

**MINUTES
WORK SESSION
MAYOR and COMMON COUNCIL
of the TOWN OF CAMP VERDE
COUNCIL CHAMBERS - 473 S. Main Street, # 106
WEDNESDAY, JUNE 8, 2011
5:30 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

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

2. Roll Call

Mayor Burnside, Vice Mayor Kovacovich, and Councilors Baker, Buchanan, and German were present. Councilor George was present through Skype. Councilor Whatley was absent.

Also Present:

Manager Martin, Finance Director Preston, Public Works Director Long, Library Director Laurito, and Town Clerk Barber

3. Pledge of Allegiance

Councilor Buchanan led the pledge.

4. Review of the May 6, 2011 Work Session relative to the Draft FY 2011/12 Tentative Budget, to include direction to staff regarding the Library's request to add \$3,000 for a copier lease and \$26,250 for a materials and self-checkout system, and Public Works' request for an additional \$48,504 to begin the Black Bridge Improvement Project.

Burnside asked if the intent was to review the May 6th meetings. Martin advised that not all items were addressed at that meeting and there were additional requests. Preston provided a memo explaining formulas and expenses related to retirement, etc. Martin said the goal is to get to the point so that a tentative budget can be approved at the June 22nd meeting. He spoke to the ongoing negotiations with the State Parks Board relative to keeping Ft. Verde open, explaining that it will be at least the 22nd before the IGA would be ready for Council review. He advised that the goal at this meeting is to complete the approved column in the budget document. He explained that approving the tentative budget would allow operations to continue until the final budget is approved, at which time; the numbers are set in stone. Martin asked for direction with regard to the Manager's recommendation and the staff requests. He explained that he asked Long & Laurito to be present to discuss their requests. He said that he would like to continue with the employee educational program, but with a reduction since departmental training budgets were increased.

Baker asked the amount of the reduction. Martin recommended a budget of \$5,000. Baker agreed that it could be increased when times are better.

Buchanan asked if the training money is going toward degrees. Martin explained that he changed the title to Tuition Reimbursement to more accurately reflect how the funds are expended. He said that HR is rewriting the policy. In answer to Burnside's question, Martin advised that the HR Manager determines which classes are reimbursable. Burnside asked what the cumulative total of training dollars in each department. Martin did not have the amount. George said that he had no problem budgeting for staff training.

Martin advised that though revenues have increased in the Library, the bottom line shows that it is operating with a deficit. He explained that our current agreement requires \$20,000 for books. Martin's recommendation was to leave it as it is, but less than last year.

Laurito advised that the Library did not have a copier and would like to be considered with the other Town departments looking for copiers. He explained there is a joint opportunity to purchase a self check-out

system for patrons. He advised it would provide a better inventory and reduce losses. He believed the proposal to be good for the community. German asked about the need for a copier and suggested that the public pay for their copies. She suggested a security code or a place to insert money. Laurito responded that they operate on an honor system. Preston explained that the vendor we are looking at has the technology to handle these requests. German said that if approved, she would like to see this as a qualification. She asked where the \$26,000 for the self-check-out system was coming from and if this could be considered a Capital Improvement expenditure. Martin recommended that the requests not be approved this year, noting that if Council put \$10,000 into the Library, it could provide for more staff hours to keep the Library open longer hours. He also said that he did not recommend the purchase of a copier this year.

Martin advised that the leases are up on the existing copiers and that staff is looking at reducing the lease amounts. He said both projects are good, but questioned if the efficiency would improve services. He advised that he did not see the benefit at this time.

George said that Council made a concerted effort to make a lean budget. He advised that this should be put in the 'want' column, as opposed to the 'need' column.

Burnside asked Laurito if he had asked the Endowment group for the money. Laurito said the group is focusing on raising money for a library building. German explained that once they reach the \$500,000 mark, the interest would provide for needs such as this.

In answer to Preston's question as to losses, Laurito responded that he did not have solid numbers.

Burnside said the Library propane bill was \$3,500 and now there is a request for an additional \$2,000. He said that was too expensive to heat that little building. Baker said we have old buildings and there is nothing that can be done without the money. German also noted that propane costs increased. Laurito explained that energy efficient units are being installed next week. Long advised that the units were propane. Burnside said that he wanted to make people aware of the budgeted amount vs. actual amounts.

The consensus of Council was 'no' to the additional Library requests. Burnside asked if Council wanted to make changes to the Children's Library budget. Council members agreed to go with the Manager's recommendation on the Library & Children's Library budget. Burnside said that he would like to sit down and take a look at the book situation. He wanted to know where all the books go that are purchased and what happens to that money.

Martin said he felt comfortable with the CVMO budget. He stressed that our biggest need is dispatch and property. He said that he would be looking at those areas shortly. He noted that there is a new officer budgeted to come on mid-term. Martin said that this budget is a "keeping the lights on" budget with the CIP expenditures removed. He said that Long has some projects they need to consider.

Long pointed out the difference between the Manager's recommendation and the department request. He explained that the Town had been working with the County for years on the Cliffs Pkwy drainage project. He said there was \$80,000 set aside for unanticipated expenses and that he would spend the County's money before the Town's money. He said that bidding the project low could cause a lot of problems. Baker noted that no money has been spent from last year and asked where the money went. Long responded that the contractor's estimate came in so high that there was not enough money to complete the project. Baker said she had been dealing with this project for years and would like to know what has been done with all the money we have spent and has seen nothing accomplished. Long said there is now a complete set of plans and we are ready to go to bid. He said the County provided money for engineering, but not enough for construction. He advised that this year, the County is ready to fund the project. Baker asked for assurance that this project will not be in next year's budget.

Preston explained that if the money is not spent, it remains 'in the pot'. German agreed with Long that the project needs to be completed. Buchanan noted there was a \$100,000 difference. Martin said that he had not been convinced of the need. He explained that after researching the matter further, he now agreed. He pointed out that he believed it would be a bad idea to cut back the project to save money and do less than a stellar job. His initial concern was the difference between last year's budget of \$180,000 and this year's request for \$280,000. Buchanan supported the proposal. Kovacovich agreed. Baker said that she would agree as long as it did not come back to the next budget. In answer to Burnside's questions, the estimated costs are over \$900,000 and the Town's contribution is \$280,000. Burnside asked how payments were made. Long explained that it is on a reimbursement basis. Burnside said that he guaranteed that this project would not be completed by this time next year. He asked if Town staff would be doing the work. Long responded that it would be let for bid and it is expected that the Town's Project Manager will be involved, but no other staff will be used. Burnside suggested taking money from the street yard cleanup to offset the project costs.

Martin said that if the Council moved forward with these requests, we would be at \$1.2 million from savings. He noted that the projects will eventually need to be done. Martin explained that he has asked Long what they could complete in one year and that they are short-staffed. Long agreed that perhaps yard improvements could be put off and addressed later with seasonal help. Long agreed with the Manager's recommendations, except the clearing of the Street Yard. He explained the work will be done by staff and the biggest expense would be the fencing (1,500 linear feet of security fencing with three gates). The fencing is \$150,000. He noted that the yard would not be secured until the fencing is installed and as a result, would not be able to move the Town equipment to that location.

Buchanan suggested fencing a portion of the area to secure the equipment, as opposed to the entire land. He suggested fencing in phases. He asked if there was usable fencing already up. Long said that some of it is salvageable. He said he agreed with Buchanan's assessment. Buchanan said we all had to make decisions like this in these times. Long advised that birds nested in the buildings and created a biohazard. He wants a specialized company to clean the buildings and secure them so that staff is not in danger.

In answer to Burnside's questions about the chipper, Long responded that they usually burn the material, noting that a chipper is better for the environment. In addition, they could provide mulch for the public. Burnside pointed out many projects that were budgeted last year and not completed. Long said that everything in the Manager's recommendation column could be completed this year. Long explained that the lack of work was due to the lack of staffing, but that someone had been hired.

Long suggested taking the \$100,000 from the fencing. German agreed with fencing in phases and starting with \$80,000 to \$100,000. Long said that he could probably manage with that amount. Martin advised that this particular project amount will not affect the General Fund, but rather, the HURF fund. Martin said that he would prefer that Long come back with actual figures and estimates before Council makes a decision.

Burnside said that it should not all come from HURF, because part of the project had to be paid from the General Fund. Martin said this budget is 100% HURF. Baker asked if adding to the fencing would actually increase the overall costs, noting that it might be the most cost-effective to put in the entire fence. Long said that he would come back with accurate estimates.

Martin pointed out that the Murdock Rd is a place holder, setting aside the proper amount each year. The project will not be completed this year, but the funds are set aside pursuant to our agreement. Martin said that this concluded his comments relative to the entire budget.

Burnside said there was \$17,000 set aside for subscriptions and magazines [memberships]. He said that Council needs to look at economic development, noting there was nothing in the budget. He said that he would like irrigation around the Ramada, painting of the handrails, and a sidewalk to Rooms 206-207.

Burnside said that placing the fabric along the streets did not help with the weeds. Long explained that irrigation is not complete and that this project is slated for outsourcing. The irrigation line item will be increased from \$5,000 to \$13,000.

5. **Discussion, consideration, and possible direction to staff relative to proposed unanticipated grant revenues/expenditures line item.**

Martin said that the Town is significantly below the statutory expenditure limits. He explained that whenever unanticipated funds, such as a grant, are received, the funds cannot be expended without reducing the budget in another area. Martin suggested placing \$2 million as a place holder to allow for unanticipated funds. He assured Council that they will approve all expenditures.

Burnside asked if Martin expected Council to think on the positive side that the Town would receive another 1/3 of the total budget. Martin explained that it would be reflected in the budget. Buchanan agreed. German agreed, noting that placing it did not mean it had to be spent, Baker & Kovacovich agreed. George agreed and noted that he favored limited fencing since he had not been asked during the earlier discussion.

6. **Discussion, consideration, and possible direction to staff relative to the proposed FY 2011/12 fees for Town Services**

Martin noted that the fees are standard and explained that increased pool fees would not apply until next season. He said that building fees had been brought to his attention and he encouraged Council members to talk to Becky Oium to explain how fees are calculated and applied.

In response to German's questions about increased pool fees, Martin asked for direction as to what Council wishes. German said that she thought they had decided not to increase pool fees.

Buchanan asked for clarification as to the percentage of fees charged to organizations using Town facilities. Martin explained that the percentage is based on whatever fees the instructor charges.

George said that he was in favor of increasing pool fees, but not until next year.

Burnside, reviewing the Clerk's Office fee schedule, said the costs of copies are too high. Barber explained that the fees were set following the Cost Allocation Study completed in the last couple of years. The Study indicated that the actual cost to the Town is reflected in the fees on the chart. Burnside said that people could make copies at Bashas' and CVS for ten cents a page and felt that the Town should not charge more. He asked Barber why the current agenda packet was ten cents a page. Barber explained that it was Council's decision to keep it at ten cents for current packets only. Council left all other copies at 25 cents. She advised that the Clerk's Office has not made extra copies of current packets since the new web site was launched.

In answer to Burnside's request to review the costs, Council members agreed to keep the costs at .25 cents. Preston said that companies offer services at less than they cost to get you in the store. Burnside went line-by-line over the fees.

Baker and Burnside discussed at length the need to go line-by-line when the fees had been recently approved. Barber noted that the Clerk's Office recommended reducing the fees related to rental properties since no inspections were taking place and they did not take any more time or supplies than any other business.

Speaking to his personal business license, Burnside noted that his fee was \$25.00 now and it was only \$10.00 in 2008, and that he had received an invoice stating that his payment was due June 1 when it was actually due August 1. Barber explained that staff is still 'working the bugs' out on the new system. She advised that the \$25.00 fee was applied to motels, rentals, etc. and that is probably how business was

Minutes June 8, 2011

entered into the system. Burnside said it was not a motel or lodging, that it was BNS Enterprises. Barber said that she would check into it.

Baker asked again the necessity of going over the list line-by-line when it was already reviewed. Burnside said that it was important to represent the public, noting that citizens should not be charged \$225 to look at a title page. He advised that he had suggested to Long that it be put in writing to exclude sheets that do not contain technical data. Long said that he only charges for what he actually reviews. He said that he could put it in writing.

Burnside said that he also had a problem with equipment facility event for sponsored and non-sponsored events. Barber noted that recent changes to the Town Code affected groups such as non-profits, civic, and religious. Martin advised that the Farmer's Market group complained that they have to pay \$20 per week for electricity. He said there is no lighting during the day and the fee does seem a little steep. Baker said that peak hours are more expensive. Martin asked Council to consider looking at other areas to adjust.

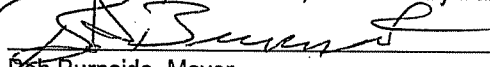
Burnside pointed out inconsistencies between use of various rooms and facilities. Burnside said he would like to sit down and review this again. He said that if Council reviewed the fees carefully, they would understand the need to consider the public. Burnside noted building fees were hard to understand and there were blanks on the schedule. He explained the permit fee is based on the job cost and they look at standard US job contracting costs, as opposed to what it actually costs to build in Camp Verde.

Councilor German left at 7:32 p.m.

Baker noted that the appropriate staff should be present for this discussion. Burnside said that he wanted to know if Council wanted to consider basing our fees on the national average as opposed to what it costs in Camp Verde. Martin said that he would get the answers and get back to Council. Baker noted that the fees are based on codes that we just adopted. Martin explained that valuations change on a regular basis and he wanted to make sure that he gave Council correct information. He advised that he will get back to them.

7. **Adjournment**

On a motion by Kovacovich, seconded by Baker, the meeting was adjourned at 7:40 p.m.



Bob Burnside, Mayor



Deborah Barber, Recording Secretary

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 June 8, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 21 day of July, 2011.



Deborah Barber, MMC, Town Clerk