

**MINUTES
SPECIAL SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. MAIN STREET ROOM 106
WEDNESDAY, JULY 16, 2014 at 6:00 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 6:00 p.m.

2. Roll Call

Mayor German, Vice Mayor Jackie Baker, and Councilors Bruce George, Carol German, Brad Gordon, Robin Whatley, and Jessie Jones were present.

Also Present

Town Manager Russ Martin, Library Director Kathy Hellman, Finance Director Michael Showers, Sanitation District Director Jan Grogan, Barbie Bridge, and Recording Secretary Lynn Riordan.

3. Pledge of Allegiance

Mayor German led the pledge

4. Public Hearing for comments on the proposed FY 2014/15 Budget.

Nancy Floyd addressed the Mayor and Council and requested clarification regarding the published proposed budget, stating it appeared the budget was not balanced, and budgeting expenses based on revenue from "food tax" when the "food tax" has not yet been enacted. Mayor German and Town Manager Russ Martin clarified the budget process and state law that requires a budget be set for proposed income. If revenue is generated and expenses from that revenue are not budgeted, the Town will not be able to spend the revenue. Mike Showers also addressed the overview on page 3, showing a 2+ million dollar shortfall, stating the "shortfall" actually is money that has already been received and has not been spent yet from prior years, therefore the expenditures are showing in this budget year when the revenue is not coming in this year, the revenue has already been received and it is restricted funds for specific items or CIP. Mike Showers also stated that the Town has applied for several grants and the budget must show expenditures in the event the Town is successful in obtaining one or more those grants. If the grant money is not realized the funds will not be spent.

Susie Burnside addressed the Mayor and Council and requested clarification regarding the sewer fund operating fund and reserve balance on page 55. Mike Showers explained loan income loan shows as revenue to support the expenditure, and this item can be renamed revenue from loan. Jan Grogan addressed the income and revenue for the sewer operating fund and explained why the fund has a reserve balance.

Steve Goetting addressed the Mayor and Council stating there is no money in the budget to market Camp Verde and is disappointed that Camp Verde has no money in the budget for Parks and Recreation or for marking Camp Verde to increase tourism, sales tax and bring in new business. Mr. Goetting also addressed the Mayor and Council stating in opposition to the food sales tax.

David Voily addressed the Mayor and Council stating opposition regarding the increase in law enforcement and fire employees (public safety employees) of 4.5% and only 1.7% for all other employees. The wage increase is not fair to all employees and is a huge burden for the tax payers.

Byron Phillips addressed the Mayor and Council stating opposition to a food sales tax, stating he is aware that the Town needs to generate more revenue, but the food sales tax will be too much of a financial burden to residents on a fixed income. The cost of food already continues to increase.

5. **Discussion, consideration and possible approval of the FY 2014-15 Budget.** Staff Resource: Mike Showers. On a motion by Councilor Whatley, seconded by Councilor George, Motion passed with a 5-2 vote with Vice Mayor Baker and Councilor German opposed.

Russ Martin responded to public concerns and addressed the issue of marketing, the Town website and the continuing efforts to market the Town of Camp Verde tourism and new business. Mr. Martin also addressed the proposed budget with respect to the possibility of enacting a food sales tax and the potential the revenue and expenditures a food tax would generate. Mr. Martin also addressed the concerns regarding the public safety increase and the other Town employees increase.

Councilor Whatley, addressing the public concerns of enactment of a food tax, advised the public that the Council has not passed a food tax. The food tax will be addressed later this year. If the food tax is enacted, it will create revenue, and the potential revenue and expenditures must appear on the proposed budget.

Vice Mayor Baker requested staff address the Intergovernmental Revenues. Mike Showers advised the Intergovernmental Revenue is revenue the Town receives as their portion of revenue from County and State funds, revenue from grants and any other revenue the Town received from any governmental agency.

Councilor Whatley stated that the proposed budget has been available for review and several public meetings have been held over the past few months wherein all of these issues have been previously addressed by the public, the Mayor and Council, and staff. Councilor Whatley stated that at this point the Council should move forward with approval or denial of the proposed FY2014-15 Budget.

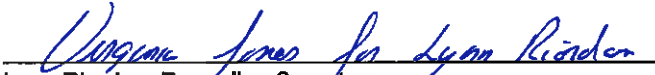
Councilor German stated the public has a right to address the Council regarding their concerns, also stating the staff and Council may have made an error in putting the proposed food tax revenue and expenditures in the budget as it sent the wrong message to residents and gave the appearance that the food tax had been enacted, when in fact, it has not yet been addressed.

6. **Adjournment**

On a motion by Mayor German, seconded by Councilor George, the council unanimously voted to adjourn the meeting at 7:00 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 Regular Session of the Town Council of Camp Verde, Arizona, held on July 16, 2014. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 12th day of August, 2014.



Deborah Barber, Town Clerk *cy*