

**MINUTES  
TOWN OF CAMP VERDE  
SPECIAL AND WORK SESSIONS  
MAYOR AND COUNCIL  
473 S MAIN STREET, SUITE 106  
WEDNESDAY, JULY 10, 2019 at 5:30 P.M.**

**1. Call to Order**

Mayor German called the meeting to order at 5:34 p.m.

**2. Roll Call**

Council Members Joe Butner, Bill LeBeau, Jessie Murdock, Robin Whatley; Vice Mayor Dee Jenkins; and Mayor Charles German were present. Councilor Buck Buchanan was absent.

**Also Present**

Town Manager Russ Martin, Town Clerk Judy Morgan, Recording Secretary Jennifer Reed, Finance Director Mike Showers, Parks and Recreation Director Mike Marshall, Parks and Recreation Coordinator Shawna Figy, Public Works Director Ron Long, Deputy Public Works Director Troy Odell, Public Works Analyst Dorie Blair, Maintenance Supervisor Jeff Kobel, Park Maintenance Chris Schroeder, Wastewater Treatment Plant Manager Jerry Tinagero

**3. Pledge of Allegiance**

Mayor German led the Pledge

**4. Special Work Session.** No legal action to be taken.

**4.1. Discussion, consideration and possible approval of a new job description for a Human Resources Director and amending the Salary Plan.** [Staff Resource: Russ Martin]

Mayor German pulled this item and will have it rescheduled for another meeting.

**5. Work Session.** No legal action to be taken.

**5.1. Discussion regarding the Camp Verde Sports Complex and accounting of money to date and possible direction for the next steps including but not limited to, awarding to apparent low bidder and value engineer to a lower target price, possible rejection of all bids and value engineer plans to rebid, or consider other alternatives that allow the Town to complete the first phase.** [Staff Resources: Russ Martin, Ron Long, Michael Showers]

Town Manager Russ Martin reviewed the history of the project and went over the bids that were received. There are a couple of options the Council could choose to do; choose the lowest bidder, work with a contractor to bring the costs down, go back out to bid with new specs, or choose a retired project manager to help with the specs and use a Value Engineer to rebid.

Councilor Butner recommended taking a step back on the project, work on the town policies and then rebid the project. He stated he felt the money spent is "getting away from us".

Mayor German stated that due to the construction field booming right now the Town might get better pricing if they wait until winter to rebid, but to make sure the plants that are out are maintained until then. Council needs to look at the procurement policies so they are

comfortable and clear how to proceed.

Councilor Jenkins agreed with stepping back from the park construction. She went through the document and came up with a list of questions that she has submitted to the Town Manager, who can respond when he has a moment. She also could not get the spreadsheet to balance and would like to see total overall costs.

Mr. Martin stated that staff can go through the questions and detail all the questions/answers.

Councilor LeBeau asked about wastewater and pond (to provide the water for the park). Mr. Martin stated wastewater is not there yet but it will be there before the need is there and the pond needs more excavation to make it better.

Mayor German stated he wants to match up policies current and new to bring clarity and look at Value Engineering. He is not comfortable sitting down with the contractor at this point. He feels the best thing to do is reject the bids and look at how we could tweak the specs that are needed.

Councilor Whatley stated the community is used to waiting and will have to be patient awhile longer.

Mr. Martin stated he is not sold on a specific direction. He will take working with the lowest bid off the table but pursue the other two options, which are pursuing a subcontractor to manage the project and a Value Engineer.

Councilor Murdock stated that a general contractor is the Project Manager/Engineer and they run the project, which is how the Town should run this project. Council needs to review the Change Orders and put a Cap on Change Orders. If there are Change Orders they come back and are presented to the Council. She does not support piece-mealing the project, and does not want to hire a retired person. This is too large of a project for this type process; a general contractor should manage it. The dollar difference between what our contractors bid and the bid contractors is timing.

Councilor Whatley would like to rebid during another time (season) to get lower bids. Contractors have stated they feel a winter bid would be cheaper.

Ron Long stated that Kinney Construction Services is interested in Value Engineering and thinks it's smart to narrow down to one option.

Mr. Martin stated if he is to sit down with the contractor, the attorney will require them to be in a contract.

Mayor German doesn't feel comfortable piecing out the project right now.

Councilor Butner stated they should adjust the policies first.

Troy Odell thinks it can be done using an Alternative Bidding Method, like doing it under a Construction Manager at Risk (CMAR). Hire a contractor on the budget you have left, give them a goal, and let him evaluate and engineer the existing set of plans down to a point where he can bid the entire thing.

## **5.2. General discussion on Preliminary 2019/20 Budget approved June 19, 2019**

Mr. Martin will be out of town next week at the Manager's Seminar. This is the last chance

for questions on the budget. Vice Mayor Jenkins asked for a Salary Plan update. Mr. Martin responded that was underway and could go on the next regular agenda. Councilor Butner commented that his questions were all on the Sports Complex and he is good with where that stands. There were no questions

**6. Adjournment**

Mayor German adjourned the meeting at 6:41 p.m.



Mayor Charles German

Attest:



Judy Morgan, CMC, Town Clerk

**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 Special Work Session of the Town Council of Camp Verde, Arizona, held on July 10, 2019. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 8<sup>th</sup> day of August, 2019.



Judy Morgan, CMC, Town Clerk

**Earth Resources - Contract \$2,067,863 + CO \$179,025 = \$2,246,888 Total contract payments \$3,014,667.49**

- 1 Need copy of Council minutes that approved additional CO totaling \$767,779.49**
  
- 2 Refer to Final #9 invoice dated 12/31/2018 shows approved change orders totalling \$433,570.98 (of which \$179,025 was approved by council - correct?).  
\$2,067,863 + \$433,570.98 = \$2,501,433.98 yet the total completed work and paid to ER is \$3,013,234.18 a variance of \$511,800.20 which is not supported by any approved change orders according to the document. Please explain.**
  
- 3 Additional CO of \$767,779 is 34 % above original contract - how missed estimate by 34%?  
Refer to Memorandum from Ron Long dated 3/21/2018 explaining/detailing ER lower bid of \$2,067,863 compared to Engineer estimate of \$2,985,037.10.  
End result is closer to the Engineer estimate - **explain variances, why not re-bid the change orders, when was council advised that the contract with ER was increased by almost \$800,000?****

includes \$3,618.88 for fire access gate

<b>Total ER \$ 3,018,286.37 to date</b>
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**Kimley-Horn - Contract \$189,900 appears to be increased to \$205,400 used to date \$198,667.65**

- 1 **Need** copy of Council minutes that approved contract \$189,900.00 + CO \$15,500
- 2 Referring to Mike's spreadsheet - the SS does not list invoices dated 2/28/17 thru 6/30/17 totaling \$68,789.85 - **why not listed on SS?**
- 3 **Need** to update SS with 5/1/2019 invoice for \$9360

**Kimley-Horn - Contract \$312,830 used \$312,830**

- 1 Missing copy of invoice(s) for \$9224.10 and \$6500.00 = \$15724.10 - **please forward**
- 2 Missing copy of invoice for \$6500.00 AND not listed on spreadsheet - **please forward and update SS**
- 3 **Need** to update SS with 5/1/2019 invoice for \$23189.75

**Kimley-Horn - Contract \$57,700 used \$50,575**

- 1 Copies of invoices total \$50,575, none are listed on the spreadsheet - **why not?**

**Kimley-Horn**

- 1 Listed on the SS \$8,499.33 - **need copy of invoice and what contract applied to?**
- 2 Listed on the SS \$28,071 - **need copy of invoice and what contract applied to?**

**Total KH \$ 598,642.98 to date**

## **OTHER INFORMATION/CLARIFICATION REQUESTS**

- 1 Update or provide another spreadsheet that details all the expenses for the park. Current spreadsheet shows total \$4,018,853.27 plus cost of land \$2,332,777 = \$6,351,630.27 and does not match the figure Mike gave me of total expenses of \$6,559,035.11. And it is not clear if either of these totals include the missing KH invoices from 2017 or other invoices from the year 2017.**
- 2 The updated or new spreadsheet should reconcile the draws to the actual remaining bond balance that is shown in the new budget \$3.1M (or whatever is now current).**
- 3 Where is the transaction posted for the sale of dirt from 2018? It is not listed on the spreadsheet or in AZ Open Books detail.**
- 4 I understood the bond would complete Phase I of the park as presented to council and the public, it appears cost overruns have severely comprised the budget to deliver the park as expected. How did this happen and why council not informed of situation when it occurred in 2018?**
- 5 For comparison of actual expenses to estimated cost of Phase I, please forward Phase I as planned cost estimate document.**