

**MINUTES  
TOWN OF CAMP VERDE  
WORK SESSION  
MAYOR AND COUNCIL  
473 S. MAIN STREET, SUITE 106  
WEDNESDAY, MAY 8, 2024 at 5:30 P.M.**

1. **Call to Order** Mayor Dee Jenkins called the meeting to order at 5:30 PM.
2. **Roll Call.** Council Members Jackie Baker, Wendy Escoffier, Robin Godwin, Cris McPhail, Jessie Murdock, Vice Mayor Marie Moore, and Mayor Dee Jenkins.

**Also Present.** Acting Town Manager Gayle Mabery, Finance Director Mike Showers, Parks and Recreation Director Mike Marshall, Public Works Director Ken Krebbs, Acting Town Clerk Virginia Jones, Recording Secretary Mary Frewin.

3. **Pledge of Allegiance** Councilor Godwin led the Pledge of Allegiance.
4. **Presentation and discussion of the Town Manager's recommended Operations Budget for the Town of Camp Verde for Fiscal Year 2025.**

Acting Town Manager Gayle Mabery, assisted by Finance Director Mike Showers shared with the Council the recommended Operations Budget for the Town of Camp Verde FY 2025. The Council had in front of them a copy of the budget.

Additionally, Ms. Mabery shared some comments with the Council regarding the budget.

The fiscal year 2025 budget is a conservative budget plan, due to reduced and slowing revenues from the state. It is their job to adopt a balanced budget, so when the revenue declines, they must tighten up to meet that expectation.

Circumstances that are negatively impacting the budget are:

- Urban revenue sharing changed, and this change dramatically impacted cities' and towns' shares of state revenues. This is a \$620,000 loss.
- Legislatures preemption of the town's ability to collect sales tax on rental housing. This is a \$200,000 loss.
- The state sales tax collection has slowed.
- Vehicle license tax had about a \$30,000 decrease.
- Local sales tax is projecting flat growth.
  - Some growth is projected in development-related fees.

Ms. Mabery gave credit to the leadership teams and department directors for taking this challenging time with grace and ease.

The first thing that got cut was new employee requests. Some of those positions were truly necessary, but the town does not have the income to support them.

As an example, Ms. Mabery shared the court clerk position was cut, which she feels would be quite beneficial to the court if they were able to fund that position. Additionally, she highlighted the request for additional maintenance positions. She indicated the Town has added significantly to the maintenance workers' responsibilities and adding new workers would greatly benefit the maintenance department. She stated without additional help they will not be able to sustain for a long period of time. With the Sport's Complex being up and running, they will need to invest in these positions at some point.

She also feels that other dire positions they've had to pause would be an additional Code Enforcement Officer, Parks and Recreation Coordinator, and an Accounting Manager.

Mayor Jenkins asked that if going into 2025, things looked better than they anticipate, could they re-visit the hiring of these new positions if the funds allow. Ms. Mabery told her that the Council will always have the opportunity to revisit these positions, should the funding allow.

Additionally, Ms. Mabery shared new incorporations into the budget that came up they must account for in FY '25. These included:

- Economic Development Special Projects Funds
- Magistrate Court Staffing Issues. Lack of staffing in the Court gives them a lack of ability to focus on collections of fines, post adjudicated fines, and enforcement of other orders. This has created a large list of uncollected fines, totaling over 1 million dollars.

Ms. Mabery said that most of the operational budgets are costs associated with staffing. CVMO is particularly staff intensive in costs. She said the current staffing is being maintained. As they get vacancies, though they are not in a hiring freeze, they can look at those vacancies as a pause to assess if those positions are dire for rehire or if they could possibly be a salary savings.

The Parks and Recreation Department is also looking at a way to offset costs in their budget. Ms. Mabery told Council that as the budget stands right now, it does not include the extended season for the pool. This would mean they do not keep the pool open for the extended season.

As far as CIP and one-time expenses, they have recommended a shift in the Capital Improvements Program and taking the Facilities Master Plan off, placing it into FY 2026. This would allow them to put money into the General Plan and other projects they need to achieve in FY 2025 that were Strategic Plan priorities.

They are taking a very cautious approach regarding consideration of COLA and Merit Raises for FY '25. Fortunately, they invested heavily in COLA last year by doing a market analysis and market adjustment to bring employees to competitive salaries in the region. They are recommending they do not do any COLA or Merit until January.

To end in a bright spot, Ms. Mabery shared that the reconstruction of the employee health insurance plans will help them absorb the impact of a 9% premium healthcare increase. This reconstruction has resulted in that dropping to a 3% increase and allowed them to enhance the dependent care coverage in ways that have been very well received in open enrollment.

Additionally, Mr. Showers shared alongside Ms. Mabery to support what she stated and further gave details on information provided to Council in their Operations Budget Packet. He agrees the cuts they've had to make are doable, though they'll hurt if unexpected circumstances come up. If they do, they have contingency money available. He shared that there's \$100,000 in contingency and \$40,000 in termination payout. They do not make the contingency budget too big because when natural disasters come, and you go to the federal government for help, they won't assist if you have a large contingency budget. The reserve, after funding the debt service and after fully funding the CIP, should still be up to around \$2.5 million at the end of next year, which is well beyond the \$1.5 million requirement. He feels they have a manageable document and manageable finances to take them into the next year.

Councilor McPhail commended the Council for taking the Town employees where they needed to be in their salaries this past year. She wants Council to be able to support Ms. Mabery and Mr. Showers in all the ways they need in moving forward with this budget and the difficulties it may bring. She suggested possibly suspending their Community Outreach budget to hire a Court Clerk.

Mayor Jenkins said she would support McPhail's suggestion. Ms. Mabery stated it would be a good start, but they would be short about \$12,000 in what the salary would be for the Court Clerk. There are options to come up with the remaining money.

Ms. Mabery suggested they not decide on which position to hire with the saved money but investigate which one would be the most beneficial to hire. She also doesn't recommend they use contingency money to do this, but to explore other options in bringing in revenue.

Mayor Jenkins shared she wants the Town to be in control of their revenue, more than what the state does to them. They need to find a way to grow revenue without being affected by circumstances they can't control.

Councilor Godwin inquired if it would be possible to use some of the reserve money to fund some of the employees they need to hire. Mr. Showers indicated the problem with this idea is while that money would fund a new hire for FY 2025, they wouldn't have that money guaranteed to pay that position in the years to come.

Other ideas were discussed to increase revenue in the town.

The public swimming pool was also a topic discussed, as the revenue for the pool is very small compared to costs associated with operation. Ms. Mabery suggested eliminating the pool user fees, as they don't bring in much revenue. Instead, they could have donation fees.

5. **Adjournment** Mayor Dee Jenkins adjourned the meeting at 7:01 PM.

  
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Mayor Dee Jenkins

  
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Acting Town Clerk Virginia Jones

**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 May 8, 2024. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 6<sup>th</sup> day of June, 2024.

  
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Virginia Jones, Acting Town Clerk