. \$3.5 million of this \$17 million has been in excess of the Town’s minimum annual required contribution in order to further reduce the Town’s unfunded liability.

Now let’s evaluate the positive impact of the excess payments. In order to do so, you must look at the total “funded ratio”, which is defined as a ratio of fund assets to actuarial accrued liability. The higher the ratio the better funded the pension is, with 100% being fully funded. This ratio combines the liabilities of the Police Fund and the Fire Fund to account for total liabilities. Based upon the June 30, 2017 actuarial valuation report the Town of Payson’s total Funded Ratio was 41.33%. Based upon the June 30, 2022 actuarial valuation report the Town of Payson’s total Funded Ratio was 54.98%. That is an increase of 13.65% in the funded portion of the PSPRS fund, in five years. The Town is on track to achieve its stated goal of a funded ratio of 100% by 2036.

How long to pay down the underfunded portion? House Bill 2097 was passed by the State Legislature in 2018, which required local governments to adopt an annual fiscal policy related to PSPRS funding. Beginning on July 26, 2018 and in each subsequent year the Payson Town Council has adopted a PSPRS policy. Importantly, that policy from its very inception stated, “The Council’s PSPRS funding ratio goal is to achieve 100% (fully funded) by June 30, 2036”. This means that the Town Council intended to have repaid the unfunded (past liability) portion of the PSPRS system in 20 years, from the adoption of the .88% sales tax increase. Any claim that the Town intended payoff within some other time period is not supported by this adopted policy statement.

So what happened? All of the projections created for the May 4, 2017 council discussion for Ordinance 888, included what was to be accomplished with the increase in revenue, which centered around 1% with a sunset of 2037. The original motion for consideration by the Council in 2017 was for a 1% increase in “sales tax” and a sunset in 2037. However, during their discussion, the Council ultimately approved a different rate, a .88% tax increase and a sunset provision in 2027 rather than 2037.



# FINANCE DEPARTMENT

The Council did not come to the conclusion that the debt could be paid off in 10 years which has been an inaccurate claim in some social media, rather Council simply opted to end the revenue prior to reaching the 100% funded ratio for PSPRS.

The manner in which future repayment of the underfunded portion of the PSPRS fund was to be paid, from years 2027 through 2036 is not addressed in the ordinance or policy. During their discussion however, the Council asked if a future Council could assess and change the sunset provision of Ordinance 888. The answer was, "yes". I believe this is part of the reason the Capital Improvement Projects Citizen Advisory Council (CIPCAC) recently recommended that this 2017 tax increase not be sunset,

Final thoughts, in addition to the revenue associated with "sales tax", it is important to understand what has happened to property tax over time. In 2017, the Town's proportional share of property tax collections was 5%, now it is at 4%. While the dollar amount of property tax collections has increased overtime as a result of an increase in property valuation, the Town's proportional share of property tax collections has gone down, as has the rate the Town levees in property tax. Again, the CIPCAC most recently evaluated these factors and has recommended the Council increase the primary property tax rate on an annual basis, to the maximum extent permitted by law to generate revenue commensurate with the services the Town provides to residents. All of these factors and more must be evaluated when assessing the future of the Town, the revenues it collects, and the expenses it contemplates. It is of the utmost importance that one starts the conversation or analysis with factual and accurate information, neither of which are generally located on social media.

For convenient reference, previous Council presentations and discussions on this topic can be found by clicking below:

April 20, 2017: [https://payson.granicus.com/player/clip/2072?view\\_id=17&redirect=true&h=672f44dee72d9261b409b007dc60e2a5](https://payson.granicus.com/player/clip/2072?view_id=17&redirect=true&h=672f44dee72d9261b409b007dc60e2a5)

May 4, 2017: [https://payson.granicus.com/player/clip/2079?view\\_id=17&redirect=true&h=f32620b03e4695551650b1fde5b5945a](https://payson.granicus.com/player/clip/2079?view_id=17&redirect=true&h=f32620b03e4695551650b1fde5b5945a)

June 20, 2017: [https://payson.granicus.com/player/clip/2095?view\\_id=17&redirect=true&h=a5cb762f186853c38a7169d32986e55d](https://payson.granicus.com/player/clip/2095?view_id=17&redirect=true&h=a5cb762f186853c38a7169d32986e55d)

# PAYSON LIBRARY

**PAYSON PUBLIC LIBRARY**

328 N McLane Rd, Payson, AZ 85541; 928-474-9260  
[www.paysonaz.gov/departments/library.org](http://www.paysonaz.gov/departments/library.org)  
[www.facebook.com/PaysonArizonaUSA](https://www.facebook.com/PaysonArizonaUSA)

**OCTOBER 2023**



Annular Solar Eclipse (Ring of Fire)  
 Moon passes between Sun & Earth  
 October 14, 2023



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
	Sit & Stitch 2:00 – 5:00 pm	Line Dancing Beginners 1:15-2:15 Intermediate 2:15-4:00 pm	Storytime with Babies 10:30 am	Line Dancing 2:15 – 4:00 pm	Fall Festival – Crafts, Games, Snacks - FREE Pumpkins and FREE Halloween Costumes- Courtesy of Time Out Thrift Store! 12:00 noon	Space Explorers – Planets, Stars & Telescopes! Build Constellation Viewer & See the Moon! 12:00 noon
Please Sign-Up for all Friday & Saturday Programs						
Chess is 2 <sup>nd</sup> Fridays every month! 12:00 noon to 2:00 pm						
8	9	10	11	12	13	14
	Sit & Stitch 2:00 – 5:00 pm	Storytime with Toddlers 10:30 am Line Dancing Beginners 1:15-2:15 Intermediate 2:15-4:00 pm	Storytime with Babies 10:30 am 	Line Dancing at the Library! 2:15 – 4:00 pm	Learn/Play Chess 12:00 to 2:00 pm 	Solar Eclipse Viewing Party & Free Glasses 9:15 am 
15	16	17	18	19	20	21
	Library Friends of Payson Meeting – Diane Budden Author "Dear Hubby of Mine" 10:00 am Sit & Stitch 2:00 – 5:00 pm	Storytime with Toddlers 10:30 am Line Dancing Beginners 1:15-2:15 Intermediate 2:15-4:00 pm	Rim Country Readers Book Club 10:00 am Storytime with Babies 10:30 am Practice Spanish 11:30 am	Line Dancing at the Library! 2:15 – 4:00 pm	Discover Spanish for Kids – Learn language, Food, Culture 11:30 am Design your own Halloween Plushies! 1:00 pm	Hello Hola 
22	23	24	25	26	27	28
	Sit & Stitch 2:00 – 5:00 pm 	Storytime with Toddlers 10:30 am Line Dancing Beginners 1:15-2:15 Intermediate 2:15-4:00 pm	Storytime with Babies 10:30 am Practice Spanish 11:30 am	Line Dancing at the Library! 2:15 – 4:00 pm	Fascinating Squid Dissection! 1:00 pm 	
29	30	31	1	2	3	4
	Sit & Stitch 2:00 – 5:00 pm 	Storytime with Toddlers 10:30 am Line Dancing Beginners 1:15-2:15 Intermediate 2:15-4:00 pm	Storytime with Babies 10:30 am Practice Spanish 11:30 am	Line Dancing 2:15 – 4:00 pm 	Make a Thankful Tree for the Library & Yourself – write what you are Thankful for- persons, books, things ... 1:00 pm	

# AIRPORT

# OCT 21, 2023

10AM - 2PM AT THE PAYSON AIRPORT



# PAYSON AEROFAIR



**FREE ADMISSION!**

**FAMILY FUN • FOOD VENDORS • AIRCRAFT DISPLAYS  
SIMULATORS • MUCH MORE!**

# PAYSONAEROFAIR.COM

**AVIATION EDUCATION**



Proudly sponsored by the Town of Payson,  
The Payson Pilots Association and other businesses.





# PARKS AND RECREATION

Fall soccer kicked off on Saturday, September 30th located at Rumsey Park. We have 313 registered participants and 20 total teams!



# PARKS AND RECREATION

Our first Educational Trail Hike was a huge success! Thank you to everyone who came out and enjoyed the class along with this beautiful day!



Parks and Recreation would like to thank the Payson Police Department for hosting the AZPOST Traffic Control Training



# PARKS AND RECREATION



Tony Creasy retired from the Parks and Recreation Department after 23 years. We are very grateful for his service to the Town of Payson.

**HAPPY**  
*Retirement!*

# PARKS AND RECREATION



@PAYSONPARKANDREC   #PLAYPAYSON

## PAYSON'S 50TH ANNIVERSARY

VOL. 142 - NO. 25 SATURDAY, OCTOBER 14TH, 2023 PRICE 15 CENTS

# COME CELEBRATE

PAYSON'S 50TH ANNIVERSARY

*Event at Green Valley Park | 4pm - 7pm*



### EXTRA! EXTRA! FIREWORKS

As part of our 50th Anniversary Celebration, we are happy to announce we will be hosting a Fireworks display at Green Valley Park at 6:45pm Saturday, October 14th, 2023.



OWEN SAWMILL PAYSON - 1951 - CURRENT SAWMILL THEATRE \*\*

### IMPORTANT INFORMATION



PAYSON'S ENTRY SIGN IN 1958 \*

## ACTIVITIES



HIGHWAY CONSTRUCTION 1958 \*

- ~ 70's Themed Costume Contest
- ~ Food Trucks & Vendors
- ~ Historical Storytime
- ~ Yard Games
- ~ Live Music
- ~ Fireworks

★ **LIVE  
MUSIC** ★  
BY  
**RIMROCK**

\*[HTTPS://WWW.RIMCOUNTRYMUSEUM.ORG/A-HIGHWAY-COMES-TO-PAYSON](https://www.rimcountrymuseum.org/a-highway-comes-to-payson)

\*\*[HTTPS://WWW.RIMCOUNTRYMUSEUM.ORG/OWENS-SAWMILL-COMES-TO-PAYSON](https://www.rimcountrymuseum.org/owens-sawmill-comes-to-payson)

FOR MORE INFORMATION, CALL PAYSON PARKS AND REC AT 928.472.5110 OR VISIT  
[WWW.PAYSONRIMCOUNTRY.COM/ANNIVERSARY](http://WWW.PAYSONRIMCOUNTRY.COM/ANNIVERSARY)

# PARKS AND RECREATION



4PM-9PM

PAYSON'S ANNUAL

# MONSTER MASH

SATURDAY  
OCTOBER 28TH, 2023

LOCATED AT  
GREEN VALLEY PARK

TRUNK OR TREAT\* | CARVED PUMPKIN CONTEST  
COSTUME CONTEST | MOVIE IN THE PARK

\*JOIN US UNTIL CANDY LASTS

COSTUME CONTEST CATEGORIES INCLUDE:  
KIDS, ADULTS, GROUPS, K9'S

ALL CONTESTS AND TRUNK OR TREAT  
REGISTRATIONS NOW OPEN

FOR MORE INFO VISIT [PAYSONRIMCOUNTRY.COM/TREAT](https://paysonrimcountry.com/treat)  
OR CALL PARKS AND RECREATION AT 928-472-5110

## FREE ADMISSION

# PARKS AND RECREATION



**\$35 FEE** FOR YOUTH LEAGUE  
**\$35 FEE** FOR PARENT TOT  
**\$35 FEE** FOR JR SKILLS ACADEMY

## BASKETBALL LEAGUE

**REGISTRATION CLOSURES: WEDNESDAY, NOVEMBER 8TH, 2023**

### DIVISIONS:

**CO-ED LEAGUE:** 3RD & 4TH GRADE

**BOYS LEAGUE:** 5TH & 6TH GRADE

**GIRLS LEAGUE:** 5TH & 6TH GRADE

**FIRST GAME SCHEDULED  
SATURDAY, DEC. 9TH**

## BASKETBALL CAMPS

**REGISTRATION CLOSURES: WEDNESDAY, NOVEMBER 8TH, 2023**

### PARENT TOT CAMP

**AGES:** 3-5 YEARS OLD

**CAMP DATES:** 11/13, 11/20,  
11/27, 12/4

**TIME:** 5:15PM – 6:00PM

### JR SKILLS ACADEMY

**AGES:** 6-8 YEARS OLD

**CAMP DATES:** 11/13, 11/20,  
11/27, 12/4

**TIME:** 6:15PM – 7:00PM



TO REGISTER OR VOLUNTEER VISIT  
**WWW.PAYSONPARKS.COM**

# WATER DEPARTMENT

The Water Department sponsored the 14th Annual Payson Water Festival at Green Valley Park on September 28, 2023. This festival is an outreach each event aimed at educating fourth grade students about watersheds, groundwater, the water cycle and water conservation practices. The Water Department understands that water availability in Arizona is highly variable and that providing water education to youth is important to water conservation and the future of water resource management.

In all, a total of eight school teachers from Payson Unified School District (PUSD), Pine Strawberry School District, and Tonto Basin Elementary School brought a total of 189 students to participate at the festival. The school teachers were very happy to see this program become active again, since this event's temporary cancellation due to Covid-19 restrictions. The students had a fun day outside in Payon's beautiful weather learning about water science and conservation.

The Water Department would like to thank the 22 volunteers from PUSD high school students, Shepherd Insurance Group, the National Forest Foundation, the Arizona Department of Environmental Quality, Green Valley Water, and the Parks & Rec Deptment for volunteering to serve as event educators. Overall it was a fun day for students and volunteers and we look for to hosting the event again next year!



# VISITORS CENTER



Visitor Center Data	August	September
Local Visitors	21	27
In-State Visitors	285	229
Out of State Visitors	101	159
Foreign	38	11
Unregistered	74	69
Total Visitors	519	495



End of Report  
Next Report: October 25, 2023

