

**MINUTES
SPECIAL/WORK SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS - 473 S. MAIN STREET, ROOM #106
TUESDAY, MAY 19, 2015 AT 4:30 P.M.**

Minutes are a summary of the discussion. They are not verbatim.
Public input is placed after Council discussion to facilitate future research.

1. **Call to Order**

Mayor German called the meeting to order at 4:30 p.m.

2. **Roll Call**

Mayor German, Vice Mayor Jackie Baker, and Councilors Bruce George, Carol German, Brad Gordon, and Robin Whatley. Councilor Jessie Jones arrived at 4:55 p.m.

Also Present

Town Manager Russ Martin, Economic Development Director Steve Ayers, Commander Nancy Gardner, Town Clerk Virginia Jones and Recording Secretary Lynn Riordan.

3. **Pledge of Allegiance**

Mayor German led the pledge.

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) **Approval of the Minutes:**

1. Work Session – April 29, 2015
2. Work Session – May 1, 2015
3. Regular Session – May 6, 2015
4. Work Session – May 8, 2015

b) **Set Next Meeting, Date and Time:**

1. Wednesday, May 20, 2015 at 6:30 p.m. Regular Session-**Cancelled**
2. Wednesday, May 27, 2015 at 6:30 p.m. Council Hears Planning & Zoning-**Cancelled**
3. Wednesday, May 27, 2015 at 5:30 p.m. Budget Work Session **ADDED**
4. Wednesday, June 3, 2015 at 6:30 p.m. Regular Session
5. Wednesday, June 10, 2015 at 5:30 p.m. Work Session
6. Wednesday, June 17, 2015 at 6:30 p.m. Regular Session
7. Wednesday, June 24, 2015 at 6:30 p.m. Council Hears Planning & Zoning

Russ Martin requested another budget work session be set next week, suggesting that it be set on May 27, 2015, in place of the Council Hears Planning & Zoning meeting that has been cancelled. On a motion by Councilor George, seconded by Vice Mayor Baker, the council unanimously voted to approve the Consent Agenda with the addition of setting a Budget Work Session on Wednesday, May 27, 2015 at 5:30 p.m.

5. **Special Announcements and presentations:**

- Proclamation declaring May 22 and May 23, 2015 as Poppy Days in Camp Verde
Mayor German pronounced the Proclamation.

Vice Mayor Baker advised that the American Legion was disappointed with Bashas Corporate Office no longer allowing the Veteran poppies (and donation collection) to be held at any Bashas location; Bashas no

longer allows any non-profit or donation fund raisers at their stores (except Salvation Army bell ringers), and suggests that any resident that is unhappy with Bashas' Corporate policy to let Bashas know in person or in writing.

6. Call to the Public for Items not on the Agenda.

Steve Goetting advised the Mayor and Council that he attended the National Geo presentation at Blazin' M Ranch; there was a good attendance, and although it gets good support from the Council and Chambers, this presentation should have been open to the public (and advertised), not just by invitation only.

7. Discussion, consideration & possible approval for Finance Director to apply for and obtain a P-Card (Purchasing Card) system through MasterCard. Staff Resource: Michael Showers

On a motion by Councilor George, seconded by Councilor Whatley, the council voted to approve the P-Card system through MasterCard, with Vice Mayor Baker voting against approval of the P-Card system and Councilor Jones abstaining from voting on this matter.

Russ Martin advised the P-Card system is outline in the staff report presented to Council for consideration. Currently the Town has four credit cards that are individually checked-out (upon approval) for specific purposes, departments and department heads do not have their own credit cards, which results in requests for re-imbursement (processing time and expense in the current re-imbursement system). The P-Card System give the Town a specific aggregate credit limit, and each P-Card assigned out will have a small limit (based on what is reasonable for each department) with the limit per card available to be adjusted for specific purposes upon prior approval by the Finance Director or Town Manager. The P-Card system is not designed for large purchases, but is to be used for emergencies, travel and travel expenses, and will allows immediate and continuous access of activity by the Finance Director (and Council). Town purchasing policies will remain in full effect with the P-Card system and departments must still stay within their budget. Vice Mayor Baker and Councilor Whatley stated concerns over potential misuse of cards. Russ Martin stated cards will be monitored and if they are not managed properly by the department (or person assigned to), the card will be withdrawn from that department or person. Additionally many vendors are now requesting electronic payment (fuel motels, etc.) and no longer accepting Purchase Orders. Steve Ayres stated he did not expect an increase in spending, just a reduction in paperwork for the same purchases.

8. Discussion, consideration and possible approval of a budget amendment to the Capital Improvements Fund adding Computer Backup and Server Replacement(s) for up to \$40,000 to this year's 2014/15 Budget. Staff Resource: Russ Martin

On a motion by Councilor George, seconded by Councilor German, the council unanimously voted to approve the budget amendment to the Capital Improvements Fund adding computer Backup and Server Replacement 2014-15 (current) Budget in the amount of \$15,000.

Russ Martin advised the request for \$40,000 CIP for computer backup and server replacement would replace three servers and network backup (complete system); the Town is in desperate need of one server and network backup immediately which would be at a cost of \$15,000, with a budget item approval over the next three years to replace two more servers (at a cost of approximately \$25,000). The current system is at capacity. Councilor Gordon inquired as to current availability of funds for this CIP expenditure. Russ Martin advised that the Town has the money in the 2014-15 CIP budget for the \$15,000 expenditure, however, if the Town falls short of actual funds, adequate funds may be taken from the contingency fund to remedy this immediate need.

9. **Discussion, , consideration and possible approval of an Ordinance (2015-A405), an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Transaction Privilege Tax; amending the Tax Code of the Town of Camp Verde, Arizona by decreasing the rate of taxation for transaction privilege Tax from three point six five percent (3.65%) to a range of one percent (1%) to two percent (2%) on the portion of the single item retail price over a range of \$1,000 to \$10,000. Staff Resource: Manager Russ Martin**
On a motion by Councilor George, seconded by Mayor German, (originally seconded by Councilor Whatley, second withdrawn as Councilor Whatley left the Council meeting prior to vote due to a previous engagement) the council unanimously voted to approve Ordinance (2015-A405), an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Transaction Privilege Tax; amending the Tax Code of the Town of Camp Verde, Arizona by decreasing the rate of taxation for transaction privilege Tax from three point six five percent (3.65%) to a range of one percent (1%) on the portion of the single item retail price over a range of \$5,000.

Russ Martin recommends the Council pass Ordinance 2015-A405, giving the Town a tool with which to work, gives business a competitive rate and encourages new business. The recommended cap for the single item retail price is \$5,000. An information package has been provided to council.

Public Comment:

Steve Goetting addressed the Mayor and Council in opposition of Ordinance 2015-A405; stating he did not believe enough statistical information was available that supported the claim that a tiered tax structure would encourage new business, and argued passionately that with the recent increase in sales tax, the new "tax break" proposed (tiered taxes) for big ticket items was an insult to current small businesses in Town – suggesting that all businesses get a tax break or no businesses get a tax break.

Tom Pitts addressed the Mayor and Council questioning whether enactment of Ordinance 2015-A405 would encourage a dealership in the vacant building on Hwy 260 or help develop the corridor along Hwy 260, knowing that Hwy 260 would be under construction for several years, and how such development would get traffic into downtown Camp Verde. Additionally, dealerships do not make their profit from sales, but from service, and the current vacant dealership on Hwy 260 is isolated – too far from Cottonwood and too far from downtown Camp Verde for residents to take advantage of services.

Steve Ayers addressed the Mayor and Council in support of passing Ordinance 2015-A405 suggesting that it may encourage business, a driving opportunity for development of Hwy 260, may potentially fill some of the Town's empty commercial buildings and bring revenue into the Town that we currently do not have.

Council Discussion: Councilor Whatley stated encouragement that Ordinance 2015-A405 will be an incentive to new business, not just car dealerships, into Camp Verde, potentially utilize empty commercial buildings and, since the Town did not enact a food tax, Ordinance 2015-A405 may generate needed revenue. Councilor German stated support for Ordinance 2015-A405, this may encourage business to fill the currently empty commercial buildings, however, in the spirit of good will and fairness to all Camp Verde businesses and residents, she would like to see an amendment reducing the tax rate from 3.65% to 3.0%. Vice Mayor Baker stated support of Ordinance 2015-A405, and stated that she would ask for an amendment be placed on a future agenda requesting the cap for the reduction be set at \$3,000 (instead of \$5,000) to not only encourage new business, but also benefit existing businesses in Camp Verde. With Yavapai College possibly asking for a 2% increase in property tax, the Town needs to support current business and encourage new business. Councilor George state support of Ordinance 2015-A405 stating that Hwy 260 will not be isolated for long, with a prospective tenant for the empty car dealer, development of Hwy 260 and Hwy 260 being a main corridor, businesses will be moving in. Councilor Jones stated support for Ordinance

2015-A405, stating that with new businesses, particularly big ticket item business, along with current businesses, the Town will not just benefit from sales tax, but also from jobs, donations, sponsorship and a long-term partnership/relationship with the Town and its residents. Mayor German stated support of Ordinance 2015-A405 stating that Hwy 260 development will be a long-term investment for the Town, currently the Town is at ground level with great potential for development along Hwy 260 and I-17, and with the new character areas, potential investors and new business will have certainty and clarity.

10. **Discussion, consideration, and possible direction to staff relative to flooding issues in and around Camp Verde Town Limits, including various studies required by different agencies, and the relation to current budget requests by Economic Development as it related to Forest and State Parks Land.**

Mayor German provided a handout (maps) stating studies need to be completed and budget requests will continue with respect to flood issues along Hwy 260, Clear Creek and Verde Lakes. Flood control issues will need to follow processes outlined by forest service, state parks and tribal lands (including a tribal burial site), and will include archeological and hydro studies as well as bio studies for endangered species. SHPO allows the forest service to utilize qualified volunteers, but the state parks (by regulation) does not. The Mayor requests that each council member look at the plans and maps, and consider needs for fiscal year 2015-16 CIP budget requests. Steve Ayres advised that if the Town has some money in the budget to support flood control issues, and show an interest in participating to make changes, perhaps we will be able to partner with the forest service, state parks and tribal lands for funding. Mayor German advised that as soon the next flood occurs (defined by any flooding that causes monetary damage), the USDA will be called and they will mobilize to assess the area and the needs/qualifications for federal assistance. Mayor German requested that homeowners in the area need to present costs they have incurred both out of pocket, paid by insurance, and increased costs of insurance rates for the USDA to consider in assessing the needs of the area. Additionally, staff will need to prepare documents for the homeowners to sign allowing the USDA onto their property to complete any assessments. This matter will be placed on the Agenda on a later date.

11. **Discussion with the newly formed Chamber of Commerce leaders, and possible presentation. WITHDRAWN FROM THE AGENDA**

12. **Discussion, consideration, and possible direction to staff relative to the Draft FY 2015-2016 Tentative Budget.**

Russ Martin stated the Mayor and Council have been provided a proposed operating budget and CIP budget for 2015-16, with supporting documents. Mr. Martin has requested each department forward CIP proposals that are functional, practical, and realistic and advise on what projects can be done in phases over two or more years if practical and possible. Mr. Martin would like all Council Members present for the final budget work sessions on May 27, 2016, June 3 and 10, 2015, with possible adoption of the (draft) proposed 2015-16 budget on June 24, 2015.

Councilor George requests the Town Manager and Council consider approving a cost of living increase for their most valuable assets – the Town employees. Councilor George stated the employees have not had an increase for quite some time, and the cost of living continues to increase. Additionally, the Town has valuable employees, has invested education and training for the employees, and does not want to see them seek out higher paid employment elsewhere. Mayor German agrees with the philosophy, and requested that this matter be presented and discussed at the operation budget work session on May 27, 2015.

13. **Call to the Public for items not on the agenda.**

Steve Goetting addressed the Mayor and Council in opposition of Town staff receiving any wage increases stating the Town just imposed an increase in sales tax upon residents and businesses due to lack of

revenue, it is not appropriate (if the Town has no money) to give raises.

14. **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 German stated she attended the Yavapai College Board Meeting in Prescott (today), and will provide copies of informational documents to all council members. The Yavapai College Board is considering a property tax increase of 2% - attendees stated objection to the increase – as Yavapai College does not need the additional revenue.

Vice Mayor Baker stated she also attended the Yavapai College Board Meeting in Prescott (today), and unfortunately, Yavapai College does not need voter approval for an increase in property taxes, the increase can be successfully imposed by vote of the Board Members only. The School Districts (particularly Prescott and Prescott Valley) are opposing the increase, as school districts are required to have voter approval (election) for an increase in property taxes, and Yavapai College operates outside the school district regulations.

Councilor George stated he attended the Verde Valley Mobility Meeting – which has been renamed to Verde Valley Transit, stating they are doing an excellent job.

Councilor Gordon stated he attended the Planning and Zoning General Plan meeting. All the major land use and character areas are done, and Planning and Zoning will be bringing the master plan update to the Council in the near future.

Mayor German stated he and the Town Manager attended the League meeting in Flagstaff where Camp Verde received an award for saving the Fort (and the excellent work on behalf of all volunteers).

15. **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.

Russ Martin stated the award was currently in the Town Manager's Office, and he will be requesting that a formal presentation of the award be placed on the Agenda at a future meeting.

Mr. Martin reminded the Council Members that the ADOT meeting (Hwy 260 construction) will be at Cliff Castle on Wednesday, May 20, 2015 TOMORROW at 5:30 p.m.

Adjournment

On a **motion** by Mayor German, seconded by Councilor Jones, the council unanimously voted to adjourn the meeting at 6:15 p.m.



Charles German, Mayor



Lynn Riordan, Recording Secretary

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 May 19, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 8th day of June, 2015.



Virginia Jones, Town Clerk