

**MINUTES  
TOWN OF CAMP VERDE  
WORK SESSION  
MAYOR AND COUNCIL  
473 S MAIN STREET, SUITE 106  
WEDNESDAY APRIL 27, 2022 5:30PM**

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

1. **Call to Order-** The meeting was called to order at **5:30 pm**
2. **Roll Call.** Council Members Jackie Baker, Cris McPhail, Marie Moore, Jessie Murdock, Robin Whatley (absent), Vice Mayor Joe Butner, and Mayor Dee Jenkins.

Others present Troy Odell (zoom), Town Manager Russ Martin, Town Clerk Cindy Pemberton, Finance Director Mike Showers and transcriptionist Dana Donahue.

3. **Pledge of Allegiance-**Councilor Murdock led the Pledge of Allegiance
4. **Discussion on Capital Improvement Projects for Fiscal Year 22-23.**

Town Manager Russ Martin reviewed the Strategic Plan processes, stating that this has not been done since 2019. The result is a CIP (Capital Improvement Project) that is out of date. We have been through several budget cycles without addressing the five-year plan. Mr. Martin stated he needs some critical feedback for decisions being made next week. Cost of Living Increases, salaries, additional staffing, operations reorganization and Capital Improvement Project decisions need to be made. Council needs to decide how much all of this will cost and what direction to go.

Finance Director Mike Showers spoke about the ARPA (American Rescue Plan) monies (\$3.7million) and what needs to be done with it. The money came in two installments; one we have received and the other we will receive. We have identified some projects that might fit into the ARPA plan. The US Treasury department sent a letter stating that if a city received less than 10 million, spending the monies must to be done a certain way. The Treasury has recently sent specific instructions on how to spend the money and document it. Federal guidelines must be met. We have coded spending the monies under General Admin Services. We still have to follow grant guidelines.

Mayor Jenkins asked for clarification. Mr. Showers replied half the money has already arrived, and we are waiting for the second half, which should come the last week of June. It needs to be spent by December of '24. Mayor Jenkins asked if this was the end of the federal money. Mr. Showers replied yes, but there are other monies through grants that we may be able to apply for, such as those that are project based.

Mr. Martin spoke about the various projects the town has on paper, such as broadband.

Some of the monies have been spent, but there is money left over. We had money from the CARES act which has been allocated and spent on certain projects, but we may want to re allocate it. It doesn't mean the project goes away. We can look at this whole project as a "fund". If we put monies into a "fund", we will be able to pay for projects as they come up.

Mr. Martin explained; we would like to fund a five-year plan based on a balance that rolls year to year. This will allow us to treat it like an operational account. We would be able to work within that account as projects come in and out.

Every time we spend money on a project and have money left over, it returns to the General Fund. Mr. Martin would like to see the town stop doing that and instead fund projects with the left-over monies. In the preliminary budget we would like to create a fund that is more of an operational account. There are consequences to operating that way, chief being that left over monies would have to be reallocated and that takes planning, hence the need for a five-year plan. Also, there are some accounting issues that would have to be addressed.

Funding in this manner would allow us to be more proactive in moving our town projects forward.

Mr. Martin asked Council what their thoughts were regarding this proposal.

Vice Mayor Butner asked why this wasn't done in the past. Mr. Martin replied because we have money now, and in the past we did not. All the federal funding has allowed us to plan our CIP projects.

Mr. Martin stated that having a plan is better because it is more consistent and efficient. We will be able to see how much staffing for a particular project we are doing and how long it would take. It flows better.

Mayor Jenkins states she likes the idea of putting left over money into a fund because of the ease and transparency in accounting.

Mr. Showers spoke about the operating transfer budget and some of the issues regarding how that would look. He likes the idea we can save money for specific projects. One of the things that won't change is the money coming from HURF, which is restricted monies. There is some discretion about how much money we could move into the fund. Creating the five-year plan and implementing it is important. When we budget next year, we know we are going to put \$500k into the General fund to use in our CIP projects.

Mayor Jenkins stated this proposal may allow us to do some long-term planning. We wait on some projects because they are big expenditures and we are waiting for money to come in, which delays projects. She asked for clarification about how the money would be found if projects were over budget or came up short.

Mr. Showers explained how we currently address overages on projects. Mayor Jenkins asked for clarification. Mr. Showers replied he was not sure, that is why we need a five-year plan and clear direction from council.

Mr. Martin explained how money is managed through CIP projects. It is important to make it clear to staff how this is done and how it is documented.

Councilor Murdock clarified that a five-year plan would be make planning easier. We have always wanted to get all our projects done and this may be the way to accomplish it.

Councilor McPhail stated that having the money in a fund makes spending it more efficient. She would support handling the money in this manner if procedures were in place.

Mr. Martin reiterated how allocating money, spending it and managing any leftovers or overages is managed. This means that as this moves forward we will be able make the fund available. It helps staff manage projects that are over and under budget. It is better to approve the project and fund it quickly. Delays cost money because prices go up on materials and labor. As you make decisions going forward, we will take those balances and create a CIP fund with a running balance, and you can operate off of that balance.

Mr. Martin moved the discussion toward current CIP projects. He began with the Sports Complex. He referred to a budget worksheet regarding the complex. The complex is a big priority because everyone wants it finished. The contract with Tierra Verde has \$245k remaining. There are change orders, 8 and 9 and 10 (additional costs). It will include additional costs. Trucking is a big issue right now. There will be an increase in trucking costs. Prices are different than when it was bid. There are also additional electrical charges.

Change order 9 refers to the dugouts and the posts that encroach into the playability area. The posts must be reduced for safety. The engineers are paying for that, not us, but it will be processed through us. Change order 9 has already been processed. 8 and 10 are in processes.

Mayor Jenkins asked if the contractor/engineers are going to reimburse us for the engineering mistake with the poles. Mr. Showers replied, yes. We are doing it this way because we want to control the warranty, and we want the contractor to pay for any future warranty work.

Mr. Showers explained how the reimbursement would work, chiefly the town must pay up front, then we are reimbursed, like car insurance. There are a variety of ways we can do it based on what we want to see, and they want to see.

Mayor Jenkins stated she wants documentation that the problem was repaired correctly to protect the town.

Mr. Martin explained that after all the change orders are completed, the fields will be ready to play. Change order 10 we discussed, change order 7 and 8 and 9 are paid for. There are some things that we still need to do, like the trip hazards near the concession stand, a fencing safety line and some decomposed granite needed for walkways.

As of the 19<sup>th</sup>, we have \$4.3 million dollars, minus the payout to Tierra Verde which gives you \$3.7 million remaining to finish the project. Each item listed is an estimate. We have a \$700k Musco light in change order 10. Conduit costs have gone up and continue to do so. Some of these are internal expenses that we can handle. Everything remaining is \$2.8 million dollars.

Mr. Martin spoke about the remaining project items to complete the complex. These are pretty general categories such as concession stand (out to bid), pickle board and tennis courts. We will have to bid this like the restrooms and concessions. The lights will be up, but no courts, be prepared.

Mayor Jenkins asked if we have anyone that is willing to donate some of the items.

Mr. Martin replied yes, but we still require bids.

Mr. Martin spoke next about the Maintenance building, which really needs to be addressed in the fall. It can wait. It will cost about \$.5 million for a big shell building that we can finish as we go. There are a lot of different options.

Mr. Martin moved onto the pond. We need to do this as much as possible in house. It will require a surveyor, excavation, material allocation, a liner and some imported materials. We hope we have enough material on hand to do it. The liner is expensive and must be professionally installed. The pond will hold about 10 million gallons.

Mayor Jenkins stated she was excited about the pond and felt it would be a great attraction and focal point.

Mr. Martin continued to explain how we need picnic areas, ramadas and a water system for watering the new trees and buildings to protect the equipment. Our budget is \$550k. We might be able to get some grants for specific items. We need to finish the entrance off the 260 which requires drainage etc. We received a grant for the trees from APS which will require irrigation. Again, this is a fall project.

Mayor Jenkins would like to see a list of items published to see if businesses or other entities might want to donate items.

Mr. Martin explained the playground and items that need to be purchased. We might be able to get a grant for some of it, that is why you don't see it here. There is a difference between general fund and donated. We have cleared our \$5 million dollars for this project. If we are over on some of our projects here, we can ask for grants for the overages. There is no guarantee we would get the money, but we can ask.

Mayor Jenkins asked if we had to pay for playground equipment, this remaining balance wouldn't do it? Mr. Martin said we must match it with something. As we move forward and come up short, we can ask for more funding to match what we have if it is under \$1 million dollars. Hopefully, as we come near completion, the numbers will tighten up and we will have a better idea of what we need.

Mr. Martin moved onto the Public Safety Building. Marshall Rowley joined Mr. Martin at the table for the conversation. To build our own facility will cost about \$15 million. What we need from council is a decision about; 1. building our own or, 2. purchasing the building on Quarry drive which is \$6 million. We need to move on this quickly if this is what you want to do. There are some costs for the structural review totaling \$25k. There needs to be an extensive evaluation of the building if we are going to purchase it. A rough cost will be \$4 to \$6 million dollars for the remodel.

Again, there are two opportunities here; stand alone or purchase the Quarry building. You may decide to do nothing, but I need to know. This going to be a continuing issue until we decide.

Marshall Cory Rowley spoke about the possible remodeling of the current Marshalls building. We really want to get town hall off Main Street. What do we do with the MATFORCE building? Which way do you, the council, want to go? This is a large dollar project for the town, and we don't want to be behind. The town and Marshall's office is growing.

Councilor McPhail asked about the revenues coming from retail business such as Tractor Supply. Would Mr. Showers be able to predict what that might be? Mr. Showers replied no, he did not think he could make an accurate assessment.

Councilor Moore asked if the Quarry building is for sale? Are these concrete options?

Mr. Martin replied he wants clear direction on what the council would like to do. Public Safety needs special accommodations, and it isn't easy to do. We need you to look at a larger complex in the downtown area.

Marshall Rowley said he thought the Sheriff's office was going to relocate in this direction.

Councilor Baker thought it was important to listen to the law enforcement agency and what they needed. She feels the public safety building needs to be stand alone because of their special needs. She does not think town hall on main street is a problem. She feels confident that the sheriff's office and other agencies will come along.

Marshall Rowley would like to narrow down the options.

Mayor Jenkins would not support Blakes idea because the location is retail/commercial area. She feels the Griffith building is a poor location and the price tag too high. We are not in position that we need to do something immediately. We could expand the existing Marshalls office. When maintenance moves out to the sports complex, there will be some moving of town offices to other locations. The system is not absolutely broken, and it is difficult to justify spending \$16 million dollars.

Marshall Rowley stated if we keep the existing Public Safety building, we could expand. Parking is a big issue. We need room for parking. Our substation allows us to process arrests right now. He likes his officers to be close to highway 260 so they can patrol it.

He understands \$25k for an evaluation of the building is a big price tag. He is just looking for direction.

Vice Mayor Butner likes the idea of clearing out the center of our town and expand the Marshalls office into that area. We may be able to do some inexpensive buildings for evidence storage. The building out on the 260 works well for the other entities there, but it is a poor location for us. We want our police department right here in the center of our town, with commercial stuff on the outside of town.

Councilor Murdock is in support of the Marshalls current office and remodeling the area to meet future needs. We need to explore more options. She would like us to keep looking.

Councilor Baker stated she understands the Marshalls need for a better space. Perhaps the property next to the Marshalls current building could be purchased?

Councilor Moore asked are there are other properties the town owns that would be adequate? Marshall Rowley replied the property on Oasis is too small. The town owns property near the streets department that might work. We can discuss all options, but we need direction from Council.

Councilor Moore doesn't like the idea of spending \$25k to assess the building and it not work out.

Town Manager Martin said we need to choose some options with time frames. Staff put together a needs study for the amount of square footage they will need in the future. In addition, what departments move and where? Who stays? Council needs to be specific on what they want to do because we want to spend our evaluation money wisely.

Mayor Jenkins would like to see an overview of the entire town, instead of just one department like the Marshalls office. She realizes how much time and effort the staff has put into the research.

Mr. Martin replied that the Marshalls office is the priority. Everything else could be done in a five-year plan.

Vice Mayor Butner agreed with Mayor Jenkins. He spoke about the Blevins property next to the Marshall's office. It might be for sale with the recent death of the elder Blevins. The property is an ideal location for expansion.

Marshall Rowley needs approximately 20k square feet of additional space. WIFAC (West Yavapai Family Advocacy Center) needs 5k square feet.

Mr. Martin spoke next about vehicles and equipment. He stated he will only to be able give you some generic information. On the 6<sup>th</sup> it will be more detailed. We are not going through the detail tonight. He is asking that council focus on the equipment through these processes. What he would like on the 6<sup>th</sup> from council is decisions on what to spend and where to spend it. It is up to council to do the research on each purchase. Staff is

available to answer any questions. The towns budget with staffing included, is balanced. We received the state revenue numbers. The amount of the state income tax is nearly 800K more than what we projected last week. So, there is an additional 800K to work with. State sales revenue is higher as well. We are \$1 million over our projected revenues from the state. We have money to make decisions. We have lots of choices.

Mayor Jenkins asked council to share any answers they get from questions asked of the staff.

Mr. Martin reminded council of the decisions needing to be made at the meeting on the 6<sup>th</sup>. He asked council to be prepared.

5. **Adjournment-**The meeting was adjourned at 7:08 pm.



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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 27, 2022. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 13<sup>th</sup> day of June, 2022.



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Cindy Pemberton, Town Clerk