

**MINUTES
TOWN OF CAMP VERDE
WORK SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, JULY 20, 2022 AT 5:00 P.M.**

ZOOM MEETING LINK:

<https://us02web.zoom.us/j/81498338128?pwd=WVM4ZkptZyt1Q2lKaFdvNWdRbnhtUT09>

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

Meeting ID: 814 9833 8128

Passcode: 819589

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 5:01 P.M.
2. **Roll Call.** Council Members Jackie Baker, Cris McPhail, Marie Moore, Jessie Murdock, Robin Whatley, Vice Mayor Joe Butner, and Mayor Dee Jenkins

Also Present Town Manager Russ Martin (Zoom), Finance Manager Mike Showers, Town Clerk Cindy Pemberton

3. **Pledge of Allegiance** Vice Mayor Joe Butner led the pledge of allegiance.
4. **Discussion with Town Staff Regarding FY23 Final Budget.**

Mayor Dee Jenkins began by asking Finance Director Mike Showers if he was going to be leading off the discussion.

Mr. Showers responded and said his thoughts were that he'd give everyone an opportunity to ask questions and get any details clarified.

Mayor Jenkins brought up that there has been much discussion recently about merit increases for employees who are operating at extraordinary level. She said she would hope merits would motivate employees. Merits are at the discretion of the managers, and her hopes are that employees who are having issues would not receive merits

Mr. Showers gave a preview of what has happened recently with merit increases. He said some employees did not get merit increases, and there were others who got well over 3%.

Mayor Jenkins was pleased to hear that. She then reviewed managers' merit and said she thinks there should be a review before a manager receives a merit increase. She stated it's the Council's job to approve those merits.

Mr. Showers agreed and said that ALL merits don't automatically go into effect just because the budget has been passed. He stated that all merits are noted by Town Manager Russ Martin and must wait until final approval is given.

Councilor Baker said she thought this topic was already made clear in a recent meeting.

Mr. Showers agreed and said that merits are budgeted in at 3% but that doesn't mean they'll automatically be given. He stated some employees are still in a probationary period. They only get them if they've been there long enough to have their review.

Councilor Moore asked if there is a policy on merit. Mr. Showers told her there is not.

Councilor Moore said that may be an issue. There should be a policy on how long an employee must be there and whether they are passed the probationary period. Mr. Showers agreed and Councilor Moore said moving forward they should make sure there is a standard to follow. She also wanted to know if there was justification for the merit raises that have already been given out. Was a review completed? If so, it needs to be put in their personal file to be able to look back on.

Mr. Showers gave an example about two employees in the finance department outside of probationary period. He gave those employees a review based on the job review form, or things he has shown as important in their roll. He continued giving examples on how he chose to give merit raises. He said he picked up how to do that based on how the Marshall's office gives their raises. He said their format was a fantastic way to go about it.

Councilor Moore brought up a tentative issue about a department maybe having an outstanding employee who has only been there for 6 months, wondering if they could get a merit raise, when another department says they only give merit raises when an employee has been there for at least a year. She commented that it needs to be the same across the boards.

Mr. Showers agreed and said employee job descriptions could be used as a baseline and parameter for giving merits.

Vice Mayor Butner spoke and asked if merit raises are 3% and no more.

Mr. Showers said that was not correct, and Vice Mayor Butner was confused, stating he thought that 3% is what Mr. Showers has previously said.

Mr. Showers clarified that they haven't all been 3% because different departments had a different take on what 3% meant. He said how it should have gone was departments had an allocation of the maximum potential merit increase based on 3% of the employees' wages who could receive a merit.

Vice Mayor Butner asked if the amount of merit money a department must appropriate is based on the total wages in that department divided by 3%. He asked if a department head could end up giving all of that allocated money to one person in the department if they thought that **was** appropriate.

Mr. Showers said technically yes, but that didn't ever end up happening. He said a department head could also end up giving none of the money out, if there were no employees who merited.

Councilor Murdock said that in the past when they were giving raises, it was just a broad COLA, not necessarily merits, which is why there is no merit policy. She stated that now that they're in play with a human resources director, it would be a good policy for them to visit. She suggested maybe they could investigate changing the policy so you can't just give all the merit percentages to just one person.

Councilor Baker said that she agrees they need to address how this is performed because it is not the first time this has been brought up in a Council meeting.

Councilor Moore spoke up and said she understood that it would be 3% COLA, and 3% merit for all who earned them.

Mayor Jenkins agreed that it would be 3% COLA increase and 3% merit increase. She said, though merit is new to Camp Verde, a lot of municipalities have been doing things like this for a long time. Employees that are doing an excellent job, need to be recognized to improve their performance. COLA and Merits would be maximum 6%.

Council Murdock wondered if maybe this is all a learning curve because of not having human resources in the past. Mr. Showers didn't think so.

Vice Mayor Butner stopped the meeting for a second to mention to Mr. Showers that he shouldn't interrupt.

Councilor Murdock said that Council needs to figure out where the fault was. They gave delegated duties to the Finance and HR Director, but they can't expect them to implement these COLAS and merits without solidified policies behind each, or without a solidified decision on allocated amounts for each.

Mayor Jenkins said that clear direction was given at a previous work session that it was 3% and 3% for COLAS and Merits. Council had all agreed on that. She's not sure why staff is not on the same page as them.

Councilor Murdock asked that going forward there is clear and concise clarification for all after a motion is made.

Vice Mayor Butner said that in the past there was a very length discussion about COLA and merit increases. He said he came away from it with an understanding that COLA increases would be 3% across the board for employees, and merit increases, if any, would be at the most 3%. He said there was no discussion about grouping one department together and figuring out what 3% of the total wages would be for those deserving of merit in order to come up with merit amounts to allocate. It was 3% for each person deemed deserving of such. He commented that it's a shame that we haven't done merits before. He knows there are employees who deserve it. He didn't think that everyone should get one, but most certainly if they earn it. 3% is a significant raise for someone to bring the employees up to speed with comparable communities.

Councilor Moore double checked that it wouldn't be any more than 3% merit raise, and thanked Mr. Showers for his work on the budget in front of her, stating that's what they're looking for. She is concerned that it's not capped at 6% between merit and COLA. She said they need to figure out whether they send the paperwork back so it's not an issue with the budget? Some departments will do 3% for each person deserving of merit, and others will do a percentage of 3% based on salaries of those who earn merits. She wants the budget, specifically the merit portion, to be clear and concise and the money to be in place to do what they need to do. She does not want money to be moved from other areas. She said Council keeps coming back to situations where they all think they agree, but there really wasn't reconciliation. She would like to see merit pulled back until this is done.

Mayor Jenkins stated to Mr. Showers that she doesn't feel comfortable passing a budget until it's clear.

Vice Mayor Butner agreed with Councilor Moore and Mayor Jenkins not to proceed until numbers are straightened out.

Mr. Showers said he hears what they're all saying. He said there are less than 10 individuals who received more than a 3% raise in the past. He suggested moving forward capping all employees at 3% merit. He said there's a big difference between government budget and for-profit budget. He said government budget cannot be increased. When they budget for wages, it doesn't guarantee they get the wages. It must go through the whole approval process. He said that the money is there for 3% merit raises, so let's not hold off on approving the budget. Council told him in May they are doing merit raises. He wasn't sure how to make that happen so quickly.

Mayor Jenkins was confused because she thought the paperwork for merit raises was already being sent to payroll. She wants to get a budget that's right. She doesn't understand why they can't communicate clearly to one another.

Councilor McPhail clarified that they're okay with the majority of budget, but not the part about merits and COLA. So, when they go forward to vote they'll explicitly say there is a 3% COLA and 3% cap on merit for the next fiscal year.

Councilor Moore asked several department heads when they had to have their merit paperwork into Mr. Martin.

Community Development Director John Knight said that they started the merit process within a couple of months. He said that the way it was communicated to him was to take a bucket of money and distribute it out. He said the bucket of money was 3% of the wages of the folks in his department. He suggested also capping it at 3%. He said they have spent way too much time on this issue, and it needs to be settled and clear to department heads.

Councilor Baker said it's clear to her that in the past discussions they clarified the 3% merit raises and how they are to be distributed. She said they're going on and on about an issue that Council believed was already handled. She asked Town Manager Russ

Martin if he can respond how this misunderstanding has occurred on this merit topic. She said it is Council's duties to set clear policies to staff, and though they thought they were clear and concise, they were not.

Mayor Jenkins told Mr. Showers she would like to see the budget sheet restated so that numbers are clear.

Vice Mayor Butner said that it was at a previous Council meeting that they did decide to limit merit to 3%. It was Council's job to establish that, and they did. But unfortunately, some were not clear on that. He would like the numbers pinned down the way they agreed on them- which is 3% merit cap for individuals who earned them.

Mr. Showers said that department managers can move money around in their budget without Council approval. He said there is no line level approval. He stated that making a policy decision on the amount a raise can happen doesn't necessarily become a strict budget issue for a department. Departments are budgeted a specific number of wages and ERE and within that number, they can decide that for raises that year they don't want to see more than 6%. He said the budget issue is based on each department.

Mayor Jenkins told him he needed to make a change in payroll and change the budget sheets they were given. The budget is going to have to be re-done because numbers are changing.

Mr. Showers said it doesn't have to be redone. He could change things up or he can move things to contingency, as they did with a budget adjustment recently. Mr. Showers said that if we cap departments at 3%, and they have money left over in their budgets, they are going to just go out and spend it on things such as office supplies. We can request an immediate budget adjustment, or just bring the budget back in August.

Councilor Moore said there's 7 minutes left and asked if there are any additional issues on the budget, other than merit and COLA discussion. They've all agreed there needs to be more understanding about COLA and merit, but there isn't a lot of time to keep doing that. She said she has a lot of concerns about new town employees coming in and how it's affecting payroll, and how the town is going to sustain bringing them all in. She also would like to talk about the new fees schedule.

Town Clerk Cindy Pemberton said that they will be discussing the new fee schedule in a regular scheduled meeting.

Vice Mayor Butner agreed with her and said there's a misunderstanding with staff regarding merit and COLA. He said it's also reflective of the new employee situation and their salaries and wages. He said they DID discuss a policy regarding merit and cola in the past, and it was not what has been described today. He said Mr. Showers communicated the budget vaguely and said that things need to be solid and understandable. He said we're dealing with general numbers, but they are big general numbers that are increasing. He believes the economic future for the town going forward is good, but things need to be concise.

Mayor Jenkins looked at the budget and asked Mr. Showers about CIP and how much they allocated and how much is left. She wanted to know if the appropriated all of it.

Mr. Showers clarified CIP for her and what some of his best estimates were. There is \$400,000 left for the rest of the year.

Mayor Jenkins said Council has consciously tried to take care of the employees over the years, they've responded to equipment requests, etc, for employees to do their jobs. She questioned what they are doing for the citizens. How will citizens see direct impact on city approval?

Mr. Showers answered with several examples of what they're doing such as: signage on Main St., storm weather, rodeo arena, and park facilities.

Mayor Jenkins said that the rodeo arena didn't ask for money.

Mr. Showers said he must budget something for them in case they need it.

Ms. Pemberton said there is 3 minutes.

Councilor Baker said she's amazed that there's so much misunderstanding about a topic Council thought was made clear. She told Mr. Showers that money shouldn't be moved if they have already approved it to go somewhere else. If she's approved money to go somewhere, Council needs to be told if it's being moved.

Ms. Pemberton said we must adjourn the meeting to start the next one at 6.

Mayor Jenkins said they will go into a special session again about budget.

5. Discussion with Town Staff Regarding FY23 Fee Schedule

This was not addressed at this session.

6. Adjournment Mayor Jenkins adjourned the meeting at 5:59 P.M.



Mayor Dee Jenkins

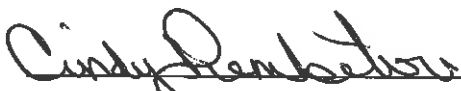


Attest: Town Clerk Cindy Pemberton

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 July 20, 2022. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 8th day of August, 2022.



Cindy Pemberton, Town Clerk