

CORPORATE STRATEGIC PLAN



Fiscal Years 2009/10-2011/12

TOWN OF PAYSON, ARIZONA



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TOWN ADMINISTRATION

Debra A Galbraith – Town Manager

Tim Wright – Town Attorney

Silvia Smith – Town Clerk

Cindy Smith – Chief Fiscal Officer

Terry Morris – Library Director

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Table of Contents

Introduction	
Our Strategic Planning Process	4
How this Document is Organized	5
Mission Statement	6
Core Values	7
Key Result Areas Objectives	
External Communication	8
Water Resource Management	10
Environmental Protection	12
Community Development	13
Transportation & Drainage	14
Parks and Recreation	16
Fire Protection & Emergency Services	18
Police & 911 Services	20
Organizational Development	21
Airport	22
Library	23
Economic Development	24
Tourism & Economic Vitality	25
Key Result Areas Summary	26
Financial Health Analysis	31
Environmental Scan	34
Economic Analysis	37

Tables & Illustrations

Local Sales Tax	32
Direct Net Debt Per Capita	32
Age Distribution	34

Introduction

All organizations must plan in order to successfully prepare for future challenges and opportunities. Successful organizations also establish performance measures to ensure that they are continually moving toward their goals. These performance measures are also used to monitor when a shift in goals may be needed due to the nature of the challenges and opportunities that have arisen. The Corporate Strategic Plan process is the cornerstone of our business model. It is the foundation upon which the Business Plan and the Annual Budget are based.

We believe that before we can allocate our available resources, we must first understand the needs and desires of the residents of Payson and the environmental factors that will be necessary to provide them.

The Town of Payson began producing an annual Corporate Strategic Plan (CSP) to highlight the Town's overall direction and priorities in 1995. The last CSP to be published in this form was the Fiscal Year 2006-2007 edition. For the fiscal years of 2006-2007 through 2008-2009, a different approach was used. During that time the name of the plan was changed to the Payson Goal Plan (PGP) and public input was sought. The plan became more focused on capital needs and wants, and operational details rather than the all encompassing key result areas (KRA) of the previous plans. Meetings were held in March 2009 to bring together the past PGP and CSP plans to create the current CSP. For the Fiscal Years 2009-2011, the Town has returned to the original format of the CSP. This edition is the 15th of the CSP.

Our Strategic Planning Process

In the fall of 2008, we conducted a survey of Payson residents. The surveys were given out at various committee and civic group meetings. They were also available at Town Hall and on our website. 139 surveys were received. This is less than 1% of the total population of Payson. We gathered both tangible data (e.g., neighborhood crime rate statistics) and perception-based data based on survey questions.

The CSP Workshop begins with revisiting our mission. The Town Council determines what vital strategic priorities are most critical to our future. If changes are necessary, the Council makes them based on the data that has been gathered by staff and input from the public.

Once the priorities are set, the Council defines each priority with both a general strategy and directional statements. The final piece of the strategic planning process produces directional statements to further explain what the Town should be focusing on in each area. Once the CSP is established, it guides the direction of the entire organization, and only then do we begin to allocate available resources.

The Business Plan flows directly from the CSP, with Business Plan Initiatives supporting the CSP priorities and the directional statements. In this way, we assure that the efforts we engage in are purposefully designed to meet the strategic needs of the Town.

How this Document is Organized

The first four major sections set out the mission, core values, Key Result Areas (KRA), and strategic priorities that the Council has set for the next three fiscal years, 2009/10, 2010/11, and 2011/12. The directional statements are listed at the bottom of each page, with a three-year goal identified for each.

Following the priorities are the elements of the situational analysis that were provided to the Council prior to the March 17, 2009 CSP Workshop. It consists of data accrued from many internal and external sources, resident surveys, customer requirements and performance analysis. This part of the CSP is organized into four sections: Financial Health, Environmental Scan, Customer Requirements and Performance Analysis. It should be noted that the document reflects our thinking and research as of March 26, 2009. More recent information can be found in the Business Plan for each fiscal year.



Organizational Mission

The Town of Payson is dedicated to enhancing the quality of life for our citizens by providing a superior level of service in the most effective and efficient manner while exercising fiscal responsibility. To do this, we.....

Value open communication;

Encourage citizen participation;

Operate honestly and fairly;

Conduct ourselves through unity and teamwork;

Respect our differences;

Treasure our natural resources and unique environment

Strategic Priorities for 2009, 2010, 2011

1. External Communication
2. Water Resource Management
3. Environmental Protection
4. Community Development
5. Transportation and Drainage
6. Parks and Recreation
7. Fire Protection and Emergency Services
8. Police and 911 Services
9. Organizational Development
10. Airport
11. Library
12. Economic Development 
13. Tourism & Economic Vitality 

Core Values

Customer Focus

- Demonstrate a passion for customer service.
- Care about employees, so they will be more likely to care about customers.
- Measure organizational and employee success based on customer satisfaction.
- Solicit and listen intently to customer requirements and expectations.
- Maximize the positive impact of customers' first impression.
- Collect customer feedback continuously and use it to improve quality.
- Achieve customer satisfaction by assessing the specific needs and expectations of each individual customer.

Empowered Employees

- Empower the people closest to the customer, working individually or in teams, to continuously improve the organization's quality and services.
- Commit the entire organization to achieving total customer satisfaction.
- Empower people to make decisions based on their experience, skill, training and capability, rather than their position.
- Share decision-making and allow people to take authority and responsibility for the organization's mission.
- Encourage use of individual judgment to do what needs to be done.
- Empower employees to contribute to customer satisfaction regardless of organizational level.

Leadership

- Establish an inspiring vision that creates a government that works better and costs less.
- Create an atmosphere of innovation, risk-taking, and tolerance for mistakes.
- Recognize failure as the price paid for improvement.
- Lead by example, by involvement, and demonstrate commitment to quality, service, and customers – “walk the talk”.
- Create a system of guidelines, not rules.
- Remove “red tape” to achieve the organization's mission.
- Practice a “can do” attitude.
- Solicit and listen intently to employees' requirements and expectations.
- Recognize and reward quality and customer service initiatives.
- Recognize change is a given, not government as usual.

Continuous Improvement

- Commit “every day, in every way, to getting better and better”.
- Plan for quality
- Make quality a never ending effort.
- Have customers define quality.
- Let customer feedback drive quality improvements.
- Focus on process improvements to increase quality.
- Create a culture in which the right things are done the first time and every time.

External Communication

Develop innovative ways to make participation in local government activities possible for all residents and foster a sense of engagement among the citizenry by effectively communicating a common identity, actively seeking insight into the needs of the community, aligning Town services with customer expectations, and continuing to strive for excellence.

Key Result Areas: KRA 1

Objectives:

- 1. External Communication Plan**
- 2. Develop and Implement an Inter-Governmental Communications Program.**
- 3. Foster Public Awareness**
- 4. Make Governmental Processes More Transparent**
- 5. Promote Department Solicitation of Public Input**

Directional Statements

Invite and promote citizen volunteerism.	Maximize opportunities for staff to directly meet customer needs.
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Departments that have significant contact with the Public shall have an external communication program.	Improve and enhance e-government systems.
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Diversify the methods of communicating with citizens to provide information on Town news and issues to the widest possible audience.	Align Town services with customer needs and expectations.
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Maintain and improve programming on TV4.	Create a “push” program with Tourism
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Track everywhere Payson is mentioned in the media.	Enhance public participation in Town government processes.
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Enhance transparency in governmental actions.

Intended Outcomes – KRA 1 – External Communication

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Visits to Government (G) and Tourism (T) websites	G=200,000 T=130,000	G= T=	G=250,000 T=150,000	G=300,000 T=170,000
Times Payson appeared in out of area publications	50		100	100
Articles and press releases in local newspapers	Police/Other=40 Tourism=100 Payson Pages=50	Police/Other= Tourism= Payson Pages=	Police/Other=40 Tourism=100 Payson Pages=75	Police/Other=40 Tourism=100 Payson Pages=100
Public email distribution list	G=800 T=10,000		G=960 T=10,000	G=960 T=10,000
Public information meetings/TOP Talk Programs	Meetings=40 TOP Talk=22	Meetings= TOP Talk=	Meetings=50 TOP Talk=22	Meetings=100 TOP Talk=22
Public speaking engagements/Radio Appearances	Public Spkg=95 Radio=60		Public Spkg=95 Radio=60	Public Spkg=95 Radio=60
New video programs on TV 4	1		1	1
Enhance process transparency	10%		50%	100%
E-Gov availability for all departments	Research ability and cost to increase Town-wide usage		Implementation in progress	Completed
Number of projects citizens are involved in.	10		20	30

Water Resource Management

Continue to enhance the high level of water quality, conservation and sustainability.

Key Result Areas: KRA 2

Objectives:

1. **Secure Assured and Sustainable Sources of Water Supply.**
2. **Promote Water Conservation.**
3. **If Requested, Assist Payson Neighboring Communities in Developing a Water Resource Management Program.**

Directional Statements

Secure the rights to use the water supply. Develop and implement a water infrastructure plan.

Review progress of water conservation in reducing consumption. Develop financial incentives to reduce consumption.

Maintain water usage levels as measured in gallons per day in the range of 80-90. Educate elementary school students in water conservation.

Encourage installation of water saving devices. Review and revise growth management policies as needed.

Intended Outcomes – KRA 2 – Water Resource Management

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Water rights process	Sever & Transfer agreement approved		Sever & Transfer agreement approved*	N/A
Infrastructure plan completed	15%		85%	100%
Usage gallon per day	80 gpcd		80-90 gpcd	80-90 gpcd
Water saving	12 Residential		12 Residential	12 Residential

devices installed	30 Commercial		30 Commercial	30 Commercial
Students in school programs presented	300 students		300 students	300 students

*If not approved in FY2008/2009.



Environmental Protection

Provide support to neighborhood groups and individual homeowners and business owners in maintaining and improving the environmental cleanliness and safety throughout the Town. Lead by example in the stewardship of natural resources by maintaining and preserving existing natural resources.

Key Result Areas: KRA 3

Objectives:

1. Explore Additional Solid Waste Collection/Recycling Opportunities.
2. Encourage and Promote Development of Fire Wise Communities.
3. Actively Work to Eliminate Noxious and Invasive Weed Species.
4. Work to minimize vehicle congestion and pollution (See KRA 5: Objective 3).

Directional Statements

Promote the Fire Wise program. Work with neighborhoods to achieve Fire Wise status.

Work with the Forest Service and homeowners/business owners to aggressively reduce noxious and invasive weeds. Encourage walk-ability and bike-ability in order to provide safe and pleasing alternatives to using automobiles in Town.

Intended Outcomes – KRA 3 Environmental Protection

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Fire Wise education programs	4		4	4
# Fire Wise Communities	2		2	2
Number of Fire Wise assessment provided and grants utilized	150		100	100
Acres cleared of weeds	25		35	35
Recycling opportunities	Rezone possible recycling area		Expand program to include additional recyclable materials	Expand program to include additional recyclable materials
Users of trails and bike paths	500		750	900

Community Development

Provide support to neighborhood groups and individual homeowners and business owners in maintaining and improving property values, aesthetics and safety throughout the Town.

Key Result Areas: KRA 4

Objectives:

- 1. Reduce the Number of Unsightly Properties.**
- 2. Increase the Availability of Workforce Housing.**
- 3. Implement Town of Payson Beautification Plan, including signage, Town Scape and Highway 87 & 260 right-of-way beautification.**

Directional Statements

Reduce the number of unsightly conditions that are Unified Development Code violations.

Implement a plan to increase workforce housing.

Implement Town of Payson Beautification Plan.

Intended Outcomes – KRA 4 – Community Development

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Number of unsightly properties investigated	158		175	200
Number of unsightly property investigations closed	162		180	200
Number of developers encouraged to have workforce housing	5		10	10
Beautification Plan implemented	0		10%	10%

Transportation and Drainage

Promote best practices and effective technology to improve safe mobility and encourage convenient and accessible modes of transportation.

Key Result Areas: KRA 5

Objectives:

1. **Improve Streets.**
2. **Improve Drainage.**
3. **Support ADOT's PARA Study to identify ways to expedite traffic flow and minimize congestion, including, but not limited to, studying the feasibility of an economically viable route to loop traffic north onto Highway 87 and east onto Highway 260.**

Directional Statements

Upgrade streets to handle current and projected traffic volumes. Implement the PARA Study.

Upgrade drainage to handle storm water runoff.

Intended Outcomes – KRA 5 – Transportation and Drainage

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Feet improved	5,000		5,000	5,000
Number of neighborhood drainage sites improved	4		6	10
Implement PARA Study priorities	0		0*	10%
# of sidewalks improved	100		100	200

* The PARA Study is an 18 month process that started in February 2009. We will not know what the priorities are until the study is completed.



Parks and Recreation

To provide sports-based programs available for all ages that build, activates, and unites the community. Enrich the economic and cultural fabric of the Town through the support of tourism and entertainment by fostering events and cultural arts programming.

Key Result Areas: KRA 6

Objectives:

- 1. Increase Use, Functionality and Overall Aesthetics of Parks & Recreation Facilities and Services.**
- 2. Develop 36 Acre Multi-Purpose Complex.**

Directional Statements

Update Parks & Recreation Master plan. Increase acreage available for park facilities in Payson.

Seek funding for improvements. Continue to promote and market cultural events located in Payson.

Intended Outcomes – KRA – 6 – Parks, Recreation, Tourism & Economic Vitality

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Park acreage increase	0		0	0
Number of parks users	77,000		95,000	98,000
Number of parks projects completed	3		6	5



Fire Protection and Emergency Services

Assist the public in the protection of life and property by minimizing the impact of fires, medical emergencies and other potential disasters or events that affect the community and environment.

Key Result Areas: KRA 7

Objectives:

1. **Upgrade Fire and Emergency Medical Services**
2. **Improve Wildland/Urban Interface Fire Conditions Affecting the Town.**
3. **Develop a joint Police/Fire training facility.**

Directional Statements

Update 1997 Public Safety Master Plan.	Improve ISO rating from Class Four to Class Three.
Work cooperatively with Hellsgate Fire District to develop a joint fire facility.	Complete Fire Station 11 remodeling project
Implement and schedule a fire hydrant installation plan.	Update Emergency Operations Plan.
Amplify wildland fire public information efforts.	Enhance code enforcement.
Support fire suppression capabilities.	Comply with standards and codes for all Town properties.
Integrate proposed actions with existing and future needs.	Build Fire Station #13

Intended Outcomes – KRA 7 – Fire Protection and Emergency Services

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
% Master Plan completed	0		30%	75%
ISO rating	Class 4		Class 4*	Class 3
% Joint Fire Facility completed	In discussion	No Current Discussions	N/A	N/A
FS 11 remodel completed	0		100% dependent on grant funding	Completed
Town funded hydrants installed	3		3	3
# Fire Hydrants Maintained	400		400	400
Emergency Operations Plan completed	98%	100%	Review/Update Plan	Review/Update Plan

*Won't retest until 2011, but will be working toward the 2011 testing and implementing necessary items to obtain Class 3.



Police and 911 Services

Provide professional, high quality and effective police service in partnership with the community.

Key Result Areas: KRA 8

Objectives:

- 1. Continue to Develop and Improve Police and 911 Services.**
- 2. Develop enhanced Technology and Training.**

Directional Statements

Update 1997 Public Safety Master Plan. Implement a plan to address pending vacancies in the Police Department.

Implement a plan to become and remain competitive in Police Department compensation. Develop a joint Police/Fire training facility.

Develop and implement an inter-operability technology plan.

Intended Outcomes – KRA 8 – Police and 911 Services

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
% Master Plan completed	0%		30%	50%
% Joint Police/Fire training facility completed	In discussion		20%	100%
% Technology plan completed	10%		50%	100%

Organizational Development

Create systems to monitor and empower Town departments to anticipate and meet customer expectations and carry out Town Council policy initiatives.

Key Result Areas: KRA 9

Objectives:

1. **Evaluate Organizational Effectiveness and Efficiency.**
2. **Continue to Improve and Implement Financial Stability Policies.**
3. **Create an Employee Training Program.**
4. **Create Employee Cross-Functional “Power Teams” for Process Change.**

Directional Statements

Develop a strategic performance measurement program.

Develop departmental business plans pursuant to the adopted Corporate Strategic Plan.

Create sound financial policies.

~~Produce timely financial reports.~~

Create employee training programs.

Create employee involvement team structure.

Intended Outcomes – KRA 9 Organizational Development

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
% Performance measurement plan complete	0%		75%	100%
% Business Plan complete	100%		100%	100%
Admin/Financial Policies implemented	10		10	10
% Timely financial reports presented	95%		N/A	N/A
Create employee training program	50%		100%	Completed
Create employee teams	50%		100%	Completed

Airport

Owned by the Town and operated by the Payson Regional Airport Authority (PRAA), the airport provides recreational and cargo opportunities.

Key Result Areas: KRA 10

Objectives:

1. **Ensure Lease Compliance with the Payson Regional Airport Authority.**
2. **Enhance Operations of the Airport.**

Directional Statements

Monitor the Lease.

Implement 2009 Airport Master Plan.

Intended Outcomes – KRA 10 - Airport

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Lease compliance %	90%		100%	100%
% Master Plan completed	100%		N/A	N/A
% Master Plan implemented	0%		10%	20%

* Implementation of the Master Plan will not be known until the plan is completed and budget resources are available.



Library

Provide excellent customer service and information in a variety of formats. Its collection affords the opportunity to educate, inform, enrich, entertain, and inspire.

Key Result Areas: KRA 11

Objectives:

- 1. Implement Library Expansion Program.**
- 2. Secure technological Advancements.**

Directional Statements

Update Library expansion plan

Explore and implement new technologies and upgrade current technology.

Intended Outcomes – KRA 11 - Library

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
% Expansion plans updated	0%		0%	20%
New Technology acquired	1		Add 10 laptops	1
Technology upgraded	WI-FI enhancement 75%		WI-FI enhancement completed	Upgrade 12 Internet PC's



Economic Development

To invest in economic development activities that will expand the local economy and thereby enhance our community's well-being.

Key Result Areas: KRA 12

Objectives:

1. **Retain current businesses by focusing efforts on preventing companies from leaving Payson or from going out of business**
2. **Help existing businesses grow, while encouraging them to remain in the community**
3. **Influence the location of private industry to Payson thereby providing an immediate impact of job creation, and adding new property or businesses to the tax roles.**

Directional Statements

Create a business-friendly culture in Town government. Develop and implement an economic development marketing plan

Create a business-friendly culture in the Town.

Intended Outcomes – KRA 12 Economic Development

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
ED partnerships at area/regional/state level	N/A		5	10
Educated/informed community on benefits of ED (client/prospect meetings)	N/A		200	300
ED Marketing Plan	N/A		Completed	Completed
Increased employment in Payson (% or #)	N/A		300	300
Increased town construction valuation	N/A		To be determined	To be determined
Number of new business contacts	N/A		20	50

Tourism & Economic Vitality

Enrich the economic and cultural fabric of the Town through the support of tourism and entertainment by fostering events and cultural arts programming.

Key Result Areas: KRA 13

Objectives:

1. **Develop 36 Acre Multi-Purpose Complex.**
2. **Make Payson the destination of “choice”**

Directional Statements

Implement a Tourism Master Plan.

Increase and drive traffic to www.paysonrimcountry.com through advertising, public relations and marketing.

Coordinate Parks and Recreation activities with special events to drive more visitors to Payson and boost sales tax and bed tax revenues.

Eliminate Barriers Between Government Entities for Government Sponsored Events.

Position the Town’s slogan “Arizona’s Cool Mountain Town” and increase the identity and visibility of the Town locally, regionally, and most importantly in the Valley

Establish a working network with local hotels/motels that fosters tourism.

Intended Outcomes – KRA – 13 – Tourism

Outcome	FY 2009/10 Goal	FY 2009/10 ACTUAL	FY 2010/11 Goal	FY 2011/12 Goal
Business in the Main Street program	79		81	85
Increased parking spaces available	75		0	250
Events held and promoted	100		110	85
Tourism Master Plan	0%		0%	10%
Increased Bed Tax revenue	N/A		Increase Bed Tax revenue by 10%	Increase Bed Tax revenue by 15%

Key Result Areas Summary

KRA 1: Communication

Objective 1: External Communications Plan

1. All departments that have significant contact with the public shall have an external communications program.
2. Diversify the methods of communicating with citizens to provide information on Town news and issues to the widest possible audience.
3. Maintain and improve programming on TV 4.

Objective 2: Develop and Implement an Inter-governmental Communications Program

Objective 3: Foster Public Awareness

1. Track everywhere Payson is mentioned in the Media.
2. Create a “push” program with Tourism.

Objective 4: Make Governmental Processes More Transparent

1. Align Town Services with customer needs and expectations.
2. Enhance transparency in governmental actions.
3. Maximize opportunities for staff to directly meet customer needs.
4. Improve and enhance e-government systems.

Objective 5: Promote Department Solicitation of Public Input

1. Invite and promote citizen volunteerism.
2. Enhance public participation in Town government processes.

KRA 2: Water Resource Management

Objective 1: Secure Assured and Sustainable Sources of Water Supply

1. Secure the rights to use the water supply.
2. Develop and implement a water infrastructure plan.

Objective 2: Promote Water Conservation

1. Review progress of water conservation in reducing consumption.
2. Develop financial incentives to reduce consumption.
3. Maintain water usage levels as measured in gallons per day in the range of 80-90.
4. Educate elementary school students in water conservation.
5. Encourage installation of water saving devices.
6. Review and revise growth management policies as needed.

Objective 3: If requested, Assist Payson Neighboring Communities in Developing a Water Resource Management Program

KRA 3: Environmental Protection

Objective 1: Explore Additional Solid Waste Collection/Recycling Opportunities

Objective 2: Encourage and Promote Development of Fire Wise Communities

1. Promote the Fire Wise program.
2. Work with neighborhoods to achieve Fire Wise status.

Objective 3: Actively Work to Eliminate Noxious and Invasive Weed Species

1. Work with the Forest Service and homeowners/business owners to aggressively reduce noxious and invasive weeds.

Objective 4: Work to Minimize Vehicle Congestion and Pollution (See KRA 5: Objective 3)

1. Encourage walk-ability and bike-ability in order to provide safe and pleasing alternatives to using automobiles in Town.

KRA 4: Community Development

Objective 1: Reduce the Number of Unsightly Properties

1. Reduce the number of unsightly conditions that are Unified Development Code violations.

Objective 2: Increase Availability of Workforce Housing

1. Implement a plan to increase workforce housing stock.

Objective 3: Implement Town of Payson Beautification Plan, Including Signage, Town Scape and Highway 87 & 260 Right-of-Way Beautification

1. Implement Town of Payson Beautification Plan.

KRA 5: Transportation and Drainage

Objective 1: Improve Streets

1. Upgrade streets to handle current and projected traffic volumes.

Objective 2: Improve Storm Drainage

1. Upgrade drainage to handle storm water runoff.

Objective 3: Support ADOT's PARA Study to Identify Ways to Expedite Traffic Flow and Minimize Congestion, Including, But Not Limited To, Studying the Feasibility of an Economically Viable Route to Loop Traffic North onto Highway 87 & East onto Highway 260

1. Implement the PARA study.

KRA 6: Parks and Recreation

Objective 1: Increase Use, Functionality and Overall Aesthetics of Parks and Facilities & Services

1. Update parks and recreation Master plan.
2. Increase acreage available for park facilities.
3. Continue to promote and market cultural events located in Payson.

Objective 2: Develop 36-Acre Multi-Purpose Complex

1. Seek funding for improvements.

KRA 7: Fire Protection and Emergency Medical Services

Objective 1: Upgrade fire and emergency medical services

1. Update 1997 Public Safety Master Plan.
2. Improve ISO rating from Class Four to Class Three.
3. Complete Fire Station 11 remodeling project.
4. Implement a fire hydrant program.
5. Update Emergency Operations Plan.
6. Build Fire Station #13.

Objective 2: Improve Wildland/Urban Interface Fire Conditions Effecting the Town

1. Amplify wildland fire public information efforts.
2. Enhance code enforcement.
3. Support fire suppression capabilities.
4. Comply with standards and codes for all Town properties.
5. Integrate proposed actions with existing and future plans.

Objective 3: Develop a Joint Police/Fire Training Facility

KRA 8: Police and 911 Services

Objective 1: Continue to Develop and Improve Police and 911 Services

1. Update 1997 Public Safety Master Plan.
2. Implement a plan to address pending vacancies in the Police Department.
3. Implement a plan to become and remain competitive in Police Department Compensation.

Objective 2: Develop Enhanced Technology and Training

1. Develop a joint Police/Fire training facility.
2. Develop and implement an inter-operability technology plan

KRA 9: Organizational Development

Objective 1: Evaluate Organizational Effectiveness and Efficiency

1. Develop performance management program.

2. Develop departmental business plans pursuant to the adopted Corporate Strategic Plan.

Objective 2: Continue to Improve and Implement Financial Stability Policies

1. Create sound financial policies.

Objective 3: Create an Employee Training Program

1. Create employee training programs.

Objective 4: Create Employee Cross-Functional “Power Teams” for Process Change

1. Create employee involvement team structure.

KRA 10: Airport

Objective 1: Ensure Lease Compliance with the Payson Regional Airport Authority

1. Monitor the lease.

Objective 2: Enhance Operations of the Airport

1. Implement 2009 Airport Master Plan.

KRA 11: Library Services

Objective 1: Implement Library Expansion Plan

1. Update the expansion plan.

Objective 2: Secure Technological Advancements

1. Explore and implement new technologies and upgrade current technology.

KRA 12: Economic Development

Objective 1: Retain current businesses by focusing efforts on preventing companies from leaving Payson or from going out of business

1. Create a business-friendly culture in Town government.

Objective 2: Help existing businesses grow, while encouraging them to remain in the community

1. Create a business-friendly culture in Town.

Objective 3: Influence the location of private industry to Payson thereby providing an immediate impact of job creation, and adding new property or businesses to the tax rolls.

1. Develop and implement an economic development marketing plan.

KRA13: Tourism

Objective 1: Develop 36 Acre Multi-Purpose Complex.

Objective 2: Make Payson the destination of “choice”

1. Implement a Tourism Master Plan.
2. Position the Town’s slogan “Arizona’s Cool Mountain Town” and increase the identity and visibility of the Town locally, regionally, and most importantly in the Valley.
3. Use special events to increase “heads in beds”, and boost sales and bed tax revenues.
4. Eliminate barriers between government entities for government sponsored events.
5. Establish www.paysonrimcountry.com as the “Source” for all things tourism related in and surrounding Payson and Rim Country.
6. Establish a working network with local hotels/motels that fosters tourism.



Financial Health

The economic down-turn bit the Town hard during the 2008-2009 fiscal year. The Town did not have financial policies in place that would have created an emergency financial reserve that would have allowed us to weather this financial storm as we should have. Financial policies for the budget process, financial reporting, investments, fiscal stability, procurement, capital improvements, and debt management were adopted by Council in 2009. However, due to continued declines in revenues and the need for spending plans, the Town has been unable to comply with some of those policies. A policy does not create the reserves that are not all ready there. Building a reserve will take time and will require the return of a more favorable economy.

Our challenge will be to begin to create an emergency reserve, maintain services and catch up on the obligations, such as street maintenance, that have been allowed to elapse due to the major decline in revenues. The Town's plan, over the next several years, is to address these areas. We will look for ways to allocate additional resources, as they become available, in such ways as to allow for following the policies to build the emergency reserves and rebuild the foundation infrastructure that has begun to decline in these revenue deficient years. We will budget revenues conservatively; restrict spending as much as possible; use restricted funds to offset appropriate expenditures; and budget for emergency reserves when possible.

In general, our focus will be to continue a strong emphasis on cost containment, generate new revenue sources and increase productivity whenever possible. It will be extremely important to scrutinize new

expenditures or services that have long-term consequences.

Financial Trend Monitoring System

Each year, Financial Services prepares a Financial Trend Analysis. The analysis is updated after the year end financial statements are completed. However, due to limited resources, the June 2008 and June 2009 data has not been entered yet. This analysis comprises 27 key financial/economic indicators that help us measure over several years the financial/economic health of the Town.

Many of these financial/economic indicators are ratios that are commonly used to assess financial condition, giving us a basis for comparison to other towns or organizations. Indicators fall into several general categories including:

- Debt Structure
- Unfunded Liabilities
- Operating Position
- Per Capita Revenue & Expenditures

In addition, several Non-Financial Community Needs and Resources Indicators balance the above financial indicators.

Direct Net Long - Term Debt Per Capita

Direct Net Long-Term Debt Per Capita is an important element of the Trend Monitoring System. This is a ratio that identifies the amount of long-term general obligation and variable rate debt that the Town carries on its books (excluding enterprise funds such as the Water funds) expressed in dollars-per-resident.

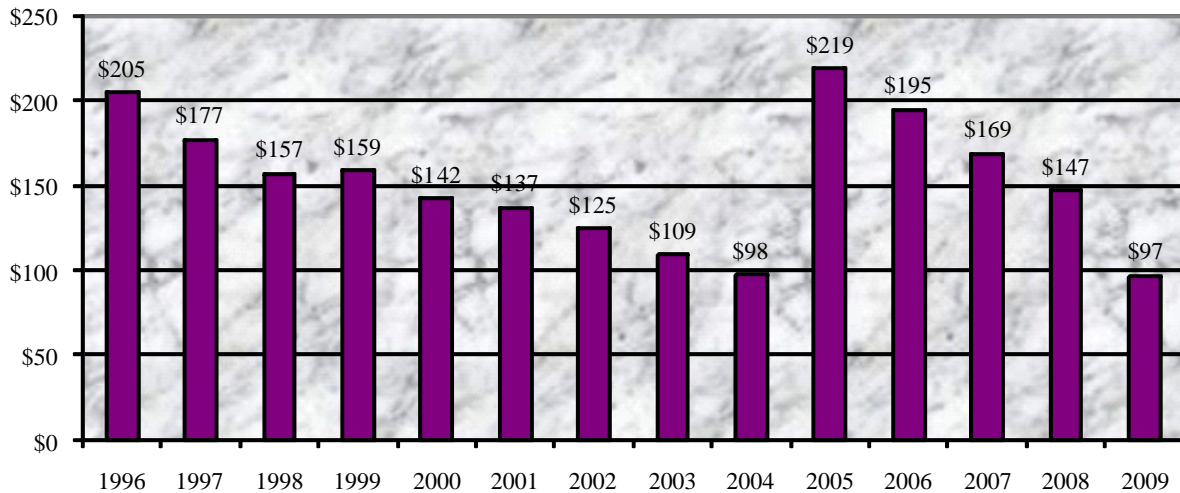
Direct Net Long-Term Debt Per Capita had decreased from 1996 (\$205) to 2004 (\$98) and increased in 2005 (\$219) due to the

issuance of Public Safety Bonds. As of June 2009 the per capita debt was \$97 per resident. Standard & Poor's have rated the debt as A+/stable.

debt when market conditions make this option attractive. The policy also adopts a "pay-as-you-go" philosophy in financing capital equipment replacement.

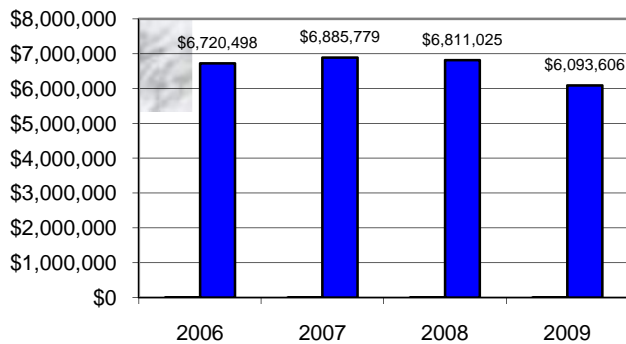
The Debt Management Policy allows us to maintain and improve this rating by retiring or refunding the Town's most expensive

Direct Net Debt Per Capita



Local Sales Tax

The largest revenue source for the Town is local sales tax. This tax is collected from purchases made by residents and visitors. As a recreational community, local sales tax numbers are higher in the summer months. We have recently increased the number of year round festivals and events which should help even out the local sales tax revenue through-out the year.



Overall Results

From the Trend Analysis the Town has three indicators that are "red-flagged" based on the June 2007 data. The red-flagged indicators are:

- Revenue Per Capita
- User Charge Coverage
- Expenditure By Function – Public Safety

These indicators are still within acceptable limits, but they will be monitored closely as they are moving in unfavorable direction. Once we input the June 2008 and June 2009 data if these trends seem unfavorable we will determine possible causes and look at policies that might need to be changed or implemented to change the direction for these trends. Any new or change

to an existing policy will be presented to the Town Council for adoption.

The current economic downturn should affect most of the indicators unfavorably in the next edition of the Trend Analysis. This anomaly will make future trend analysis more difficult for several years in the future.

Conclusion

As of June 2007, the Financial Trends were stable or positive. We will update the Analysis with June 2008 and June 2009 data and monitor any trends showing an unfavorable direction and take steps to correct them as needed.

Environmental Scan

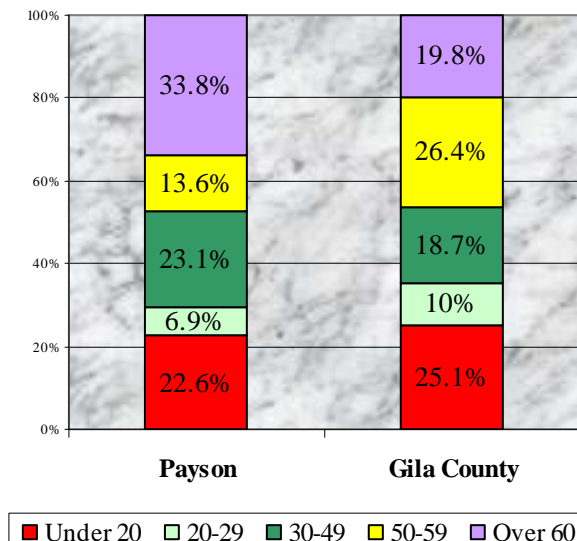
Demographic Trends

A resident survey was conducted in the fall of 2008 to help determine some of the following information from residents rather than getting the information from public sites that use calculated estimates to arrive at their final numbers. However, less than 1% of the population completed the survey. The information below comes from the public sites.

Population

The Town of Payson is located in Gila County. Current population estimates for Payson range from 16,742 to 19,771. The 2000 U.S. Census shows the population for Gila County was 51,944. Trend analysis data was created using the lower number. We will have a firmer number once the U.S. Census is completed.

The median age is 48 years. The most populated age group for males and females is 60-69 years. 66% of the population falls between 0 and 60 years, with 17% over 69 years old.



Educational Attainment

84% of Payson residents have graduated from high school and 17% hold a bachelor's degree or higher. In comparison, according to the 2000 U.S. Census, 78% of the people in the county had graduated from high school and 14% held a bachelor's degree or higher.

Income

Median income for Payson is estimated to be \$32,699; for Gila County it is estimated at \$34,761. In Payson, 19% of the household income falls between \$15,000 - \$24,999. 18% is below \$15,000 and 63% is above \$24,999. Of all families in Payson, 11% had incomes below the poverty level.

Housing

Due to lack of response from the Residential Survey, information for this section comes from a recently conducted Housing Needs Assessment and Strategy Plan. The data presented below is from 2000.

The occupancy rate in Payson in 2000 was 82% occupied and 18% vacant. The majority of vacant housing units (68%) were seasonal units. Of the non-seasonal vacancies, 11% were for rent, 13% were for sale and 5% were classified as "other".

According to this Study (information obtained from the 2000 U.S. Census), the occupied units consisted of 77%

owned by residents and 23% that were rented.

Conclusion

The population of Payson continues to grow. The median age and the majority of the group fall into the 'employed' category. Job opportunities are somewhat lacking and affordable housing is also an issue for Payson. The Town will continue to face these issues as the economic downturn continues. In the

future, the Town will need to be looking for ways to help relieve these challenges for our citizens.

(Sources: 2000 U.S. Census, ZipSkinny.com, and the Payson Housing Needs Assessment and Strategy Plan)



Economic Analysis

The economic downturn began to hit the Town during the 2008-2009 fiscal year. In 2007 the federal funds rate was 5.26%. As of May 2010 the federal rate was 0.25%. The federal funds rate is the interest rate banks charge each other for overnight loans and is the first stage in the setting of interest rates across the board, short term and long term. In a stable economy, the Federal Reserve increases rates to slow down the expansion of the economy, avoiding the untenable situation where too much money is chasing too few goods, resulting in undesirable price increases that can harm economic expansion. However, around August 2007, the economy fell. Since then the Federal Reserve has continually lowered the federal funds rate in an effort to stimulate the economy back towards stability.

A November 2008 Brookings Institute report states that economic problems began ‘...in an asset price bubble that interacted with new kinds of financial innovations that masked risk; with companies that failed to follow their own risk management procedures; and with regulators and supervisors that failed to restrain excessive risk taking’. The result has been the severe problems within the mortgage industry, banks and investment companies failing, people losing money in various ventures and saving money rather than spending. These factors have led to job losses and talk of a new economic ‘depression’ era.

Payson’s Economy

The Town has seen the closure of some businesses, loss of employment for some residents and decreased local spending. Sales tax revenue, the major funding source for the Town, has decreased, both locally as well as state-wide. The Town, like the residents, has had to make major cuts in expenditures to maintain a

balanced budget in light of the reduced revenues.

In January 2010, the Town instituted a revised fiscal year sending plan due to a 12% decrease in expected revenues for the remainder of the fiscal year. This spending plan halted all capital spending, implemented major cuts in all other areas, instituted a 120-hour mandatory furlough for all employees, and increased the employee insurance premium contribution from 18.5% to 25%.

Payson Outlook

The Town’s local sales tax revenues seem to have not decreased as much as could be expected due to the many public events held in town. Payson is located 90 miles from the Phoenix area and is the gateway to northern Arizona. Because of our mild four-season climate we have been able to attract people from the Phoenix area for a less expensive ‘get-away’ than they may have usually taken, due to the uncertainty of the economy.

As we begin to work on the fiscal year 2010-2011 budget, we are aware of another 12-15% reduction in state shared revenues coming to the Town. The economy continues to be stagnant. The budget for the upcoming fiscal year will reflect these dire forecasts.

The Town has applied for several grants through President Obama’s Economic Stimulus program. If awarded, these funds will be used for several major capital projects that will create many jobs and provide lasting benefit to the residents of the Town.

Land Development Trends

Construction related revenues have always been a major source of income for the Town. In fiscal year 2008-2009, construction all but stopped. We expect that trend to continue. As of April 2010 (Fiscal Year 2009/10), 27 single-family residential permits were issued and zero multi-family permits were issued. Commercial permits totaled one. In the upcoming fiscal year, we estimate 35 single-family, no multi-family and 5 commercial permits to be issued.

Affordable housing units are still needed, but the challenging economy has made it difficult for builders to build and for buyers to buy.

Technology

Technological trends continue to increase; the velocity of business; the volume of enterprise data; and the business risk related to malicious internet threats. Consequently, the effective deployment of technology-based solutions that minimize negative unintended consequences is becoming more challenging.

Dramatic growth in the use of voice, data and spatial assets outside the office and outside of business hours are key drivers in increasing the velocity of business. Smart phones, devices that provide voice and data services with real time access to e-mail, voice mail, calendars, internet/intranet content, and business applications, serve as a primary example. Wi-fi hot spots are another example, especially since free public availability is becoming the norm rather than the exception.

The glut of data and information being stored by the Town is the result of using converged voice, data, and image technologies, along with the exponential growth of internet content. Not surprisingly, the management and

effective use of data and information represents another growing enterprise-wide challenge. The Town's goals of expanding programming on TV 4, implementing inter-operability capabilities between various public safety organizations and enhancing the technology abilities of the Library are dependent on financial resources.

Legislative Issues

Unfunded mandates, which may appear in the form of requiring additional services or additional benefits to employees, without a corresponding funding source; and state legislation that reduce the Town's revenue sources with no provision for replacement funding are two issues that face all local governments. Payson is no exception.

Due to severe state budget problems, the state has cut some areas of the state shared revenue that is given to local governments. Effective fiscal year 2010/2011 local municipalities will no longer receive local transportation assistance funding (LTAF). The loss of LTAF funding will impact the Town by approximately \$70,000 and the Senior Center who provides transportation services to seniors by approximately \$30,000. However, the Arizona League of Cities and Towns has done a good job protecting other key state shared revenues for local municipalities.

In May 2010, Arizona voters passed Prop 100 implementing a temporary State Sales Tax increase of 1%. The passage of this proposition was instrumental in protecting state shared revenues for local municipalities.

Economic and legislative issues reflect the challenges from other levels of government and regulatory agencies that require constant attention by Town staff and clear Council direction to Staff through the strategic and business plans.