

**(Corrected) MINUTES
TOWN OF CAMP VERDE
WORK SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, APRIL 14, 2021 at 5:30 P.M.**

ZOOM MEETING LINK:

<https://us02web.zoom.us/j/88508934249?pwd=WkJIQ2c3cHdJZXFDL1pOVINFU0w0QT09>

One Tap Mobile: 1-253-215-8782 or 1-346-248-7799

Meeting ID: 885 0893 4249

Passcode: 262961

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. **Call to Order** Mayor Dee Jenkins called the meeting to order at 5:30 PM.
2. **Roll Call.** Council Members Jackie Baker, Bill LeBeau, Cris McPhail, Jessie Murdock, Robin Whatley (Zoom), Vice Mayor Joe Butner, and Mayor Dee Jenkins.

Others Present: Town Manager Russ Martin, Town Clerk Cindy Pemberton, Waste Water Division Manager Chet Teague, Public Works Director Ron Long, Public Works Analyst Dorie Blair, Economic Development Director Steve Ayers, Economic Development Specialist Jessica Bryson, and Recording Secretary Jenny Buck.

3. **Pledge of Allegiance** Councilor Jesse Murdock led the pledge.
4. **Presentations by various Department Representatives regarding the Camp Verde Operational requests and Capital Improvement Plan for Fiscal Year 21-22.**

Finance Director, Mike Showers explained the outline for council. There are a handful of departments presenting, revenues, and CIP with the employee discussion at the tail end.

Wastewater Division Manager, Chet Teague presented. There are only a few expenditures. The printing line item was left alone. There was a \$1,000.00 advertisement line item that the manager wanted to go down to zero. Mr. Teague wanted to leave the line item to use in the future. The department used all of the funds this year and installed signs between the arena and sewer plant. The Department may not need the same amount of funds, but would like the line item to stay and recommended \$100.00 in the budget to keep line item.

Computer services and software has gone from 16k to 7k. The Wastewater Division is getting new software for a GIS mapping to locate manholes. The Town uses Google Earth. When Google Earth changes photos the manholes move in the system. The Wastewater Division needs to be within two feet of the manhole location

when they mark in the street. Since the Google Earth system was put in there have been 100 new manholes that are not located.

The Wastewater Division safety and security program went down from 70k to 5k. The lab equipment line item went down from 12k to 4k. Mr. Teague believes it needs to stay at least 9k. There are several pieces of equipment in the lab they need for daily use and backup in case something goes out in order to retain grade A specifications for the Park. The capital equipment expenditure went from 135k to 35k. Mr. Teague would like to keep that line item at 105k. They need equipment for the grind bits and are hoping to get a dump truck to haul sludge to Waste Management instead of paying for the service. There is also a need for another skid steer for the sand drying bits.

Mr. Martin stated there were operational differences in the way Mr. Martin and Mr. Teague looked at the budget. The most significant changes were in safety and the capital expenditures already in place, such as the feeder that was already acquired and approved. The additional is a place holder in the capital. Mr. Martin took the revenue that was associated with that and he put it into capital as a place holder for emergency repairs. Ultimately the 285k additional is to fill the difference between what the revenue is expected to be and what the expenses should be.

Moving into the fall the Town Council needs to talk about reserve in this fund. The Council should be discussing what reserve the Town should be getting to, what reserve the Town has, and the impact of the capital improvements. Mr. Martin stated the Town will have the most flexibility going forward with the Manager's recommendation. Mr. Martin wants to make sure there is enough in the capital going forward and the funds are not overly utilized in operations.

Mayor Dee Jenkins inquired about the non-operating net expense line. This year it is approximately 246k. Previously it was at 108k or 103k. Mr. Showers stated this is the first year this was separated out. It is basically depreciation (which is a little over a million), some connection fees, and there has been an effort on big projects. There is also loan or grant fees in this category. These items needed to be grouped below the line, so they don't reflect as regular operating revenue or expenditures. The line that Mayor Jenkins is indicating is a consolidation or net of all that fluff. For the negative part most of that is depreciation. Almost everything nets out in connection fees.

Mayor Jenkins requested an explanation of the 500k difference between the Department requested and Mr. Martin's recommendation. Mr. Showers said it was probably the timing of what got entered when. Mr. Martin said it would be tracked in the final version.

Mr. Showers said he could go back and add the numbers in if Council would like to have a better idea. Mayor Jenkins stated her concern was it looks like Mr. Martin cut what the Department is asking for by 500k. Mr. Showers stated that those line items don't come from the Department. There will be an adjustment sent to Council by May. Town Manager Russ Martin stated he put 1.2 and Mike Showers had 1.22.

Mr. Martin said when reserve policy is discussed the variable revenue tracking should be included. Mr Martin expressed the importance to represent more accurately to the public the expenses verses revenue for the Town. Mr. Showers said implied assumption is that wastewater didn't put any numbers in those revenue lines and the Mr. Martin said they would have revenue in those lines. Wastewater put 0 and we put 200k-300k.

Councilor Baker wanted to understand how Council can make decisions on this when it's not clear where the numbers come from or what they are. We know Wastewater gets revenue from customers.

Mr. Martin explained the revenue for 1.2 million. It is the standard for operating that business. It is possible to look at the numbers and track either revenue or expenses. This helps to see which direction operations are going. The revenue is supposed to offset the business activities are in the top lines and are traceable year to year and month to month. Projects, grants that we are finishing up, and things that fluctuate significantly are in the bottom two lines. Mr. Showers said It is important to see if what is really being budgeted and if Departments are budgeting against operational revenues. The variable items don't apply to day to day operations.

Mayor Jenkins stated to Council the -24k figure is the excess they will have this year. That number is based on estimated normal operations and normal revenue. The 1.3 million is based on stuff that is not normal such as depreciation.

Mr. Showers stated the Town doesn't have depreciation anywhere else except in this enterprise fund. The Town isn't funding depreciation per say which falls back into Mr. Martin on reserve which does need to be added. Those numbers you need get out of the way and focus on the business day to day which is the top line.

Mr. Martin pointed out a lot of the numbers below the line are items that Council has made decisions already and now are a device to track those revenues and expenses. It would be confusing to put these numbers in the regulatory line.

Councilor Baker inquired how Mr Martin makes his decisions. The people that have to do the work and provide the service to the citizens make a recommendation and there were some departments that were cut back a lot. Mr. Martin used GIS or the skid steer as an example. He questions if the Department can they live without that for another year. He has conversations internally with the departments. He looks at the areas which he believes can cut back and receives feedback Mr. Martin looks the request to determine if it is reasonable and then prioritizes them out of capital.

Councilor Murdock stated it was up to the council of seven to determine the budget. The Departments and Mr. Martin can make their recommendation and it is up to council to determine who gets what, when, and how much. That is why council is looking at summary sheet and not the detailed view. Councilor Murdock wanted to receive the overview tonight and the details later. Councilor Murdock felt council was bogged down and would like to move on. Vice Mayor Butner stated it was 500k worth

of bog.

Mayor Jenkins called on Economic Development to present.

Economic Development Director Steve Ayers and Jessica Bryson presented. Economic Development has received Councils list of strategic priority items. Out of the eight short term goals six directly related to the ED.

Among those goals are creating a marketing program focused on business development, tourism, support expansion of the Main Street area, providing access to Verde River, and development of the Camp Verde Sports Complex. ED has been working really hard on the grant for the Sports Complex. ED is also working on the expansion of wastewater northward along 260. Discussion are active regarding the EDA grant and seeing some county committees for funding and participation in the project. ED has been working to stimulate growth for quality affordable housing. They have also encouraged development that retains the rural, western, and historical character while following the general plan.

Long term goals include continued growth for quality affordable housing, working to improve career technology education opportunities in the valley. Workforce development is something that is being focused on quite a bit because the department is seeing a lot of traffic in the office. Also, improving broadband access is in focus. ED will be coming to Council for participation in the Verde Valley Regional Economic Development Organization Grant. The town may be asked to spend \$20k for a \$400k grant. The EDA grant requires \$20k from participating municipalities. The Department works on workforce development, infrastructure development, business attraction, and business retention.

Jessica Bryson Economic Development Specialist discussed ongoing and planned projects over the next year. A majority of the projects fall in line with council strategic goals. Many of the projects will come at a cost and are reflected by a significant increase in budget. The project that tops the list is the EDA grant for sewer line. ED would like to get the sewer line extended because currently where the line ends is where ED stops. Pushing the infrastructure line down will allow the Town to capitalize on the Opportunity Zone areas.

In the area of workforce development there is the USDA rural development grant that we obtained. That is going to be internship pilot program with ANU. It will be in partnership with ANU, the City of Sedona, and the City of Cottonwood. The department has been working really hard with the economic community directors to accomplish it. There is a meat processing facility project that is also being worked on for workforce development to correct supply chain issues in the industries. The department has been working with U of A, the county supervisor, and local meat producers to correct the issues.

In the area of CTE (Career Technology Education) the department has been working with Yavapai College to additional educational programs where ever they reside in Yavapai County. The Department is hoping to get some local programs, but is

working regionally.

ED is embarking on a Focus on Success Strategic Planning Initiative. They have received a 30k grant from APS to develop strategic plan for a joint economic and community plan to guide the Town through the next 5 years. There has been a committee established. The Department is scheduled to start later this month on that planning initiative.

The marijuana grow economy is huge right now. There are currently six facilities in the community with the possibility of two more coming in. It is important as a community to look at the economic impacts, number of jobs, salaries, and have a good overall understanding of industry.

The department continues to work with developers and land owners. Everyday there is an influx of developers and people coming in to the office.

Verde Grown is another USDA grant initiative that is currently underway. It is a marketing and branding campaign for local agriculture producers. They play a big part in our local food network and heritage.

Affordable housing is another hot topic. There is nowhere to live or it out of the working classes affordability to live. We are currently working primarily with Verde Ranch Estates to build out the development to provide affordable housing to the Verde Valley.

A broadband initiative is underway. VVREO is currently working on an EDA grant to develop the regional middle mile of that broadband access. Economic Development has submitted for 80k wayfinding signage along the 260 corridors in partnership with public works.

Economic Development tells people that Camp Verde is a great place live, work, and play. The question to that is why? One of the reasons is the River Recreation Master Plan that council is aware of. Parson's Park improvements are scheduled for the next fiscal year. Those improvements include parking, fencing, and restroom facilities. Economic Development is also working with local recreational businesses like Verde River Adventures to provide great access to the Verde River. Homestead is an 80-acre riverfront park that Economic Development is working with Arizona State Parks and Trails, Prescott National Forrest, Friends of the Verde River, and the Archaeology Center to develop.

The Urban Upland Trail plan which is the trails initiative news is the Town was approved by the Arizona State Parks and Trails to develop a trail guide. There have been a lot of requests for maps and currently there isn't anything right now. The trail guide will be a great a way to draw people in and experience Camp Verde.

Economic Development is working on a grant through Arizona State Parks and Trails in partnership with Prescott National Forest for Grief Hill trailhead. Box T trailhead is overrun by OHV the Department is working on an emergency grant to fix damage

done to that area and trailhead.

Hallett Plaza was delayed due to COVID, but local artists have been working hard to get installed. ED will continue to work with the Arts alliance to get a mural and some other things the community is excited about.

Mr. Ayers discussed the additional staff request. They are requesting one position to work in communications and marketing. ED has worked with other departments across the board to design what person would do and determined the opening would be for an Economic Development Specialist. The individual would assist Ms. Bryson and work with other departments to make website work as it is supposed to.

ED is requesting a 50k increase for projects related to the master plan and trail plan. Goals are to finish up a few items on Rezzonico Family Park, including a moving dock and ramp. They would also like to improve the Parsons Park this year. The goal would be to make a fenced parking area with enough of a fence that would require river access to be walking from the parking area. Citizens in the neighborhood are inquiring about when the park will be completed. 20k of the 50k request would be allocated to each project. The additional 10k in the 50k request is for the Urban Upland Trail Plan to develop the network in town and signage.

Economic Development has asked for a 70k marketing budget this year. We don't have a marketing department. The objective is to utilize the additional person. The individual in the new role would market the new opportunities that are arriving in town.

ED would like funding to do business recruitment this year. ED has communications with the Arizona Commerce Authority. The businesses they are interested in are big business and they are not necessarily after the smaller ones. Funding would allow a week to ten-day trip to meet with them for a tour, visit individual business, go over promotional opportunities and to lay out for the community for potential new businesses.

Revenues from ED include two rezoning requests along 260, a 1.2 acre property that sold on homestead parkway, marijuana expansion, Out of Africa has asked us to team up for a hotel property, 76 houses, small RV park, and a three acre project on Finnie Flat road. There is furniture manufacturer out of Illinois piloting a 5k square foot project, but has asked to think in terms of 50k square foot project when sourcing property. There is a 3D home printer who is working with Yavapai College out of Chino Valley and is looking to lease and set up shop in Camp Verde. There is a piece of undeveloped property that is being looked at to do some proto type homes. Verde Valley Archeology Center is looking at a six-acre land trade to develop along Homestead. This is happening in last couple months. The Department is looking for assistance for moving projects in relation to what Town Council goals are.

Public Works Director Ron Long discussed engineering budget for public works. It is a support budget for that includes office salary, office equipment, and training. There are not significant changes from last year, so there is not much to discuss.

The Department is fine with Mr. Martin recommendations.

Mr. Long presented the Storm Water budget. The budget hasn't changed much from last year either. Most of the funding for projects for Storm Water comes from the Yavapai County Flood Control District. This year there is rollover funding of about 70k and the Department will be receiving new funding in the neighborhood of 90k. The Department plans on getting several projects done. Projects that will be started this budget year and will continue into the upcoming budget include Howards Road drainage, the entry road into the park, and also some ditches in Verde Lakes. The Department is planning those three projects to start this year carrying into next. The Department requests are not much different from Mr. Martin.

Public Works Analyst, Dorie Blair presented on Streets. The only changes that Streets had were a couple of small line items. There was a 2k line item for pest control. Rats have taken over and are eating the equipment. \$1200 in the training line item is for additional CDL drivers. There is a \$1000 item for OSHA medical supplies if there is an additional employee position added. The Department has a \$1000 request for street and safety signage. There have been several signs stolen in the last six months which means that budget was over. The only other thing the Department may need to request is if there is going to be an IGA (Intergovernmental Agreement) between the Town and ADOT. The Department may need to maintain the roundabouts on the way to Cottonwood and the weed control may be in excess of 10k.

Councilor Baker commented on the weed control and expressed her opposition to funding what ADOT should be doing. Councilor Baker asked if Mr. Martin could give Council more information. Mr. Martin said they are waiting for a draft on the agreement. Councilor Baker wanted to know what other communities are being impacted. Mr. Martin said ADOT declared everyone is being impacted.

Operationally the Street budget is a tight budget. Gas tax comes in and it's not a growing proposition. The number is projected by state. The cost of streets rise annually and operationally the budget gets tighter. There are costs associated with striping, painting, and other materials that go into the road. Also the complications, amount of traffic that goes through town, safety of staff, and monitoring traffic in work areas to ensure traffic slows down impacts the budget. Over the years things have been cut back on to make sure there enough capital. It is important to look at the ability to bring on a staff member. An additional employee takes away from the amount of money for materials for the Department. The Streets Department did not ask for additional staff because of previous years where the materials needs superseded the staffing. The department is at the point now where the additional staff needs to be looked at seriously and the possibility of utilizing the additional capital that will be discussed later. The staff wages is an 80/20 split. Only 80 percent of the wages are in this budget the other 20 percent is allocated over different departments, for example storm water. One way to adjust the budget is by putting some of their line items in the general fund to allow flexibility for staffing. If it's not this year it needs to be next year. Ms. Blair mentioned that staff is needed to provide more service to storm water due to regulations. An entire storm water crew is

needed. Mr. Martin said there isn't enough money in the staffing budget, so it is something that needs to be looked at.

Councilor Baker commented it is because of things put into the budget that historically were not paid for by the town, such as the weeds at the roundabout and the federal storm water requirement with no funding. This department is important to voters even with some stating they won't vote for particular people unless the road repairs are completed. When people come in to the town and the streets are full of potholes it doesn't tell a good story about the community.

Mr. Martin stated the solution is to reallocate funding from other areas, but it will have an impact to those areas. The revenue line for the Streets Department is almost the same as it was ten years ago. Trying to do more with the same amount of money isn't sustainable. Operationally there are deficiencies with this department's budget.

Vice Mayor Butner had a meeting today with someone regarding issues at Verde Lakes Drive and the flooding. There is a federal bill looming for funding of trillions of dollars. Vice Mayor Butner wanted to know if in the next six months the Town would have flexibility for taking advantage of the infrastructure funds available. Mr. Martin He said when discussing the CIP budget the town may want to allocate funds like this which is something the Town has not done in the past.

Vice Mayor Butner inquired if the operations budget would prevent the Town from being able to structure for potential projects without funding. Mr. Showers stated that the Town has several funds outside the general fund. The non-federal grants, federal grants, and the CIP funds are key for additional funding. There is a rule that states that if the Town has not budgeted for something then the Town can't spend it. What the Town will do is budget for the large numbers even if they never happen. It is budgeted for the possibility that it could.

Vice Mayor Butner still wanted clarification if the budget that is currently being discussed allows for the projects. Mr. Showers stated that the operations budget doesn't, but there will be budgeted allowances in the other areas that council will get in June.

Ms. Blair discussed the Maintenance budget. The Department is looking at additional employees. There is a \$380 increase in uniform allowance. Other increases in the budget include an auto repair maintenance \$1400, pool \$800, and \$1200 for tools for grounds blower and tools. The building maintenance budget increased by 15k due to a service fee of 5k for the elevator service plan for the library and 10K to a Connelly agreement who come in and check all the filters and check levels. The Department's safety equipment line item increased by \$350 and there was another \$800 for fire extinguishers for additional rooms.

Mr. Martin commented on the staffing amounts on the budget. The town was looking at 2 additional employees in 2018 to 2019. There should be fourteen instead of twelve. It is fulfilling what a full year would look like to staff at that level operationally from July.

Ms. Blair discussed the fertilizer and herbicides budget has increased to 10k and the park facility maintenance budget has increased by 50k due to the Sports Complex.

Councilor McPhail wanted to know if there was enough funding in the budget for gopher control at the Sports Complex. She wanted to make sure that Council was giving the Department what they need in funding. Town Manager Russ Martin said an adjustment will be necessary because we don't know what the final cost will be until it has operated a full year.

Councilor McPhail stated the parks need what they need. Councilor McPhail commented that Council may want to consider augmenting the budget so if the Department has additional needs the funding is there.

Ms. Blair stated that she would like a separation in budget among the sports and other individual parks. Ultimately the collaboration ended in the budget presented and the Department will see how this year goes.

Mike Marshal Parks and Recreation Division Manager presented that there are not a lot of changes to the Department's budgets. Personnel costs and minimum wage increases have affected the Department. The 800 series under the parks and recreation administrative section is the electrical for the Sports Complex. Subscription and membership fees for increased staff, electrical for the Sports Complex. The Events category is pretty unchanged. The Department has added \$4,500 for sign boards for the parade. The Parks and Recreation Division is splitting the cost now with Streets because the sign is also used for events.

The pool is coming down on the electric. The pool is always a challenge with propane depending on weather and the numbers can fluctuate. The final of the 830 programming is that Department is not requesting any changes.

This year the Department will be spending a lot less money in some of their accounts because the Department is no longer producing as much stuff as they did before. The Department is rolling over the same funding as last year and will be increasing events in the upcoming year as they roll into Phase 3. Mr. Martin said the Department did an excellent job securing additional revenue from events. The Town is working again with the Verde Valley Wine Consortium on the wine portion of the event. The Town was able to leverage Yavapai College in supporting the wine industry in the Verde Valley for some additional funding as well.

Council called a break for 5 minutes 6:55 pm.

Mayor Jenkins called the session back from recess at 7:00 pm.

Mr. Showers stated he can give some high-level summaries concepts and can give detail if Council requests or Council may ask for items to be moved to another time for consideration and Mr. Showers will make a note of the item. Mr. Showers mentioned the goal for Council is to understand the proposals and where they're

coming from so the Council members can decide if they agree with the proposal.

Mr. Showers remarked there was a large stream of revenue and questioned how much was due to COVID and how much will be lost as from people feel more comfortable and may leave the town to go shop. Mr. Showers questioned how that should be taken into consideration. Mr. Showers stated he has listened to Town Manager Russ Martin, council meetings, and the public to determine what is going on and where the town may be moving. Mr. Showers has evaluated tax revenues the Town has been collecting since 2004 in all of the categories. Specifically, what the percentage growth is doing year over year if it is fluctuating or consistent. Mr. Showers looks at the current year, what that item is doing month over month, and averages for the first six months then annualizes for the year. There are some items that fluctuate seasonally where they are higher in certain months. Mr. Showers looks at the numbers differently by taking an average of month to date or quarterly and looking at the historic data. Mr. Showers evaluates the numbers by determining if the figures are dependable or if they fluctuate significantly.

There are eight major categories that are budgeted individually: communications, construction, manufacturing, retail trade, real estate rentals, restaurant and bar, accommodation, arts and entertainment, and use tax. Mr. Showers budgets them independently and then combines them to get an ending number. Then Mr. Showers reviews the numbers to determine if he feels comfortable presenting them to Council. Last year Mr. Showers was very confident in the final numbers that were budgeted at an increase and thought they were under-budgeted. Mr. Showers not expect a 1.2 million dollar difference. This year Mr. Showers believes the numbers are under-budgeted and expects there to be a big increase this year like there was a big increase last year. Mr. Showers speculated the big increase from this year may have happened because people stayed in Camp Verde to shop instead of going to Cottonwood. Mr. Showers believes people largely bought in Camp Verde or online. The numbers show people also ate in Camp Verde. Mr. Showers speculates masks and vaccinations may make it go away and the Town may lose some of that. It looks like the Town can keep the forward motion and increase rather than decrease.

Mr. Showers stated the summary for local TPT taxes is at 4.9 million in the current year and has been budgeted at 6.4 million for coming year. This represents a 30% increase. Mr. Showers believes this year will be huge and probably more than 30%. Mr. Showers estimates the revenue is coming in this year by the end of this year to be six million one hundred and five thousand. This means the budgeted numbers for fiscal year 2022 would represent a 5% increase over the year before. The budgeted 2022 fiscal year growth is following two unexpected big growth years. There is a lot happening in Camp Verde. Mike Showers believes there is reason to believe that there is sustainable growth for our local tax revenues. For the projected budgets for 2023, 2024, 2025 and 2026 Mr. Showers fell back into conservative estimates and has budgeted increases at 3%, 4%, 3% and 3%, respectively. The budgeted TPT revenue numbers puts Camp Verde in a projection to be just under eight million in 2026 in just local tax revenues. In fiscal year 2012 the Town was just under 2 million. Mr. Showers didn't want to budget so high that would allow expenses to come in that it would be difficult to back out of, but also didn't want to under budget because the

Town is not allowed to have a budget that is overspent.

Mr. Showers feel the revenue numbers are a good number this year. Mr. Showers does feel the numbers are a bit low, but doesn't feel he can present higher numbers to Council. Last year there was a 200k item added to the revenue budget. The Town decided that if the revenue came in they would do wage increases. The revenue came in and we did the increases. The Town can do things like that with the budget. Council can predict the town is 600k, 700k, or a million dollars off and wait to see if the revenue coming in before jumping into projects. Mr. Showers said he tried to give a good basis as to how and why he went where he did regarding the budget. Mr. Showers stated that he would turn it over to Town Manager Russ Martin at this point.

Councilor Baker asked about the debt ratio in relation to revenue. Mr. Showers Financial Director fully expects to still be in good shape. The numbers will change as they put special projects in but overall the number is in good shape. It was 9% last year and 8-11% this year where it is expected to be.

Councilor Jackie Baker wanted to know if the Town separated streets from the General Funds. Mike Showers stated big projects were done through moneys transferred from the general fund to the CIP that the Town did. Some of the money did come from HURF (Highway User Revenue Funds), but additional funding was needed. Money transferred from general funds to CIP to get things done is sometimes necessary.

Mr. Martin reminded Council of the wages in the ERE category with an 80/20 split. It is still an obligation in storm water, not a supplement to the HURF. Town Manager Russ Martin said they were 100% paid out of HURF a few years back, but more recently tried to realistically look at their time spent and making sure there was some allocation. The wages are generally coming out of general funds at about 20%. Mr. Martin stated that other than those two areas there is no extra funding available to the Town right now.

Mr. Martin looked at revenue as well and received additional information from Mr. Ayers and Community Development Director, Melinda Lee. Mr. Martin believes the budget could be significantly off in a good way, but not in a bad way. Mr. Martin suggested Council could comfortably add 200k additional in local tax revenue. There are a certain amount of tricks to make expenditures with revenue that you know. If the Town doesn't make the additional revenue then Council doesn't make those decisions. If the Town gets to the revenue numbers in October or November that are at or above where the Town has been it would hard as the Town manager to say don't move forward on the things that are needed. The Town has had reserve money for CIP projects in the past, but didn't need to use because the revenue came in. If the Town projects additional revenue beyond what Mr. Showers has predicted conservatively the Town can work on the wages specifically. If Council decides to wait for using the revenue for some level of implementation in the wages the Town will ultimately be behind again in the next fiscal year. The Town has done that before and has been on the conservative side of this. Mr Martin recommended taking a risk

and spending the anticipated revenue for wages. If the Town spends the extra 300k to get to where is needed to for the wages the Town is still not even close to a position in the reserves that would ever be considered overspending. Mr. Martin emphasized that the Council has opportunity there.

As the conversation transitions to CIP, Council will see that there is one million dollars in point six five money for capital. Then there is what is considered rescue money. Council could hold back money for the capital projects which could be withheld to complete the operational pieces. If in two years from this time the Town doesn't have 7 or 7.5 million dollars Council will have the opportunity to adjust accordingly. The wage problem is problem. A one million dollar problem and with this recommendation the Town is only taking a chunk of that. Town Manager Russ Martin recommends implementation to the July 1st turn around and then doing another turn around when Council is more comfortable. Mr. Martin recommends that Council doesn't budget by not accounting for revenue beyond what Mr. Shower's presentation is stating.

Mayor Jenkins requested to return to page one. She said the eleven million dollars is estimated revenue and the total expenses do not have any payroll increases. The expenses only include the requested additional positions. She noted that the balance is 100k, so if Council doesn't bump up the expected revenue by 300k then the Town doesn't have the money that is needed to adjust expenses for payroll increases. Vice Mayor Butner thanked the Mayor and commented that her explanation was a really good summary.

Mr. Martin said one of the transfer numbers is about 400k different that would be new money for capital projects that Council could associate with cushion against revenue numbers that were budget for and don't come in. Mr. Martin said there is rescue money potentially available. The rescue plan adopted by the Federal Government has two payments of up to 1.3 million dollars for two straight years. The rescue money isn't included in revenue because the numbers aren't known. It isn't clear what all can be done with the funds, but they cannot be used for tax decreases or public safety retirement. Mr. Martin believes the Town will be able to utilize the funds for the other items presented, but is not going to put the information in until the accurate information is available.

Mr. Martin directed Council to look at the number on the very top for fiscal year 22 it shows one million .65 transferred from page 1. If you go to the second page of the big sheets follow year one of 22 all the way down to the total debt payments. Some payments are being transferred by HURF. There is one million dollars and 600k of that goes to the general fund to pay off vehicles, equipment leased, and payment of the park. The remaining amount from the general fund is 400k. Council should look at that 400k for determining its fate. Outside of the potential Federal rescue money Council has 400k to look at. Mr. Martin suggested Council start looking at the projects requested and the Manager recommendations of what to accomplish. Council may end up with as much as 1.7 million with the rescue funds. Currently the budget is missing roughly 1.5 million. The Town will be able to accomplish everything in line if the rescue money for the proposed projects. Mr. Martin asked Council to

look at the projects within the fiscal year and determine if they should be completed or pushed off. Council should determine if the priority list or plan needs to be adjusted for the conversation scheduled for May 7th. Council has asked Mr. Martin to present the project information. At some point Council can complete all the projects and Mr. Martin recommends to prioritize wages over projects in 2022. Council should determine at minimum what projects of the 400k nature can be accomplished.

The biggest project facing the Town is the public roads maintenance programs. I have 800k for this. This is a good project size for bidding. It was determined the Town can get the chip seal done without crack seal and it will improve the road even without the crack seal. To go forward and spend 800k in areas where we may not have the crack sealing done then go behind a year or two later to apply it. The size of the crew for roads limits the available time that projects can be accomplished. If Council chooses to do something on this the crack seal out would need to be hired out. Mr. Martin offered to do site visits with Council if they would like to understand it more. Mr. Martin pointed out that the 800k is dependent on one of the two ways to do it. Mr. Martin stated if the Town only has 400k available then the rest of the problems probably aren't getting done. The priority is to finish the area between Camp Verde Main Street and I-17. The 800k estimated would accomplish that and into downtown. If the Town doesn't proceed with the project this fall the Town will be missing huge opportunities to get on the schedule to complete the roadwork. Mr. Martin informed Council he believes everything else is secondary on the project list. If the Town receives the rescue funds then 1.3 million is available for other projects. The Town needs to direct street staff to build out the 800k plan and get it out this summer. If the Town needs to back it out and only do half because there is only 400k available then so be it. This project should be done first and with some level of risk. If the Town waits until September the opportunity will be gone and over the winter it will be much worse to accomplish the project. The budget and CIP get approved in the July timeframe and that still doesn't mean that the projects go forward. Mr. Martin felt it was important that this project get done sometime this fall. If the rescue projects go through the Town will have more money than staff to fulfill the projects.

Mr. Martin asked Council to study the project sheets to determine other necessary projects and which ones need a timeline outside of July 1st. The moving revenue and bank accounts allow for it. Not over the next 6 months but in the next 36 months. The Town needs to take a chunk, maybe out of reserve, to allocate towards development of projects. Small projects can be developed so we can apply with the project scoped, designed.

Mayor Jenkins remarked the County has 43 million dollars allocated for infrastructure and said the Town can't obtain funding without the engineering plans. She asked if Mr. Martin would work on a prioritization of the engineering so that the Town can get in line for the funding.

Town Manager Russ Martin said yes there are obviously a lot of drainage projects but also road redevelopment. The Town doesn't take road and community development into consideration because it is too expensive. The Town is limited to

talking about things to band aid fix and haven't been able to talk about the project as a WPA (Works Projects Administration) level project because of funding. The Town needs engineering to take projects to that level. There is no guarantee that funding will be available but the Town needs to be in position to take advantage of any Federal funds available for these projects. In May Mr. Martin plans to identify the projects that the Federal funding can be used the funds for. Mr. Martin directed Council to look at the projects list there are some new. Also to review and determine how many may be COVID related.

Councilor Baker stated Council needs to make sure going forward that projects the Council commits to are done properly and to the Council's complete satisfaction with the tax payer dollars. She stated this was important to prevent some of the mistakes that were made in the past.

Mr. Martin recommended Council to talk to the folks that have put the recommendations together. Mr. Martin mentioned Community Development doesn't have much room to do the things they have now and it is difficult to work on top of each other.

Mayor Dee Jenkins asked about some requested information on the budget from Mike Showers. Town Clerk Cindy Pemberton will send it to Council.

5. Adjournment Mayor Dee Jenkins adjourned the meeting at 7:47 PM.

typeface print, may request these at the Office of the Town Clerk at 928-554-0021.



Mayor Dee Jenkins



Attest: Town Clerk Cindy Pemberton

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Work Session of the Town Council of Camp Verde, Arizona, held on April 14, 2021. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 16th day of May, 2021.



Cindy Pemberton, Town Clerk