

**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, MAY 16, 2012
6:30 P.M.**

Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Council motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion

1. Call to Order

The meeting was called to order at 6:30 p.m.

2. Roll Call

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, George (via telephone), Baker, Jones and German were present.

Also Present: Town Manager Russ Martin, Town Marshal Nancy Gardner, Public Works Director Ron Long, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. Pledge of Allegiance

The Pledge was led by Baker.

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 – May 9, 2012
- 2) Work Session – May 7, 2012
- 3) Regular Session – May 2, 2012
- 4) Work Session – April 30, 2012

b) Set Next Meeting, Date and Time:

- 1) May 23, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 2) June 6, 2012 at 6:30 p.m. – Regular Session
- 3) June 13, 2012 at 6:30 p.m. – Work Session
- 4) June 20, 2012 at 6:30 p.m. – Regular Session
- 5) June 27, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters

c) Possible approval of Resolution 2012-862, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona pertaining to the submission of projects for consideration in Arizona's 2013 Governor's Office of Highway Safety grant. Staff Resource: Marshal Nancy Gardner

On a motion by Kovacovich, seconded by Baker, the Consent Agenda was unanimously approved as presented, with the May 23, 2012 meeting canceled.

Burnside advised that the meeting scheduled for May 23, 2012 has been canceled.

5. Special Announcements & Presentations

- **Presentation of Certificates of Appreciation to James B. Bullard and James W. Bullard for their service on the Board of Adjustments**
- **Welcome to the new businesses –**
 - ❖ **Landscape Magic LLC – Sedona**
 - ❖ **Patriot Disposal – Prescott Valley**
 - ❖ **D & M Automotive – Camp Verde**
 - ❖ **PeeJay Plumbing, Heating, & Fire Protection – Camp Verde**
 - ❖ **Window & Home Solutions, Inc. – Rimrock**

❖ **Eagle Mountain Construction – Flagstaff**

❖ **Dwayne Breedlove – Tonopah**

Mayor Burnside first commented that he had the honor to present Certificates of Appreciation to James W. Bullard and James B. Bullard for serving on the Board of Adjustments & Appeals; Burnside personally thanked the recipients for their continued participation and support of the Town.

Burnside then announced and welcomed the new business, as listed.

6. **Council Informational Reports.**

Whatley reported on attending the recent Sanitary District meeting, together with Town Manager Martin, at which the conversation centered around the Town taking over the District; the Sanitary District seemed to be agreeable to helping the Town in that regard. Whatley commented on the current excellent administration of the District, and believes that the Town would not be acquiring a problem, but would be acquiring an asset.

German described the exciting experience she had attending the Discovery Channel Lowell Observatory being constructed up on the hill; the history and engineering all resulted in an amazing facility. German said it was really something to see, and recommended that everyone take the tour.

Baker said she also attended the Discovery Channel event, and commented on the extremely well-behaved children who had been there and had asked most interesting questions.

Burnside described his experience finding and enjoying the Discovery Channel event; he also reported on participating in an event at the Verde Vista Care Center, together with members of the Building Club at the high school, digging holes and planting plants. Burnside said he enjoyed the FFA year-end banquet last night, and commented on the upcoming League Resolution Committee process.

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

(Comments from the following individuals are summarized.)

Howard Parrish reported that a speed sign and the street sign for Parrish Road were stolen during the last few days; a neighbor had a medical emergency, and critical help from the Fire Department was delayed because of the absence of the street sign.

James Strava said he believes the financial benefits of taking over the Sanitary District are not as they may appear; there are many debts that are as yet unresolved. Without a public vote, the idea needs very serious consideration and is not to be entered into lightly.

Irene People announced another blood drive scheduled for Thursday, June 7th at the Basha's parking lot; call her to make an appointment. Ms. People said she also had the street sign stolen from her place, Amber Lane; if anyone knows any Ambers, please check the bedroom to see if there is a sign hanging there.

George Young said that he had 500 feet of copper wire stolen from his place sometime last week. As for the Sanitary District, he reminded everyone that the change would require two elections, one by the Town and the other by the District. Based on past discussions, it appears that the time might be right now.

There was no further public input.

8. **Public Hearings will be held on the following liquor license applications followed by discussion, consideration, and possible recommendation for approval of the applications: Staff Resource:**

Debbie Barber

- ❖ **Casa Antigua, located at 422 W. Finnie Flat Rd., Ste. E.** This is a new owner of an existing business with a new application for an interim permit and a Series 12 (Restaurant) Liquor License.
- ❖ **Caduceus Cellars, LLC located at 4626 Old Hwy. 279.** This is a new application for A Series 13

Domestic Farm Winery License.

On a motion by Whatley, seconded by George, the Council unanimously recommended approval of the liquor license application for Casa Antigua located at 422 W. Finnie Flat Road, Suite E, in Camp Verde, **with State approval**; and recommended approval of the liquor license application for Caduceus Cellars, LLC located at 4626 Old Highway 279 in Camp Verde.

On a motion by German, seconded by Baker, the Council **voted 5-2** to remove the part of the Motion that states, "with State approval"; **with Whatley and Burnside opposed**.

Town Clerk Barber noted that the two subject applications had each been posted for the required 20 days; no comments or concerns have been received. The owner for Casa Antigua seeking a new license was in training and therefore not present. The business manager for Caduceus Cellars is present. In regard to the Casa Antigua application, Whatley questioned whether the required training course had been completed; Barber explained that as for the required training, final approval is up to the State, the Town only recommends either approval or denial.

Lori Perkins, business manager for Caduceus Cellars, explained that their plan is to operate only a wine-manufacturing activity. Addressing the application of Casa Antigua, a motion made by Whatley to add, "with State approval" was subsequently amended, after further discussion of the role and input of the Town in the State's procedure for approving or denying liquor license applications.

9. **Public Hearing relative to the transaction privilege license tax (sales tax), amending the Tax Code of the Town of Camp Verde, Arizona by increasing the general rate of taxation from two percent (2%) to three percent (3%).**

There was no action taken.

Mayor Burnside first invited the public to speak on the subject issue.

PUBLIC INPUT

(Comments from the following individuals are summarized.)

James Strava commented on some apparent ambiguity on how the tax would be applied; he feels there should be some specific rule on where and how it would go, and some regard for the financial status of some community members, many of whom are retired and living on fixed incomes.

George Young said he would be in favor of the increase if the Town puts it to the vote of the general public for a decision.

Shirley Brinkman asked if the tax be on food, which would be terrible, and said that the Town should make public what the money will be used for. Ms. Brinkman said she can accept raising the tax, as long as what the Town desperately needs is where the money goes.

Irene People said she is also in favor of the tax, but would like to know that it has specific purposes, not just going into the General Fund. She commented that the Town has been horribly understaffed, and it is starting to become evident in the services offered, including code enforcement and property maintenance.

Henry Turin said he lives on a fixed income also; raising the tax will cause more problems than it will help.

There was no further public input.

Burnside opened the discussion with a request that Town Manager Martin address the questions posed by the public, basically whether the funds generated from the additional tax would be used for specific purposes, or be deposited into the General Fund. Martin detailed the list of titles set forth in the proposed

Ordinance that would be taxed the additional 1%; food and residential rental properties would be excluded, as well as construction, which already is taxed at 3%. Martin confirmed that an additional tax on residential rental property would have to be by a vote of the public. Martin also confirmed that the revenue from the added tax will go into the General Fund to be used for current capital projects that are being financed at a deficit. It also may include increases in Cost of Living adjustments for staff, as well as increases in numbers of staff. There was a brief discussion regarding the past imposition of a hiring freeze and whether it still applies; Barber will research that issue and report back to Burnside later. Councilor German commented that if there had been a hiring freeze, it had not been followed; Baker said she believes it had only been a policy of not replacing positions. Baker also thanked the public for their understanding and input. Burnside concluded the discussion with confirmation that the questions raised by the public had been addressed.

10. **Discussion, consideration, and possible approval of Ordinance 2012-A382, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona relating to the transaction privilege license tax; amending the Tax Code of the Town of Camp Verde, Arizona by increasing the general rate of taxation from two percent (2) to three percent (3%); providing penalties for the violation thereof; providing for severability; designating an effective date and making provision for existing contracts. Staff Resource: Russ Martin**

On a motion by Baker, seconded by George, the Council voted 6-1 to approve Ordinance 2012-A382, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona relating to the Transaction Privilege License Tax; amending the Tax Code of the Town of Camp Verde, Arizona by increasing the general rate of taxation from two percent (2) to three percent (3%); providing penalties for the violation thereof; providing for severability; designating an effective date and making provision for existing contracts; be it ordained by the Mayor and Council of the Town of Camp Verde, Yavapai County, Arizona; **with Burnside opposed.**

There was no public input.

Martin reiterated that the Council has an opportunity to move the Town forward. Decisions have not yet been made on how the additional revenue will be used to help facilitate that move forward; that is what the budget process and the Capital Improvements Plan will determine. The public will continue to be invited to participate in meetings, work sessions and open houses, all of which are intended to keep the public informed on how the Town's funds are spent, as well as accounted for in the budget process pursuant to State requirements and governmental accounting standards. Martin added that staff is recommending that the Council move forward with the 1% increase; it will be utilized as the best step in trying to resolve difficult financial situations faced by prior, current and possibly future Town Managers.

The members discussed with Martin several of the current Capital Improvement Projects that will continue to deplete money from the reserves that have been held. Whatley commented that the public also needs to see what is actually happening with that 1%, such as the library and the Town offices being held open longer, and roads being repaired. Kovacovich said that he has been struggling with this issue; a higher tax will bring with it higher expectations, and he questioned whether those higher expectations could be met. George said he believes the employees deserve a Cost of Living raise; even with the tax increase, Camp Verde's rate will still be lower than any other community in the Verde Valley. German said she has also agonized over the issue; following the decision a year and a half ago to go to the public for a vote to raise the tax rate, which was unsuccessful, there has not been any increase in the economic stability of the community; had the Council made the decision then, the revenue would now be coming in. German cautioned that it will be months before any revenue is realized after adoption of the proposed Ordinance; and noted that the greatest impact of the tax will be on the tourists.

Burnside discussed further with Martin the anticipated approximate revenue that will be forthcoming for the next year, and the current budget shortfall; Martin said that his goal would be to be able to balance the budget in the next fiscal year, with the revenue increases, and then stop the deficit spending. Martin

explained how the reserve funds, or "rainy day" funds were created from surplus funds in the past; he would hope that the Town would continue to grow that fund, as far as possible, into the future. German strongly suggested that the public attend the budget work sessions to help them realize what is involved in hours of poring through all the pages and pages of budget items; the public also has the opportunity to speak up during those sessions.

Burnside requested a roll call of the Council vote; following his single vote in opposition, he explained that in his opinion the public has to pay this bill, and nobody will listen to him.

11. **Presentation and discussion by the Verde Valley Senior Citizen's Association, Inc.** Staff Resource: Russ Martin
There was no action taken.

April Palmer spoke in place of Executive Director Elaine Bremner who was unable to attend because of medical difficulties, and presented a detailed review of the Meals On Wheels program for 2011, which showed a significant increase of 39% over 2010 for the needs of the senior residents of Camp Verde. Ms. Palmer reviewed other services offered by the Senior Center, including daily activities, educational programs, transportation, grief and loss seminars, legal advocacy, AARP Tax Assistance Program, and PTSD counseling for combat veterans. Ms. Palmer concluded her presentation with a request for an increase in the current funding in the amount of \$2,500, or a total of \$15,000. During the following brief Council discussion with Ms. Palmer, it was suggested that the Senior Citizen's Association also request funding from Yavapai County.

12. **Update and discussion of the Hollamon Street project.** Staff Resource: Ron Long
There was no action taken.


Using a poster board display for illustration, Public Works Director Ron Long gave an update on the Hollamon Street project that he referred to as a complete streetscape that is funded by the CDBG Program through the Arizona Department of Housing, and goes from Main Street to at least 6th Street on Hollamon. Long described the properties involved in a land swap that was negotiated to increase the amount of land that the Town can use for improvements at the intersection, which he also outlined. When the final documents are executed and legal descriptions and ownership recorded, the project will proceed to bid and construction. Long confirmed that the Town already owns the right-of-way all the way up Hollamon Street that will be needed. It is anticipated that at the latest, the award of the bid should be made at the first Council meeting in July, with the project to be completed in September. Based on a concern for traffic safety, Burnside detailed some concerns in regard to the plans for the corner of Main Street and Hollamon; Long said he will take another look at the plan. Burnside discussed with Long the storm drainage provisions that are planned. George said he understands there is some concern about the possibility of funding being lost if the project is not finished in time. Long reassured the Council that the funding is not in jeopardy, and an extension even would be possible, if requested; however, the project is well on schedule.

13. **Call to the Public for items not on the agenda.**
There was no public input.

14. **Manager/Staff Report**
Martin said an invitation has been extended to the Councilors for a May 21st meeting; a representative from the State will be present for the purpose of helping to understand the issue of manufactured housing, and the public also is invited to attend. On the related parking issue, the Council will be able to address that shortly. Martin added his appreciation for the action the Council took on the tax issue; it is important for the future of this Town.

15. **Adjournment**

On a motion by Baker, seconded by Jones, the meeting was adjourned at 8:04 p.m.



Bob Burnside, Mayor

6-7-12



Margaret Harper, 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 the 16th day of May 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 11 day of June, 2012.



Debbie Barber, Town Clerk