

MINUTES
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 15, 2018 at 6:30 P.M.

1. Call to Order

Mayor German called the meeting to order at 6:30 p.m.

2. Roll Call

Mayor Charles German, Vice Mayor Jessie Murdock, Councilor Robin Whatley, Councilor Dee Jenkins, Councilor Brad Gordon, Councilor Jackie Baker and Councilor Buck Buchanan were present.

Also Present

Town Manager Russ Martin, Town Clerk Judy Morgan, Finance Director Mike Showers, Commander Brian Armstrong, and Recording Secretary Jennifer Reed.

3. Pledge of Allegiance

Mayor German led the Pledge.

4. Consent Agenda.

a) Approval of the Minutes:

- 1) Special Session – August 1, 2018
- 2) Executive Session – August 1, 2018 (recorded)
- 3) Regular Session – August 1, 2018

b) Set Next Meeting, Date and Time:

- 1) Wednesday, August 22, 2018 at 6:30 p.m. – Council Hears P&Z Matters – Meeting CANCELLED per Resolution 2018-994
- 2) Wednesday, September 5, 2018 at 6:30 p.m. – Regular Session
- 3) Wednesday, September 12, 2018 at 5:30 p.m. – Work Session
- 4) Wednesday, September 19, 2018 at 6:30 p.m. – Regular Session
- 5) Wednesday, September 26, 2018 at 6:30 p.m. – Council Hears P&Z Matters

c) Possible approval of Special Event Liquor License application for Verde Valley Sheriff's Posse for Fort Verde Days to be held on October 12 & 13, 2018. [Staff Resource: Judy Morgan]

d) Increase current JOC (Job Order Contracting) individual job order maximum cap of \$250,000 back to previous \$1 million dollars. [Staff Resource: Ron Long]

Councilor Jenkins noted a correction needed to be made to the Regular Meeting Minutes of August 1, 2018. The Work Session that was scheduled on August 8, 2018 was cancelled.

Motion was made by Vice Mayor Murdock to approve the consent agenda with the noted correction to August 1st Regular Session Minutes. Second was made by Councilor Baker. **Motion** carried unanimously with Mayor German, Vice Mayor Murdock, Councilors Whatley, Jenkins, Gordon, Baker and Buchanan approving.

5. Special Announcements and presentations.

5.1. Proclamation - September is Prostate Cancer Awareness Month.

Mayor German read the proclamation and declared it so.

6. Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

Robert Noone brought a box of what he said was \$20,000 worth of legal fees he spent due to a prior flooding issue to his property. He spoke on the history of this issue, and stated he has submitted a (FOIA) request for the town's legal fees spent on this case.

Joe Butner spoke on the mayor's vote on a change order contract for the new park, and the dirt transfer from the new park to the Mayor's yard. He spoke on Arizona's Conflict of Interest Statutes under ARS Section 38-501-511, ARS Section 38-504c. Mr. Butner stated that a violation of these laws is a felony if it is intentional, it is a misdemeanor if it is reckless or negligent.

Tyler Rezzonico updated the Council on the Camp Verde Arena Committee: An Executive Board of five people has been created; there have been three meetings; the Executive Board will attend the September 5, 2018 Council Meeting to give an update. He stated this committee has been well supported.

Carol German updated the Council regarding the recent Yavapai College board activities: she attended a committee meeting Monday, August 13th, along with representatives from around the Verde Valley area; Friday, August 17, 2018 there will be an invitation only Forum on the Verde Campus with each community asked to send a representative. Steve Ayers and Mayor German will attend and represent Camp Verde. She spoke on a booklet prepared, by Bob Oliphant and passed out copies of the booklet to Council Members. She spoke on the need for a Career Technology Center in the Verde Valley.

Alex Goetting campaigned for his write-in candidacy for Mayor. He gave his opinion on the Mayor's "dirt moving" project at his home: feels there is special treatment for town employees and the Mayor; Town has "an issue"; an independent investigation needs to be done; the system is broken, and hopes they can fix the problem; called for the Mayor and Town Manager to resign.

7. Business. Legal action can be taken.

7.1. Discussion, consideration, and possible instruction to the Mayor as to how to vote on the proposed League Resolutions at the League of Arizona Cities and Towns League Resolution Committee meeting (on Tuesday, August 21, 2018 at 1:30 p.m. located at the Phoenician Resort, 6000 East Camelback Road, Phoenix, Arizona 85251). [Resource: Mayor Charles German]

The Mayor and Council reviewed the resolutions and decided to vote as follows:

BFED1- Support
BFED2- Support
BFED3- Neutral
GAHRE1- Neutral
GAHRE2- Support
GAHRE3- Support

NSQL1- Support
NSQL2- Support
NSQL3- No
NSQL4- No
PSMAC1- Neutral
League Staff1- Support

7.2. Discussion, consideration and approval/direction to staff for the procurement of budgeted vehicles and equipment for the 2019 fiscal year. [Staff Resource: Mike Showers; Presentation: Enterprise Representative Tim Warren]

Finance Director Mike Showers explained that they are interested in finding ways to lower fleet expenses and improve efficiency. Mr. Showers introduced Enterprise Representative Tim Warren who gave a proposal overview of enterprise fleet management via PowerPoint presentation. He explained that in an effort to reduce increasing vehicle costs, the town has researched leasing options to supplement town vehicle purchases as a solution to better manage its aging fleet. The research found:

- 57% of the current light and medium duty fleet is over 10 years old, 28% is more than 20 years old
- Older vehicles have higher fuel costs, maintenance costs, have fewer safety features, and tend to be unreliable.
- It would take 20 years to cycle out the entire fleet based on historical acquisition rates (average over last 10 years)

Enterprise Fleet Management's proposal is to save town resources and budget dollars through a managed vehicle program. The benefits include:

- Utilizing an open-end lease as a funding mechanism, allows the town to acquire additional vehicles while avoiding a large capital budget outlay.
- Replacing aged vehicles with newer models will increase fuel efficiency and reduce maintenance expenses. Maintenance and repairs can be performed by local businesses if desired to further stimulate economic growth and the integration of more fuel efficient vehicles will reduce carbon footprint.
- Establish a proactive replacement plan that maximizes potential equity at time of resale, reduces operational expenses, and increases safety.

Mr. Warren explained that an open-end lease means there are no early termination, mileage, or abnormal wear and tear penalties. Leases are written to a residual balance to preserve cash flow. The town receives flexibility of ownership, as well as net equity from sale at time of disposal.

Councilor Gordon asked how long the City of Cottonwood has used this program. Mr. Warren stated the Cottonwood City Council approved the plan in March 2018 and have just received 6 vehicles.

Councilor Gordon asked if Mr. Showers has spoken with the City of Cottonwood regarding this program. Mike Showers stated he has talked with them and they are happy with what they have, they have nothing negative to say about the program.

Vice Mayor Murdock asked, if the Town enters into a contract, how long the commitment is. Mr. Warren stated that Enterprise has no length of term contract; it is done vehicle by vehicle.

Councilor Baker asked if the Marshal's Office had a lease agreement for their department vehicles. Mr. Showers stated that the 2013 Contract was the first contract and it is paid off and the second one was done in 2015 which will run out in 2020. Mr. Showers stated they were all purchased through a lease purchase and bought all up front. This is what they are proposing to do with the larger equipment for the Streets Department.

Councilor Baker asked if about the equipment and painting for the Marshal's fleet. Mike showers stated this will still fall under the budgeted amount. This is a tight year and the goal is to not go over the budgeted amount.

Councilor Baker asked what will be the saving the first year. Mr. Shower said in the proof of concept page that was presented, it is suggested that by using the Enterprise Plan verses using the town's current standard fleet, there will be a savings in fuel and maintenance in the first year.

Vice Mayor Murdock spoke in support of the line item for lease purchased vehicles in the recently passed budget. She went on to say that we are in the process of moving into a modernized community within the Town limits of Camp Verde, there are many vehicles that are 10-20 years old and can't provide more amenities because of the old vehicles. She supports this Enterprise Package and hopes her fellow Council Members support the approval of this plan.

Councilor Whatley spoke in support of giving staff the tools to do the job. She supports the plan.

Councilor Gordon stated this is a good option since we are not tying ourselves to a contract.

Mr. Martin has done a comparison with State Contract Bid Prices against Enterprise's Plan. Enterprise came out on top not only in price but with the age of vehicles and vehicle maintenance.

Motion was made by Vice Mayor Murdock to approve the Town Manager & Finance Director to move forward with securing financing for the requested equipment and entering into an agreement with Enterprise Fleet to help manage the Town's vehicles. Second was made by Councilor Gordon. **Motion** carried unanimously with Mayor German, Vice Mayor Murdock, Councilors Whatley, Jenkins, Gordon, Baker and Buchanan approving.

7.3. Discussion, consideration and possible direction concerning the purchase of the Camp Verde Water System to include but not limited to any one or more of the following: direction to end negotiations, prepare a formal response, a new letter of intent to purchase, initiate condemnation processes and/or reengage on and possible preparation necessary for a franchise agreement election. [Staff Resource: Russ Martin]

Town Manager Martin reviewed the past dealings with the Water Company. They were hoping to come to an agreement with a contract. They came close but not close enough. The Bullard Family (current owners of water company) were hoping to go through a

condemnation process for acquisition. His proposal would have allowed the business to pay for itself through the revenue it already receives. For what the Bullards wanted for the business it would have put the town in a stressful financial situation and would not be a sound business decision to make at this point. The concept was to stay with the current rates and build enough reserves to cover maintenance costs. Mr. Martin stated that State Law says you cannot raise rates to cover the purchase price. He also added they have looked at other options but cannot come to an agreement on a franchise fee and he doesn't recommend the condemnation process because of the cost. Mr. Martin is coming to Council to get direction. There is a list of open options on the agenda.

Councilor Baker would not be supportive of going through the condemnation process. The recommended motion mentions the last agreement that council has agreed to, to her understanding there hasn't been anything agreed to. Mr. Martin said this is referring to the original agreement or "prior rights". Councilor Baker asked if the most important thing is to get the franchise agreement on the November ballot. Mr. Martin said time is very limited.

Mayor German stated this has fundamental issues and is outside the initial franchise agreement by two years. The initial agreement was for twenty-five years. He hopes the motion is to send it to the Attorney General and develop an agreement.

Councilor Gordon said they would be remiss if it doesn't get on the ballot. He doesn't want to see any changes to the last approved agreement. He agrees about going to the Attorney General with it.

Councilor Whatley wanted clarification on what would be on the ballot. Mr. Martin said it would be the Franchise Agreement.

Councilor Baker asked what is the timeframe to get it on the November ballot, how can we get the AG opinion in time. Mr. Martin said he will take it to them and hope they would realize the time sensitivity and give their answer quickly. Then it would be added to the next Council agenda.

Councilor Jenkins asked if they are still collecting franchise fees. Mr. Martin said they no longer are.

Public Comment:

Joe Butner agrees there needs to be a new Franchise Agreement but cautions the Council, before you do anything along lines of condemnation, make sure you have a good and complete appraisal with an expert who is prepared to testify. Then if you decided to proceed with condemnation, have a really good lawyer. A hundred thousand dollars is a very conservative number and that number does come out of the General Fund. There is no reason on either side to work out a deal. Don't give up.

Vice Mayor Murdock asked Mr. Martin to give a description of what happens without the franchise fee. Mr. Martin said they are working under a "Neighborly Agreement" which says they will notify us when they cut into street in an emergency, and they will put it back. From that stand point not a whole lot has changed. In reality, it needs to change to avoid liabilities and misunderstandings. He prefers it to be in contractual way like the other utilities.

Councilor Gordon said they should be treated like any contractor if there is no Franchise

Agreement.

Motion was made by Councilor Gordon to direct staff to move forward to a request to approve the last franchise agreement Council agreed to or other legal considerations necessary to get a franchise agreement on the November 2018 ballot. Second was made by Councilor Baker. **Motion** carried unanimously with Mayor German, Vice Mayor Murdock, Councilors Whatley, Jenkins, Gordon, Baker and Buchanan approving.

7.4. Discussion, consideration, and possible approval of an extension of all documents and agreements the Mayor to execute any and all documents related to the purchase of real property otherwise known as the formal Circle K property once the title company is able to complete proper titling [Staff Resource: Russ Martin]

Town Manager Martin handed out a copy of a map to Council and showed it to the public while speaking. Mr. Martin explained that the property contains an abandoned alleyway that had no formal documentation. This led to the Attorney doing a title search and it may require a complete redrafting of the description to ensure proper title transfer. This process has been delayed and they are looking for solutions to gain clear title. The Town Attorney would like additional Council action to finalize this as soon as possible. This extension will allow for the title work to be redone for proper, clean closure. If an extension is approved tonight, it will take approximately ten days to two weeks to get a transfer complete.

Mr. Martin also explained they are working with IT/Security people to put in cameras and fencing to demonstrate ownership.

Motion was made by Vice Mayor Murdock to authorize an extension purchase of property associated with the old Circle K to secure proper/clean title. Second was made by Councilor Gordon. Vice Mayor Murdock asked Mr. Martin to keep them updated on the progress. **Motion** carried unanimously with Mayor German, Vice Mayor Murdock, Councilors Whatley, Jenkins, Gordon, Baker and Buchanan approving.

8. Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

Cheri Wischmeyer spoke regarding flooding on McCracken Lane. In the past she said that residents met with town staff, and were told they would talk with Forest Service. Another flood happened recently and the same damage has been done. She is here to ask, on behalf of those residents, that the Town speak with either the Forest Service or State Land about this engineering flaw. It is decreasing property values and creating serious flooding issues.

Fred Howe spoke regarding flooding on McCracken Lane. He has been watching the water situation and gave some history of other times it has flooded. He said someone needs to look into the engineering for the park, the drainage system that has been set up didn't drain and water is going where it's not supposed to go. He went on to say the old ditches are all clogged and they need to be cleaned. He feels the whole neighborhood will be coming to a meeting to ask for help.

Mayor German would like this Item put on the next Work Session for Council discussion.

9. Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde

Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Baker attended a MATFORCE Meeting. She will be leaving material in the Town Clerk's Office regarding other events that are coming up.

Vice Mayor Murdock will be attending the Intergovernmental Meeting hosted by Clarkdale where Northern AZ Healthcare will be giving a presentation. She also mentioned the flyer that was in their boxes, she shared two dates: in conjunction with the Verde Valley Archeology Center, they are hosting (at the Phillip England Center for the Performing Arts), two concerts #1-Camp Verde Jazz Festival September 1st at 7pm & #2-Camp Verde Blues Project October 13th at 7pm. This will support the local schools.

Mayor German went to the EOC where we have a FEMA Hazard Mitigation Plan that is developed. He needs to pursue getting it approved through Council. It is a county-wide plan that each entity has to approve, then send to EOC and then FEMA approves. The Mayor also attended the Verde Front who are still putting together all of the legal ramifications on how they operate as an organization. He said the cooperation is there and has to do with the Verde Valley economic sustainability. The Verde River is important to the community.

Town Manager Martin announce to the Council, those who want to carpool to the Intergovernmental meeting in Clarkdale, to meet at town hall parking lot at 5pm (8/16).

10. Manager/Staff Report Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Town Manager Martin reported:

- Mayor German and Economic Development Director Ayers are going to Yavapai College Forum and will report back to Council at a later date.
- He pointed out the construction being done to the Council Room. Staff has been working hard. He gave credit to Mike Dumas, Dave Russell, Steve Diacik and the Town Clerk's staff. It is coming together.
- There are 7-8 individuals that will be going through the preliminary interview for the Marshal Position. He plans to will report the finalists in two weeks.

11. Adjournment

The Mayor adjourned the meeting at 8:27 p.m.



Mayor Charles German

Attest:



Town Clerk, Judy Morgan

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 Council Meeting of the Town Council of Camp Verde, Arizona, held on August 15, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 6th day of September, 2018.



Judy Morgan, Town Clerk