

**MINUTES
WORK SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, JANUARY 11, 2012
5:30 P.M.**

**Minutes are a summary of the discussion and/or direction only. They are not verbatim.
Public input is placed after Council discussion to facilitate future research.
Public input, where appropriate, is heard prior to the motion**

1. Call to Order

Mayor Burnside called the meeting to order at 5:30 p.m.

2. Roll Call

Mayor Burnside, Vice Mayor Kovacovich, and Councilors Baker, Buchanan, George, and Whatley were present. Councilor German joined the meeting at 6:24 p.m. and offered an apology, stating that she thought that the meeting started at 6:30.

Also Present:

Manager Russ Martin, Economic Development Director Melissa Preston, Public Works Director Ron Long, Finance Mike Showers and Town Clerk Deborah Barber

3. Pledge of Allegiance

Ron Long led the pledge.

4. Discussion and possible direction to staff relative to the development of a Capital Improvements Plan (CIP) to include, but not be limited to the survey results, the CIP process, potential funding and funding sources, prioritizing projects, etc. Staff Resource: Russ Martin

Martin explained that the purpose of this initial meeting was to go through the CIP process; to learn what to expect; the role of Council; setting priorities; and getting staff to a point where they can present a budget in April that Council would recognize.

Martin said that the meeting was to discuss only those survey responses that were capital-outlay related. He advised that some survey responses were staff and maintenance related, but these types of requests would not be discussed. He said that this effort was intended to update the plan that would serve as guidance into the future, affecting budgeting and providing a positive impact on the community through funded and completed projects within a specified timeline. Martin suggested that the CIP should be completed in a limited fashion by April 2012, and then updated regularly on an annual basis.

Martin explained that he tried to get information out when people called about specifics, such as the library and equestrian facility. He said that the merits of these and other projects would not be discussed at this meeting. He suggested that public input could be taken at the February 8th meeting.

Commenting on the survey results, Martin explained that though there was a small response rate, it was good in that it was cost-effective and fit within the timeframe that we had. He explained that the survey was not completed or intended to be completed in a scientific manner. He suggested that Council fund a scientific survey in the upcoming budget if they wanted a more accurate picture of what the community would like. He noted that the survey responders put time and effort into the survey and they should be heard. He said that he would like Council's feedback on the timeframes to complete the CIP.

As an aside, Martin advised that he had set aside an office for Council use in the Public Works area where Valerie House used to be, noting that there was a computer and phone available.

For the benefit of the public present, Burnside summarized Martin's discussion by stating that this is the first time in 10 years that the Town has looked at a new CIP plan, noting that the Town Code requires an update

every 5 years. He said that we needed to look at how much money we have and what can be improved in the next 5 years. He advised that the February 8th meeting would include public input, noting that Council has their homework since they were not provided information prior to this meeting. He said that this meeting was more of a learning curve for Council. He advised that 10 years ago, a committee was formed and Town-wide surveys done, but this year, it was not done.

Preston explained the survey process. She advised that 6,400 surveys were made available and placed on the web and in strategic places throughout the Town. She advised that there were 258 responses, 153 of which were written. Using the May 2011 registered voter numbers; the percentage of return was 4.4%. She noted it was also made available in Spanish, but none were returned. She advised that she spent about \$700.

Whatley noted that it cost about \$3.00 per survey and that she was very concerned with such a low response rate and the potential to put in more than one response. Baker responded that it was available all over the Town and that it was not possible to force people to fill it out. Martin said that he would like to do a more scientific survey, noting again that the cost should be budgeted.

Preston explained that the Survey Monkey tool was an annual expense and that it was available for other projects. Preston reviewed the "2011 CIP Survey Result by Project Importance" chart, a copy of which is attached and becomes a permanent part of the record. Preston advised that she would provide additional information at the end of the meeting that addressed the comments, a copy of which also becomes a permanent part of this record. She noted that the least important was the equestrian facility and court-council chambers remodel.

Martin spoke to the importance of the design of a survey. For example, an equestrian facility could be used as an economic development tool and be compared with other economic opportunities, asking the question, would you rather see this or that? He advised that the response then might be very different. He explained that the purpose of this survey was to determine the importance of the 10 projects and the method of funding.

Preston noted that 45.3% of the responses said that reserve funds should be used as opposed to tax increases. At this point, Martin asked that Council take some time to review the information. There was a 5-minute period for review, during which an unidentified woman spoke to the importance of an equestrian facility.

Upon resuming the discussion, Burnside noted that the survey showed that Camp Verde citizens are conservative, perhaps due to the economy. Martin noted the two highest important responses were actually maintenance issues. Burnside said the reason for hiring Ron Long was improving storm drainage and then Steve Burrows was hired to help him and that storm drainage still needed to be done. Long advised that projects were underway.

Buchanan agreed with Martin in that the responses seemed to want to take care of what we have. He said that he knows the survey was put together quickly and may not reflect true data, but it was the best that could be done and it provided a starting point. He said that it was important to give the survey credit.

George agreed that the responders wanted to take care of what we have.

Martin said that regardless of the sample received, it represented what people have told him, and what he suspected constituents have told Council members, that the people want the Town to take care of what we have and that this is a priority.

German said that she was impressed with the thoughtfulness that went into the responses. She was pleased with the favorable responses relative to the library, pool, and park. She said that before we start building the community park, there needs to be infrastructure.

Long said he would have to solve the water issue before putting in ball fields. Burnside said the logical next-step is to build a road, relocate the fencing, and improve the existing building for volunteer use. He said there was lead-based paint on the door and window frames and asbestos rolled roofing.

Burnside said that two people contacted him and reminded him that our new manager said that we could go for 3 years without going in the red, and then asked him how anything new could be done. He said they were opposed to increased taxes and relayed that they believed an increase would be 'the kiss of death'.

Martin explained that the budget was running a \$300,000 operational deficit, not a CIP deficit. He said that if we use the general fund to fund capital projects, it would deplete it much quicker than 3-5 years.

Burnside asked for revenue projections. Showers reported that tax revenues are down, but there was an increase in franchise and court fines, so that overall, we are close to the projections.

Buchanan said that we needed to give the public something. He said that we should get an entrance into the park and use volunteers to get as much done as possible. Long said that they had to get an easement from the US Forest Service and meet ADOT standards for a road on the east side of the park, noting that it was going to take time.

Martin reminded Council that we also need to be able to maintain what we build, noting that we do not currently have the staff for new projects. Baker said that ball fields could bring money, but that we had to have water and lights and everything else that goes along with it first, and it was important that Council needed to know from where the money would come.

Whatley said that the Town spent 2.1 million dollars of the public's money three years ago to buy a park and we have done nothing since. She suggested using the impact fees that are sitting in an account to start something.

Martin said that as Council reads through the comments, he hoped that they would recognize that we have a responsibility to understand that Camp Verde's tax structure is different from the other entities with which the public is comparing us. He noted that there is no tax on the APS bill, but there is on their other utilities. He said there is no tax on food in Camp Verde, yet people would drive to Cottonwood to pay 3% and this is how Cottonwood funds their rec center and sewer plant. He noted that the sales taxes are not coming from our citizens in a large way. He asked Council to consider a 1% sales tax increase and explain to their constituents that on a per-capita basis, we are providing services to people the size Cottonwood on 1/5 of their budget.

He advised that with the current tax structure and the economy, this CIP is an exercise in futility. He stressed that there is no way to fund even one project without changing the tax structure. He stated emphatically that keeping the same tax structure would serve only to keep the lights on. He said that if Council moves forward with the resources that are needed, and he hasn't accomplished the projects within 3 to 5 years, they should fire him. He asked that Council not waste the people's time if they are not willing to consider an increase in taxes. He noted that any of the projects would make a difference in the service delivery to our Town.

Burnside said that a major problem in Town is that the citizens do not trust the Town because the taxes were changed. He said the people forgive, but they never forget. He said that Council could make people understand, but they needed to build trust.

Martin said that Council would see a budget that is progressive if resources are provided. He explained that the difficulty with setting certain percentages is that costs increase in some areas that could cause a shift in course.

Baker said that she took offense, because Councils over the years managed to save money for these lean times. She noted that this Council has always worked hard to involve the citizens and would continue to do so.

George noting that implementing a 1% tax would take effect about the time that the State's 1% sunsets, so there would be no actual impact.

Martin advised that this is the only place that he has ever worked that does not have a property tax. He asked Council to imagine what they could do if they had a property tax that covered just the expenses of the Marshal's Office.

Burnside suggested expanding the bed tax since it only impacts the tourists.

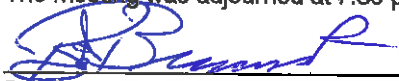
Carol German reminded Council that the Bugle figured the cost of the tax increase and the 1/2 % would cost the average citizen \$8.00. She suggested that Martin contact them. Burnside disagreed with those figures. Martin said that if a family spends \$100 per week eating out, it would cost them an extra \$4.00. They would contribute \$10 to the Town if they spent \$1,000.

In closing, Martin said that on February 8th, he would pull some of the more expensive projects out to determine if they are Council priorities. He advised that he would 'group' the maintenance projects that could be completed within the next 5 years. He explained that once priorities are set, staff would come back with the projects in the budget. He said that Council would see the results in March. He asked Council to let him know if they wanted to go through the projects individually, and he would schedule additional work sessions.

Burnside thanked Martin for his honesty.

5. **Adjournment**

The meeting was adjourned at 7:39 p.m.



Bob Burnside, Mayor

2-8-12



Deborah Barber, Town Clerk

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the discussion of the Mayor and Common Council of the Town of Camp Verde during the Work Session of the Town Council of Camp Verde, Arizona, held on the 11th day of January 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 8 day of February, 2012.



Debbie Barber, Town Clerk