

**MINUTES
TOWN OF CAMP VERDE
SPECIAL "BUDGET" WORK SESSION
(COUNCIL BUDGET PRESENTATIONS DAY 1)
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
TUESDAY, APRIL 9, 2019 AT 5:30 P.M.**

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

1. Call to Order

Mayor German called the meeting to order at 5:30 pm.

- 2. Roll Call.** Council Members Buck Buchanan, Joe Butner, Bill LeBeau, Jessie Murdock, Robin Whatley; Vice Mayor Dee Jenkins; and Mayor Charles German were present.

Also Present:

Town Manager Russ Martin, Town Clerk Judy Morgan, Marshal Corey Rowley, Commander Brian Armstrong, Finance Director Mike Showers, Public Works Director Ron Long, Deputy Public Works Director Troy Odell, Library Director Kathy Hellman, Magistrate Paul Schlegel, Court Administrator Veronica Pineda, Risk Manager Carol Brown, Economic Development Director Steve Ayers, Waste Water Department Manager Jerry Tinagero, Public Works Analyst Dorie Blair, Recording Secretary Marie Moore.

3. Pledge of Allegiance

Mayor German led the Pledge of Allegiance.

- 4. Special Work Session for FY2019-20 Budget Deliberation – Day 1 Council Budget Presentations.** No legal action to be taken. Council deliberation and possible direction on modifying Preliminary Budget content.

4.1. Discussion between Council and Staff regarding Departmental Budget Presentations for Fiscal Year 2020 Budget. [Staff Resource: Michael Showers]

Town Manager Russ Martin explained that Finance Director Michael Showers put together a budget packet for each department for Council review that will help with questions for the departments.

Mike Showers explained that for council this is an opportunity to collect information, in May the Council will convene again to review the information received tonight.

Council reviewed the budget packet and the information provided in it for Council reference. Showers indicated that the updated strategic plan summary for the fiscal year 2019-20 is not a finished document and requested feedback from Council regarding the information on it.

Town Manager Russ Martin expressed that he feels it is his fiscal responsibility to maintain a balanced budget and spoke of difficulties in doing so because of projected income and costs in departments and asked Council to keep those challenges in mind when speaking to various departments.

Vice Mayor Dee Jenkins requested a definition for net transfer out. Mike Showers explained that it is when money is transferred between accounts.

Mike Showers explained he plans on speaking about General Revenues during the meeting on April 10, 2019 and clarified that the Waste Water Department and HURF are their own contained funds separate from the General Fund.

Waste Water Department:

Russ Martin introduced Jerry Tinagero from the Waste Water Department and Public Works Director Ron Long. Russ Martin explained to the public in attendance that this process will not include public comment but does provide an opportunity for the public to listen and learn. Russ explained that Waste Water Department is treated like a business and is regulated by state statutes, maintaining its own revenues and expenses. Russ clarified the debt structure and its district, which was voted upon by the public. There was a portion of property tax that does go towards the capital loan of waste water but in 2013 the property tax portion was removed, and is now collected within the billing of the customers. Russ Martin also explained that anytime rate changes are made regarding the Waste Water Department, a study is required which costs approximately \$25,000. Russ spoke of the necessary repairs that the Town is in the process of addressing, and the costs pertaining to the repairs. Russ Martin explained that the Town of Camp Verde was granted \$1 million dollars in forgivable principle in the loan needed for the repairs, and therefore the correction costs have been reduced to \$2 million dollars. Russ acknowledged the frustration of the public in regards to their sewer bills and extended an offer to speak with anyone individually regarding their situation. Russ spoke about the average bills the public receives based upon fixture rates. Mayor German called a point of order and addressed the audience explaining that the town has asked the water company for the "water-in/water-out" figures and those have not been released for the town to calculate rates differently than what is done now.

Town Manager Russ Martin expressed again to the audience that the state law does not allow the Council to change the rate of the sewer bill without a study being conducted. Each study conducted costs the town approximately \$25,000.

Audience member Ron Losczyk asked Council why he couldn't have a septic on his property, and because he has a well, the purchase of the water company and its usage figures won't affect his bill.

Denise Losczyk indicated that there was a \$50 cap on the sewer rate when she moved to Camp Verde. Ms. Losczyk questioned why the cap wasn't raised or why a flat rate fee wasn't imposed which would make the bills fair to all on the system.

Charlotte Salsman expressed her appreciation for all the members of public who attended at her request, and asked that they give Council a chance to explain the process.

Mayor German indicated that he recommends that this matter be put on as an agenda item for public opportunity to comment.

Russ Martin indicated that the new RV Park will impact the rates due to increased users.

Public Works Director Ron Long explained that the Town is permitted with a plan to do certain things that ADEQ approved and that there are required key items for functioning that are still needed to meet ADEQ standards. Ron Long explained that when the plant was constructed, it was not finished completely due to lack of funds, and is lacking required filters, UV system, and solids handling. Currently there are things being done at the plant so that it is operating without violation of the ADEQ permit requirements.

Jerry Tinagero explained to Council that the plant is supported 24 hours by staff and is currently operating with at least 50% obsolete equipment. The budget presented to Council has been thoroughly gone through and includes necessary cross training, certifications, and annual training requirements. Currently the plant is 10 years old and components are beginning to fail due to age and daily wear. The department has reduced 25% to 35% of costs by completing the work needed in-house rather than resourcing out to contractors. Tinagero explained that the infrastructure of the facility is aging and requested an increase in funding for safety purposes. There is an odor control problem on Yaqui Circle which requires a disinfectant to mitigate the smell and the cost is approximately \$600-\$800.

Russ Martin explained that a water truck is needed at approximately \$50,000, as well the need for another department vehicle.

Councilor Jenkins requested if overtime is budgeted directly into the wages increase. Russ Martin explained that the request from the department includes Merit, Cola and overtime wages. His recommendation doesn't included the Merit or Cola increase. Russ Martin indicated that depreciation is expected at \$1million with a deficit of \$136,000. The operation is generating \$200,000 in revenue because outside waste is accepted.

Charlotte Salsman questioned who is paying for the hookups for the new construction along Finnie Flat Road. Russ Martin explained that the construction contractor is responsible for those fees and the new RV Park will generate revenues that will pay for the needed lift station along the 260 corridor. They have also paid for approximately \$300,000 of the \$700,000 initial cost for the lift station.

The public asked various questions and Francis Benigar asked if the houses not on the system, that are within hook up distance will be required to use the service.

Municipal Court:

Judge Schlegel and Court Administrator Veronica Pineda spoke to Council regarding their required need for a part-time bailiff, which is a requirement of the Arizona Courts and is State mandated. The Court has also applied for a grant to cover the cost of the needed metal detector for further safety of the Court facility. Judge Schlegel indicated that after discussing the need of a bailiff with Marshal Rowley, it was determined that one staff member could be utilized

for the Court needs as well as the need of the Marshal's office school resource officer. Marshal Rowley indicated that at this time, Camp Verde is the only district in the area without a school resource officer present on campus. Both departments expressed this would be a financially smart solution for their needs. Russ Martin expressed his general support of the idea and feels it would also be a dual benefit for the Town. Councilor Jenkins requested clarification regarding a \$7,000 difference in the recommendation vs. request. Russ Martin indicated that review of the wage spreadsheet would be necessary to determine the difference.

Marshal's Office:

Marshal Corey Rowley and Commander Brian Armstrong spoke with Council regarding his review of budgets from the previous 3 years. Marshal Rowley apologized for the surprise request for the shared employee with the Court but feels it is a positive solution to the needs in both departments. Marshal Rowley explained to Council that an audit was conducted to the repeater unit on Squaw Peak and it is determined to be 25 years old, therefore outdated. Rowley is currently searching for solutions, and estimates it will be approximately \$25,000 to fix the issues. Councilor Murdock asked if the costs can be shared with the agencies that CVMO dispatches for. Marshal Rowley explained that they are clearing up some duplicated fees being paid by surrounding agencies and once this is handled then they can address shared costs in equipment. Mayor German asked what the lifespan of a typical repeater is. Commander Armstrong indicated that it is generally 10 years. Marshal Rowley reiterated that the current one in use is 25 years old. Russ Martin explained that even with the current adjustment for wages, the Town still would be under the starting wage of comparable Towns for officers. Marshal Rowley indicated that he is working toward establishing a 501c3 for the volunteers so they can begin to support themselves.

Mayor German called a 5-minute recess at 7:02 p.m. The meeting reconvened at 7:09 p.m.

Risk Management:

Carol Brown gave Council an overview of goals for her department and the return on investment that the department brings the town. Carol Brown spoke of being drone certified and the benefits it brings the town as well as her hopes to reduce the liability insurance premiums. Carol passed a flyer out for Council review which has a QR Code created by Jon Rivero, It allows staff and the public to easily contact the town with safety concerns. The program is named "Camp Verde Eyes" and any contact received goes directly to her department for review and solutions.

Camp Verde Community Library:

Kathy Hellman expressed the need for additional staffing and provided Council a prioritized list for review of her department which includes a full-time Cataloger, Volunteer Coordinator and merit increases for current staff members.

Economic Development:

Steve Ayers spoke of marketing and projects and requested a 60% increase, which he explained when comparable to neighboring towns, is still an extremely low figure for such a department. Steve Ayers discussed the dramatic increase in bed tax revenue and handed out a pamphlet for Council review which outlined a 5-year plan with campaigns which will also increase revenue for the Town. Ayers commented on the Waste Water Department fee increases and expressed that the only way for the town to deal with the matter is increase customers using the system. Ayers spoke of the opportunity to receive a 4 million-dollar grant which will assist the town in extending the sewer system along Hwy. 260 and to the opportunity zone properties, but will require help in writing the grant. Ayers announced his department has been nominated for the Small Organization of the Year and received Economic Excellence Award.

Human Resources:

Ana Yates spoke of tuition reimbursement and the importance of growth and development and retention of employees as well as the importance of employee recognition and enhancing culture. Ms. Yates explained the need for a program that would streamline the application and recruitment process and what is available for Council's consideration. Yates also explained that Family Benefits increased \$10,000, which is included in the H.R. Budget for taxes and benefits rather than in each department.

Non-Departmental:

Mike Showers gave an overview of the budgeted expenses explaining the rollover from the prior year, few increases and a cutback that balanced out. The majority of expense is due to utilities with a \$75,000 budget contingency fund. Mike Showers spoke of the development agreement with the Jones Ford dealership currently located at the old Steve Coury location which has a remainder of 8-9 years. This agreement indicates that as long as Steve Coury owns the property, sales tax is split 50/50 between the Town of Camp Verde and Steve Coury himself.

Finance Department:

Mike Showers indicated he is requesting merit increases for staff. Vice Mayor Jenkins questioned the listed operational fees. Mike Showers explained that there is a state fee that allows the Town to collect sales tax, which must be paid and is calculated at approximately \$2.00 per capita.

Council:

Russ Martin indicated changes in projected spending for traveling and training expenses available to Council.

Clerk:

Judy Morgan indicated that there is an initial savings of \$31,000 in the budget due to no election being scheduled this coming year. Ms. Morgan requested merit increases for current staff and also an increase for records management which would enable permanent records to be stored at the state archives.

Morgan spoke on the burden placed upon the department in regards to records requests and the time necessary to conduct review of records before they are released. Councilor Whatley questioned if any other municipalities deal with records requests differently than Camp Verde. Russ Martin indicated that there are data bases in existence that allow for the search to be conducted by the public but all the data would need to be entered with included necessary redactions.

IT-

Russ Martin spoke of the monetary savings with the phone systems and the new 3-year contract arrangement with an IT company. Russ Martin stressed the importance and constant need for IT in all departments and the probable need to consider internal hiring as well as external assistance with in the next 2-3 years. Martin also explained the need for internal IT staff specifically for the Marshals office department.

Judy Morgan spoke of the need to update the town website, and how a committee has been formed to discuss the needs for all departments to be represented well. The committee has received demos and quotes for consideration and they are also integrating the HR and Library needs as well. Judy Morgan stressed the importance of a up-to-date website as a critical component for the towns operations. Mayor German questioned with the turnaround time would be for the new website to be up and running for public use. Judy explained that will all be dependent on how quickly the town is able to supply the information for input. Councilor Butner questioned if the HR component is included in the projected cost for the website. Judy Morgan and Ana Yates both explained that the committee is currently awaiting final clarification on full costs. Russ Martin indicated accurate pricing would be available for Council review within the next month.

Manager:

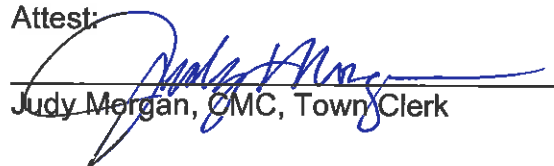
Russ Martin gave a brief overview of his budget and spoke of the technology reduction as well as explained that it is unfair to manage global internships in departmental budgets so it remains an item in the manager's budget.

5. Adjournment

The meeting adjourned at 8:33 pm.



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 Council Budget Work Session of the Town Council of Camp Verde, Arizona, held on April 9, 2019. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 17th day of May, 2019.



Judy Morgan, CMC Town Clerk