

MINUTES
TOWN OF CAMP VERDE
SPECIAL SESSION – BUDGET
(COUNCIL REVIEW WITH TOWN MANAGER & FINANCE DIRECTOR)
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
FRIDAY, MAY 4, 2018 at 8:00 AM

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 8:00 a.m.

2. Roll Call.

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

Also Present: Town Manager Russ Martin, Town Clerk Judy Morgan, Finance Director Michael Showers and Recording Secretary Lynn Riordan.

3. Pledge of Allegiance. Led by Councilmember Robin Whatley.

4. Special Session for FY2018-19 Budget Deliberation – Council Review with Town Manager and Finance Director. Legal action can be taken. Council deliberation and possible action to modify Preliminary Budget content.

4.1. Discussion between Council, Town Manager and Finance Director of Fiscal Year 2019 Budget. [Staff Resource: Michael Showers]

Town Manager Russ Martin advised the presented preliminary Budget included the Departments' Requests and the Manager's Recommendations. Mr. Martin requested Council discussion and direction.

At Mayor German's request, Mr. Martin provided information regarding personnel issues. The proposed budget (Town Manager) includes \$270,000 which includes 167,000+/- in salary adjustments to bring all employees (Town Manager excluded) up to 100% comparative salary plus 102,000+/- for COLA for all employees. Mr. Martin advised the proposed salary adjustments could be reduced to 90% which would free up funding for new positions. Mr. Martin advised the Town currently has \$235,000 proposed for capital improvements from reserves that has been created over the years by saving, underspending and being fiscally responsible. Mr. Martin also advised that the proposed \$25,000 expenditure for recycling can be re-allocated, as the current recycling service will no longer be available for Camp Verde. Councilor Whatley requested the Manager seek new bids for recycling services and keep this expenditure in the budget, and not re-allocate. At the request of Councilor Baker, Finance Director Michael Showers clarified Non-Departmental, advising that the Coury dealership payments represent about 25% and utilities for all Town Departments. All Non-Departmental expenditures are funded from sales tax. Mr. Showers also advised that the Town will need to be aware that HURF funding and/or other state revenues may get swept to help fund the new teacher's wage increase and school funding, which would create a deficit in Public Works/Streets and/or

other departments. At this time, the Town (and the public) is unaware of any plans of how the state will propose funding the new teacher's legislation. Mr. Martin explained there could be an additional \$80k coming in HURF potentially.

Library: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate as presented.

Economic Development: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate as presented, although Councilors Baker, Jenkins and Whatley stated the appearance of little to no return in favor of the Town from the Economic Development Department. Mr. Martin advised that Economic Development is a slow process that runs with growth and development. Councilor Gordon stated he believes the Town would begin seeing positive results from the Economic Development department within the next year. Mayor German concurred stating completion of the Hwy. 260 corridor will present new business opportunities. Mr. Martin suggested each Council Member contact the Economic Development Director to get an update on business progress and status, advising it may not be appropriate to discuss potential business development and/or agreements in a public meeting without permission of the parties involved.

Finance: Mr. Shower advised \$21,000 in the Finance Department budget is allocated to software for Wastewater, and potentially potable water systems, and would only be spent if funding was available. It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate as presented.

Court: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate, but the majority of the council members favored approval of the Court's request for an additional staff person/clerk, as requested by Judge Schlegel. Councilor Baker opposing. Councilors Whatley, Jenkins and Baker stated safety concerns should be a priority over additional personnel, both in the Court and through the Town offices. Councilors Jenkins, Buchanan and Whatley stated a desire to see the Court enforce collection of delinquent fines/fees. Council discussed collection rates of Court imposed fines and the reality that Courts are not a revenue generating department, however, enforcement of Court sanctions is a necessity. Mr. Martin advised that Court security issues were being addressed and mandated by the Supreme Court and was hopeful that the Court would be able to secure some grant funding to meet those mandates. Mr. Martin advised the cost of one new position in the Court would be approximately \$45,000 (salary + benefits), which would be deducted from the \$167,000 allocation for salary adjustments.

Marshall's Office: At the request of Council, Mr. Martin advised that the shortage in dispatch is being covered by other CVMO employees (clerks, admin and supervisors), and dispatch is spending approximately \$40,000 per year in overtime. Vice Mayor Murdock suggested the cost of one new position would be about the same annual cost as the current overtime, but could eliminate burn-out and some turnover, thus reducing fatigue, potential errors, liability and training costs. The Mayor and Councilors Baker and Jenkins concurred. After discussion, it was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate, with the exception of approval for an additional position in dispatch and funding that position also from the \$167,000

allocation for salary adjustments, thus reducing the 100% comparative salary adjustments to 90%.

Animal Control: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Public Works – Streets: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate. Mr. Martin advised the carryover amount in the Streets budget is the balance of funds for the ongoing chip-seal program.

Public Works – Engineering: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Public Works – Storm Water: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Public Works – Maintenance: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate. Councilor Whatley, noting that portions of the kitchen remodel are in the budget every year and progress is made each year, requested that the kitchen project be completed.

Public Works – Waste Water: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate. Mr. Martin, at the request of Council, advised the reduction in operational costs was due to the department request for equipment, which will be discussed and moved into CIP and capital equipment payments. Mr. Martin advised that the cost of the new lift station will be paid from reserves, but the expenditure will be recovered over time by users (connect and user fees). Waste Water operational costs and CIP projects contain many variables and many funding resources (connect and user fees, WIFA, etc.). Mr. Martin, at the request of Council, advised that the previously discussed program of pumping private septic systems of those property owners that are paying fees but the system is not yet available for hookup/use, will be done on an "as needed" basis, most likely by voucher (approximately 100 residents are eligible) and will be contracted out to a local pumping service company due to the expense of appropriate equipment and potential liability.

Public Works – Parks and Recreation: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate. Mr. Martin advised Parks and Recreation had requested many additional items, however he was recommending only the increase in Programs (for staff). Councilor Baker stated that many events are being eliminated or reduced, inquiring if any funding was available to re-institute community events. Mike Showers advised the Town already contributes to support of community events through Camp Verde Promotions. Mayor German stated that town revenue and most businesses do not benefit from community events, therefore, these events should be organized, financed and run by volunteers and/or donations within the community – not by Town funds or staff. Mayor German advised that many departments need additional staff and many CIP requests are put on hold due to lack of funding, therefore, he does not feel it is appropriate to spend additional general fund revenues and tax money on community events.

Public Works – Pool: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate. Mr. Martin advised the increase in the Pool salary budget is due to the minimum wage increase.

Break 9:28 – 9:39 a.m.

Risk Management: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate. Mr. Martin, responding to an inquiring from Councilor Jenkins, advised the cost of the Town's liability insurance is included in the Risk Management Budget.

Mayor and Council: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Town Clerk: Mayor German stated support for the Clerk's request stating the Clerk's Office serves as the customer service and information desk for all departments within the Town. Judy Morgan, Town Clerk, advised the Clerk's office has only two employees and customer service/informational services takes up a great deal of time. Although the use of volunteers was suggested by Councilor Jenkins, Mr. Martin advised the reality is the Clerk's office needs a permanent position, a well-trained and informed employee with excellent customer service skills and an exceptional knowledge of all Town (and county) departments, which requires a substantial amount of training and longevity, which most likely will not be accomplished by use of volunteers. Mr. Martin advised that the reason his recommendations to Council did not include funding this position was because of other competing priorities, not because the position was not important or needed. Vice Mayor Murdock concurred with Mr. Martin, adding that the Clerk's Office seems to be the information center and field most business for the majority of Town Departments, and suggested that due to budget restraints, perhaps the Clerk's Office could be approved for a part-time position. After substantial discussion, it was the consensus of the majority of the Council to have the Town Manager and/or Town Clerk inquire about grant funding for this requested position and that the Town Manager's Recommendations were appropriate.

At the request of Mayor German, Council candidate Joseph Butner, addressed the Council stating support for enforcement of Court ordered sanctions and collection of fines/fees and support of Court security, safety and the need to enforce "no weapons" allowed in the Court. Mr. Butner advised the Supreme Court has issued safety and security mandates (three-year plan) for all Courts, however, funding for mandates is not provided by the Supreme Court and is left to the governing body (county, city, town, etc.) to find funding to comply through general fund, court enhancement funds, donations or grants.

Community Development: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Building: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Planning and Zoning: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Code Enforcement: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Human Resources: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

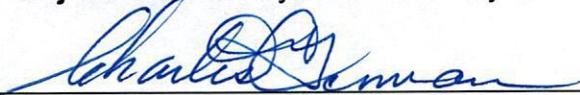
Information Technology: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

Town Manager: It was the consensus of the Mayor and Council that the Town Manager's Recommendations were appropriate.

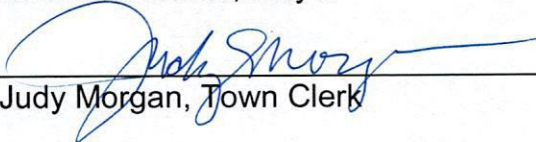
Capital Improvement Projects: Town Manager Russ Martin advised the proposed budget includes approximately \$135,000 in equipment payments and there is \$100,000 available for new CIP projects. Mr. Martin requests direction from Council on prioritizing allocation of new CIP projects (non-roads) in the amount of \$100,000 +/-.

Discussion: Mr. Martin, at request of Council, advised there were many options with respect to lease and/or purchase of vehicles, and re-assignment of vehicles that may satisfy the needs of several departments, including but not limited to purchasing a front-end loader, side-by-side off road utility vehicle and finding a good solution to a street sweeper replacement. Council discussed whether to do an IGA for a shared street sweeper. Mr. Martin advised the budget has allocated \$270,000 for vehicles/equipment and the Council did not need to make that decision today, requesting that Council review the Capital Strategic Plan (2017) and determine their priorities prior to the next budget work session. Mr. Martin stated the Town has realized more revenue than anticipated this year, but the need to be fiscally responsible remains. Mayor German stated his priority for capital expenditure were projects that 1) generated revenue 2) increase government/public service efficiency and 3) aesthetic; Vice Mayor Murdock stated safety was one of her highest priorities, noting the Town has already shown great progress with a health financial reserve, park development in progress, expanding waste water system and purchasing property, stating support for spending \$100,000 on additional CIP projects to continue moving forward. Mr. Martin advised he would compile a comprehensive list (based upon the Strategic Plan Priorities) for the Council to review, consider and select CIP projects on May 16, 2018.

5. Adjournment. Mayor German adjourned the Work Session at 10:59 a.m.



Charles German, Mayor



Judy Morgan, 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 Budget Work Session of the Town Council of Camp Verde, Arizona, held on May 4, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 24th day of May, 2018.



Judy Morgan, Town Clerk