

**MINUTES  
REGULAR SESSION  
MAYOR AND COUNCIL  
COUNCIL CHAMBERS · 473 S. MAIN STREET- ROOM 106  
WEDNESDAY, JUNE 18, 2014 at 6:30 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 6:30 p.m.

**2. Roll Call**

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

**Also Present**

Town Manager Russ Martin, Library Director Kathy Hellman, Finance Director Michael Showers, Town Clerk Deborah Barber, and Recording Secretary Lynn Riordan.

**3. Pledge of Allegiance**

Mayor German led the pledge

**4. Consent Agenda**

**a) Approval of the Minutes:**

- 1) Regular – June 4, 2014
- 2) Council Hears Planning & Zoning Matters – May 28, 2014

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

- 1) June 25, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 2) July 2, 2014 at 6:30 p.m. – Regular Session
- 3) July 9, 2014 at 5:30 p.m. – Work Session
- 4) July 16, 2014 at 6:30 p.m. Regular Session
- 5) July 23, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters

**c) Approval of Intergovernmental Agreement for Elections Services with Yavapai County Recorder.**  
Staff Resource: Deborah Barber.

**d) Approval of Resolution 2014-925, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona authorizing the execution and delivery of all instruments necessary to consummate the purchase of Rights-of-Way located on Cliff House Drive.** Staff Resource: Ron Long.

**e) Approval of request to move the School Resource Officer Budget lines from the Federal Grant Fund to the Non-Federal Grant Fund for FY2014-15.** Staff Resource: Mike Showers

**f) Approval of extension of contract for Judge Harry Cipriano from June 30, 2014 through September 1, 2014.** Staff Resource: Russ Martin.

**g) Authorization for the Manager to sign a Letter of Agreement with the Town of Prescott Valley for the delegation of an appeal relative to an employment matter, pursuant to Section 5-6-7.C of the Personnel Manual.** Staff Resource: Russ Martin.

On a motion by Vice Mayor Baker, seconded by Councilor Gordon, the Council unanimously voted to approve the Consent Agenda, excepting item 4c.

Councilor George requested clarification of costs associated with item 4c, Intergovernmental Agreement for Elections Services with Yavapai County Recorder. Town Clerk Deborah Barber advised the council of legislative changes for council elections and clarified the costs associated with the same.

On a **motion** by Councilor George, seconded by Vice Mayor Baker, the Council unanimously voted to approve the Consent Agenda, item 4c, approving an Intergovernmental Agreement for Elections Services with Yavapai County Recorder

5. **Special Announcements and presentations:**

**Mayor German announced a proclamation declaring June 30 as a day to remember all the Granite Mountain Hotshots that gave their lives in the line of duty.**

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

Sebra Choe invited the Mayor and Council Members to attend a round table discussion presented by Spur Ventures on June 25, 2014. Ms. Choe provided the Mayor and Council with a hand-out/flyer.

a. **Discussion, Consideration and Appointment of a Magistrate to replace Judge Cipriano. Candidates for the position are John Lamb, Ronald Ramsey, and Anthony Weber.** Staff Resource: Mayor and Council.

On a **motion** by Councilor Gordon, seconded by Councilor George, the Council unanimously voted to appoint John Lamb as Magistrate for the Camp Verde Municipal Court.

Councilor Gordon stated that he was involved in the interviews of all three candidates, and found that all candidates were highly qualified.

7. **Public Hearing/Approval of a liquor license application for Chateau Tumbleweed, located at 4626 Old Highway 279, Unit B in Camp Verde.** Staff Resource: Deborah Barber.

On a **motion** by Vice Mayor Baker, seconded by Councilor George, the Council unanimously voted to approve the application for a new liquor license for Chateau Tumbleweed, located at 4626 Old Highway 279, Unit B in Camp Verde.

Deborah Barber advised the application for a new liquor license for Chateau Tumbleweed was posted pursuant to law and the Town did not received any comments for, or against, approval of the license.

Public comment: Owner, Joe Bechard addressed the Mayor and Council in support of approval of a new liquor license for Chateau Tumbleweed. Steve Goetting addressed the Mayor and Council in support of approval of a new liquor license for Chateau Tumbleweed. Tom Pitts addressed the Mayor and Council in support of approval of a new liquor license for Chateau Tumbleweed.

8. **Discussion and approval of the Town of Camp Verde FY2014-15 proposed tentative budget.** Staff Resource: Michael Showers.

On a **motion** by Councilor George, seconded by Councilor Gordon, the Council voted (4 to 2) to approve the Town of Camp Verde FY2014-15 tentative budget with Mayor German, Councilors Gordon, George, and Jones voting for approval, and Vice Mayor Baker and Councilor German opposed, of the proposed Town of Camp Verde FY2014-15 tentative budget.

Councilor George requested staff to provide an explanation regarding the sewer district (page 54-55), the proposed savings on the costs of electricity, and if any increase in fees were projected for FY2014-15. Michael Showers, Finance Director, stated the numbers on the proposed tentative budget were acquired from the FY2013-14 audited budget and actual costs, advising that no sewer district fee increases are proposed for FY2014-15. Councilor Gordon requested staff to provide an explanation regarding property tax allocation that is helping to pay the sewer district debt. Michael Showers, Finance Director, stated the sewer district costs are projected to be less this fiscal year than last fiscal year, however, if the Town receives extra revenue from property taxes all those additional funds will be applied to the sewer district debt.

Councilor German questioned the proposed \$75,000 being moved from the contingency fund to allow for wage increases, and leaving only a surplus/contingency fund balance of \$75,000, stating that she only approves of

wage increases if the funds are available from food tax, or some other revenue, and not from the contingency fund. Councilor German also stated that although she believes that many town employees deserve a merit increase, however with the depressed economy and the town's unknown availability of income from food tax, she did not approve of the inequity of 4.5% increase for public safety employees (Police-Fire employees retirement) when all other town employees receive only 1.7% COLA. Councilor German also stated that in 2008 through 2010 the Town had 69 employees, in 2011 only 62 employees, and now the Town has 90+ employees. Councilor German stated concerns with the increase in employees without an increase in revenues, and does not recall the Council approving this expenditure during the budget work sessions. Town Manager, Russ Martin, advised the Mayor and Council the Town spent less than \$50,000 of contingency funds in the past four years and staff believes that it is fiscally safe to have only \$75,000 available in the contingency fund. Additionally the Town employees have received only cost of living increases for the past 4 or 5 years.

Vice Mayor Baker disagrees with \$75,000 being taken from the contingency fund, and concurs with Councilor German that wage increases should be considered when funds are available from another source, specifically food tax. Many other items have been put on hold due to lack of funding and need consideration if money is being taken from the contingency fund. Councilor German and Vice Mayor Baker stated that the residents of Camp Verde have "hired" the council members by voting them into office, with the expectation that the Mayor and Council will make fiscally sound decisions for, and on behalf of, the community.

Councilor George stated support of taking \$75,000 from the contingency fund for wage/merit increases to even out the inequities in staff wages as many employees have been loyal to the Town without a merit increase for 4 or 5 years.

Vice Mayor Baker requested clarification of the general-purpose revenue construction taxes and the 1% debt vs the 2% CIP expense. Michael Shower, Finance Director, explained the CIP debt and expense were allocated to pay the lease purchase debt for \$750,000 of lease purchased equipment.

Councilor German requested staff to explain revenue by source and the Proposed Tentative Budget is showing a deficit of over 2 million dollars. Michael Showers, Finance Director, advised that there are funds allocated to specific budget items and the funding must be spent for those items only. Many of the budget items are subject to revenue coming in. If the revenue comes in the Council may spend up to the budgeted amount for that budgeted item. If the item is not budgeted for, the funds cannot be spent and will carry over until the next budget year. Additionally, if the revenues are not realized for a budgeted item, the funds will not be spent as no money is actually available for that budgeted item. The Library is the biggest expenditure in the budget currently showing a deficit as income for the Library project has been collected over the past several years and is not being realized as revenue in this fiscal year, however, the funds will be transferred in. This capital expense has been budgeted for, however the expenditure has not yet been authorized. Many other budgeted items are opportunities for grant income – if the grant money becomes available, it must be spent only on the specific budgeted item for that grant, however, if the grant is not successful, the budgeted item will not be realized and no money will be spent on that item. Many grant opportunities require matching funds from the Town. In any event, the Town cannot authorize expenditures that are not in the fiscal budget.

Councilor German requested staff explain the recurring "software" fees. Michael Showers, Finance Director, stated that these recurring fees are for software support of for various Town Departments and include upgrades and support to keep the software (computer systems) running and current. Software fees do not include the purchase of any hardware.

Vice Mayor Baker requested the line item expense for VVMC be corrected to reflect CV Senior Center. Vice Mayor Baker requested clarification of the Marshall's Office retirement penalty. Mike Showers, Finance Director, stated that this item is not negotiable, as ASRS and PSRS are mandatory contributions and are a set percentage of employee earnings.

Councilor Gordon asked the staff what will happen to the budget if the food tax does not pass. Russ Martin, Town Manager stated that if the food tax does not pass, the Town will be unable to spend the budgeted amounts as the revenue will not be available. The Proposed Tentative Budget currently includes planning for revenue from the proposed food tax and gives flexibility for expenses. The Proposed Tentative Budget includes capital improvements and operating expenses, but does not authorize actual expenditures. Authorization to spend any budget amount happens only when the funds are available. Mr. Martin clarified restricted funds vs. unrestricted funds.

Councilor German requested staff to explain the increase in workman's compensation and unemployment. Michael Showers, Finance Director, stated the budget is compensating for fluctuation, there has been no increase in demand, and the Town is currently paying an average or below average rate for both workman's compensation coverage and unemployment.

Public Comment:

Murray Lichty stated an opposition to the Proposed Tentative Budget FY2014-15, specifically any increase in taxes.

Cheri Wischmeyer stated an opposition to the Proposed Tentative Budget FY2014-15, specifically an increase in number of employees and employee wages.

Wendy White stated an opposition to the Proposed Tentative Budget FY2014-15, specifically an increase in taxes (imposition of a food tax); stated support of increase in wages for Police/Fire employees.

Byron Phillips stated an opposition to the Proposed Tentative Budget FY2014-15, specifically an increase in taxes (imposition of a food tax).

Tom Pitts stated he appreciates the work that has gone into preparing the budget, but is concerned that nothing is budgeted for community development or marketing to draw new business and/or tourism into Camp Verde. Mayor German suggested the formation of a citizens committee to find other sources of revenue to support the budget, donations, community development, market, etc., and any citizen that is interested that can call the Clerk's Office.

9. **Review, discussion, and possible award/or rejection of the Community Library Bid #14-110. Discussion may include financing, award the low bidder an agreement for the complete build out, completion of first floor only, or rejection of all bids.** Staff Resource: Russ Martin

On a motion by Councilor Gordon, seconded by Vice Mayor Baker, the Council unanimously voted to reject all bids. The Council directed staff to investigate and secure funding, not to exceed \$3.5M, to complete the new Library, with revised and completed plans for a complete build out, FFE included, and put the project out for bid.

Manager Russ Martin, advised the Mayor and Council that the Town had requested the lowest bidder on the Library Project to hold the bid for 30 days. Initially the low bidder agreed, and last Monday the Town was advised that they could not hold the bid. Unfortunately, with the low bid, there appeared to be \$200,000+ in additional costs. Legally, the bid could not be negotiated as it was a sealed bid. Mr. Martin recommends that the Mayor and Council reject all bids and give staff direction on exactly what the Council wants with respect to the project, and put the project out for bid again.

Mayor German proposed that two or three council members meet with staff, Town Manager, Library Director, and Architect, to set up the perimeters for putting this project out for bid. Discussion covered the possibility of building out the first floor only vs. complete project, FFE included, and financial cap for the project. The Mayor and Council Members directed staff to seek out funding for the complete project, FFE included, with a cap of \$3.5

million, set parameters for the bid and bring the proposed package back to the Council for approval before putting it out for bid. The Mayor and Council directed staff to make this a priority, with the intent to have this project ready to be out for bid no later than October 2014, awarding the bid immediately thereafter.

Public Comment:

Sebra Choe stated support for the new Library Project.

Two members of the Teen Advisory Board addressed the Mayor and Council in support of the new Library Project, and advised the Council how important the Library has been for them.

Murray Lichty stated concerns about whether or not the Town could afford this capital project, but also stated support for the new Library Project. Mr. Lichty suggested the contract be awarded to a local contractor. An unknown citizen stated concerns about the costs for the Library Project in this slow economy, but also stated support.

Robb Witt stated support for the new Library Project and requests the Council direct staff to put the bid out to local contractors only.

Von Hatch stated support for the new Library Project and recommended that the Council direct staff to market Camp Verde to draw in outside money from new business and tourism.

John Bassous stated support for the new Library Project.

David White addressed the Council regarding the placement of the new Library building, stating that he believed the SE corner of the projected building did not meet the appropriate Planning and Zoning required setbacks from the Black Bridge easement. Mr. Witt stated the new Library building would be his closest "neighbor", he has concerns about flooding, and stated opposition to the new Library Project.

Kathy Hellman, Library Director, stated support for the new Library Project. Ms. Hellman thanked the Council for being diligent in going forward with this capital project and emphasized the importance of bringing the Library services up to the 21<sup>st</sup> century as Library services and needs have substantially changed in the last 20 years. Tom Pitts stated support for the new Library Project.

Roger Dorrington stated support for the new Library Project, and supports the Council putting the entire project, with FFE, out for bid in the near future.

Billy Cook stated support for the new Library Project, and advised the Council how important the Library and its services are to the youth in Camp Verde.

10. **Discussion, consideration, and possible appointment of Council Members as Town representatives and alternates to various boards, committees, and organizations.** Staff Resource: Deborah Barber. Mayor and Council approved the 2014/2015 Draft Council-Committee Assignment with amendments. 2014/2015 Council-Committee Assignments available in the Town Clerk's Office.
11. **Call to Public for items not on the Agenda.**  
None.
12. **Council Informational Reports.**  
Councilor Gordon advised that the Verde Valley Land Preservation auction was successful, 35 paintings were sold, and the auction brought in about \$7,000. The event provided good publicity for the Town and Verde Valley.

Mayor German advised the legislative updates will be addressed by the Arizona League of Cities and Towns at their July 8, 2014 meeting.

13. **Manager/Staff Report.**

Russ Martin advised the Mayor and Council that he and Ron Long attended a meeting with APS regarding annual updates this morning. The Corporation Commission had eliminated several incentives over the past few years, and now those incentives and being re-instated. He, and Ron Long, will be looking into the Library project to take advantage of rebates and incentives to save as much money as possible in new construction.

14. **Adjournment**

On a motion by Mayor German, seconded by Vice Mayor Baker, the council unanimously voted to adjourn the meeting at 9:55 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 June 18, 2014. I further certify that the meeting was duly called and held, and that a quorum **was** present.

Dated this 22 day of July, 2014.



Deborah Barber, Town Clerk