

**MINUTES
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, JUNE 17, 2020 at 6:30 P.M.**

ZOOM MEETING LINK

<https://us02web.zoom.us/j/87200028268>

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order

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

2. Roll Call

Council Member Buck Buchanan was present in Council Chambers. Mayor Charlie German, Vice Mayor Dee Jenkins and Council members Joe Butner, Bill LeBeau, Jessie Murdock and Robin Whatley were present via Zoom. Council members Bill LeBeau and Joe Butner joined via Zoom at 6:39 p.m.

Also Present

Town Manager Russ Martin, Deputy Town Clerk Virginia Jones and Candidate Jackie Baker were present in Council Chambers. Town Finance Director Mark Showers, Marshall Corey Rowley, Town Clerk Cindy Pemberton, Mark Reader, Paul Gales, Michael Cafiso, and Jack Leeper Council Candidate Cris McPhail and Transcriptionist Susan Ayers were present via Zoom.

3. Pledge of Allegiance

Councilman Buck Buchanan led the pledge from Council Chambers.

4. Consent – 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) Regular Session – June 3, 2020

b) Set Next Meeting, Date and Time:

- 1) Regular Meeting – Wednesday July 1, 2020 at 6:30 p.m.
- 2) Regular Meeting – Wednesday July 15, 2020 at 6:30 p.m.

c) Fair/Festival Liquor License Application

Possible Approval for Barbara A. Predmore, Alcantara LLC. For Fair/Festival Liquor License for 6101 E. Coury Drive Camp Verde for Friday, Saturday and Sundays beginning 06-19-2020 and ending 07-26-2020. Six Applications Attached.

On a motion by Councilor Robin Whatley, seconded by Councilor Buck Buchanan, Council approved the Consent Agenda with a couple of corrected misspellings to the Minutes of the June 3rd Regular Session. The motion carried with approval by Councilors Whatley, Murdock, Buchanan, Vice Mayor Jenkins and Mayor German.

5. **Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.)** Residents are encouraged to comment about any matter NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to ARS §38-431.01(H))

Jackie Baker shared that in talking with citizens in the community, they are concerned about the cost of the park. She asked on their behalf if perhaps there could be an audit or some way to show how the money has been spent, so as to better understand the costs.

6. **Discussion & Possible Approval of The Town of Camp Verde FY21 Proposed Tentative Budget.** Staff Resource Michael Showers

Town Manager Russ Martin began by clarifying several questions posed via email prior to the meeting by Vice Mayor Jenkins.

He explained a couple of changes in the proposed budget since last month. A projected local sales tax increase of \$200,000 due to increased construction activity would allow for possible adjustment in human resource wages, should the local sales tax remain and things change for the better. These are wages that, for a significant portion of staff have not changed in the past couple of years.

He addressed a question posed about library construction and explained that it was simply a “copy and paste” error from a prior budget and had no purpose in the current budget.

Mr. Martin explained the reason for the proposed increase in the Camp Verde Marshals Office. The allocation is for the new grant for the School Resource Officer just hired; with the school district and town working together on the project. He explained that even when monies come from a grant or a federal funding source, the figures need to be outlined and that is why they are in the budget.

Mr. Martin addressed wage adjustments in the library and risk management, which were related to employees having gained job certification. He explained that there were other factors that could affect revenue and expenditures, such as CARES Act revenue and the Capital Improvement Plan. He outlined that, due to the uncertain nature of both revenue and expenditures in the

CIP and operations budgets, that he was building the budget so as to be flexible.

He informed Council that town staff is working hard on possible acquisition of grant monies for the park, whereas the Land and Water Conservation Fund has significant resources for allocation to match with Town funding, which will become available in September.

Town Finance Director Mike Showers explained that there was an item on page 2&3 regarding fund balance that he had intended to omit, as it was not part of the budget but simply an estimate that he highlighted as a reminder for himself to update at a future time.

Councilor Joe Butner expressed some confusion related to the page numbers in question, for which Mr. Showers clarified, and then went on to explain that the numbers were irrelevant to the budget at this time.

Councilor Jessie Murdock made a motion to approve the proposed tentative budget, seconded by Councilor Robin Whatley. The motioned carried, with approval by Councilors Joe Butner, Bill LeBeau, Buck Buchanan, Robin Whatley, Jessie Murdock, Vice Mayor Dee Jenkins and Mayor Charlie German.

7. Discussion & Possible Approval of Resolution 2020-1046, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, proposing a Permanent Adjustment to the 1979-80 Base Expenditure Limitation of the Town of Camp Verde. Staff Resource Michael Showers

Town Finance Director Mike Showers gave a short outline of the proposal and explained that the item is from last Wednesday's Work Session. He asked for questions and/or comments.

Jackie Baker questioned the need for adjustment of the Base expenditure Limitation in regard to a utility company that the Town does not yet own. Town Manager Russ Martin explained that the Base Adjustment does not have to be associated with the water company but it is advantageous to prepare for the possibility now in case of acquisition in the future.

Finance Director Showers added the fact that the Town is well below the current limitation and increasing it does not mean the Town will spend more money, but if it should become necessary the adjustment process will already have been done.

Councilor Joe Butner asked Mr. Showers if a correct summarization of the Base Adjustment increase was as follows: a Base Rate Adjustment Increase by \$565,000 with a cost of living multiplier and a population increase multiplier; moving from \$13,116,221 to \$16,692,603. He felt it was important to clarify the numbers for the citizens. Mr. Showers concurred that those numbers were indeed correct.

Councilor Butner made a motion to approve **Resolution 2020-1046, a Resolution**

of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, proposing a Permanent Adjustment to the 1979-80 Base Expenditure Limitation of the Town of Camp Verde. The motion was seconded by Councilor Jessie Murdock. The motion carried with approval by Councilors Whatley, LeBeau, Buchanan, Murdock, Butner, Mayor German and Vice Mayor Jenkins.

8. **Discussion, Consideration, and possible approval of Resolution 2020-1047. A Resolution of the Mayor and Common Council of the Town of Camp Verde, Arizona, approving the form and authorizing the execution and delivery by the Town of a Fourth Trust Agreement and other necessary agreements, instruments and documents; approving the sale and execution and delivery of pledged Revenue and Revenue Refunding Obligations, Series 2020, evidencing all the interests of the owner thereof in the payments to be made pursuant to the Purchase Agreement; Adopting Post-Issuance Tax compliance procedures in connection with issuance of obligations of the town; delegating authority to the Mayor, Manager and Finance Director of the Town to determine certain matters and terms with respect to the foregoing, authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution and declaring an Emergency.** Staff Resource Russ Martin and Mike Showers.

Town Manager Russ Martin refreshed the Council on previous discussions regarding the borrowing of an additional 2.5 million dollars for the park. He laid out the details of how that loan would be part of a debt restructure. He then informed the Council that he is seeking their permission for the Mayor and Staff to have the authority to finalize whatever bids come back, and to finalize the agreements of that debt restructuring.

Mark Reader, Managing Director of Stifel, a brokerage and investment firm, explained to Council the process of restructuring existing debt and borrowing an additional \$2.5 million for the purpose of completing the park project through the sale of new bonds. He stated that Stifel would assist the Town with restructuring approximately \$300,000 in debt, and amortizing the \$2.5 million over a period of fifteen years. He went over the Town's current outstanding bond inventory, and also gave the Council an overview of the current bond market and its challenges. Mr. Reader told Council that the bonds would not be sold at auction, but that they were pursuing a private placement sale of the bonds. He stated that Stifel has a party interested in purchasing the bonds.

Finance Director Mike Showers and Mark Reader then gave the Council an overview of current revenues. Mr. Reader gave the Council a PowerPoint presentation outlining refunding and new money debt structure and debt service coverage details. He showed Council how they could restructure the current debt and add the 2.5-million-dollar loan, and still keep their current debt service payment at, or near, the same amount.

Councilor Joe Butner asked what the interest rate is of this new debt. Mr. Reader replied that preliminary indications are that it would be 2.9% at this point.

Councilor Butner then asked Mr. Reader about both current interest rates and

interest rates on the existing debt. Mr. Reader stated the existing debt being refinanced was at 3.91%.

Public Input: Jackie Baker thanked Mr. Reader for all of the hard work, and expressed concerns regarding incurrence of liability at this time.

Vice Mayor Dee Jenkins had a question on page 94 regarding the principal amount not exceeding \$3,000,000. Mr. Reader explained that the figure is the \$2.5 million of new debt plus \$300,000 restructured debt plus \$80,000 of expenses relative to the bond sale and that one of the possible investors may want to have the bonds insured, which could entail additional expense.

Vice Mayor Jenkins asked for clarification on the need for an emergency clause. Attorney Mike Cafiso responded that without the emergency clause, it would delay the sale of the bonds an additional 30 days and possibly impact the sale and the projected interest rate. Councilor Butner then asked if the resolution could be passed without the emergency clause. Mr. Cafiso responded that it is possible, but the current interest rate could not be guaranteed if that were the case.

Councilor LeBeau expressed his opposition to the taking on of additional debt at this time.

Councilor Robin Whatley moved to approve Resolution 2020-1047, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Arizona, approving the form and authorizing the execution and delivery by the Town of a Fourth Trust Agreement and other necessary agreements, instruments and documents; approving the sale and execution and delivery of pledged Revenue and Revenue Refunding Obligations, Series 2020, evidencing all the interests of the owner thereof in the payments to be made pursuant to the Purchase Agreement; Adopting Post-Issuance Tax compliance procedures in connection with issuance of obligations of the town; delegating authority to the Mayor, Manager and Finance Director of the Town to determine certain matters and terms with respect to the foregoing, authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution and declaring an Emergency. Councilor Jessie Murdock seconded the motion, which passed on a 6 to 1 vote, with the emergency clause included. Councilors Butner, Whatley, Murdock, Buchanan, Vice Mayor Jenkins and Mayor German voted to approve. A nay vote was cast by Councilor LeBeau.

9. Covid-19 Update. Staff Resource Russ Martin

Prior to his COVID-19 Update, Town Manager Russ Martin asked Town Finance Director Mike Showers to give a revenue update. Mr. Showers stated that May revenues were approximately average; however, local revenues for the year were approximately \$300,000 below projections. State revenues are approximately \$90,000 below projections, with additional revenues off by approximately \$40,000 for the year.

In regard to the current increase in COVID-19 cases, Town Manager Martin informed the Council that the Governor is leaving it up to the individual cities and towns to decide whether masks had to be worn in public. He suggested that

because the next Council meeting is two weeks away, there would be time to see how other communities react to the Governor's decision. He suggested that any action would be done through a Council-approved proclamation as opposed to a Mayoral proclamation. He stated that he had given a directive to staff to wear masks when in public.

Mr. Martin went on to explain that the Town is moving forward with the Cornfest event, but with COVID-19 guidelines in place. He further explained that it is not a widely marketed event outside of Camp Verde in light of COVID-19.

- 10. Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.)** Residents are encouraged to comment about any matter NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to A.R.S. §38-431.01(H))

There were no items submitted for discussion.

- 11. Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are: Copper Canyon Fire & Medical District, Yavapai College Governing Board, Yavapai Apache Nation, Intergovernmental Association, NACOG Regional Council, Verde Valley Regional Economic Organization (VVREO), League Resolutions Committee, Arizona Municipal Risk Retention Pool, Verde Valley Transportation Org, Verde Valley Transit Committee, Verde Valley Water Users, Verde Valley Homeless Coalition, Verde Front, Verde Valley Steering Committee of MAT Force, Public Safety Personnel Retirement Board, Phillip England Center for the Performing Arts Foundation. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Butner stated that he had met with Marshal Corey Rowley in regard to what defense attorneys say about racial profiling. He stated that candidate for law enforcement do not receive psychological testing and he feels that this is important and should be considered, moving forward.

Councilor Jessie Murdock attended the ground-breaking ceremony for the new Copper Canyon Fire District Station, and feels that this will be a nice addition to Camp Verde.

Vice Mayor Jenkins also attended the aforementioned ground-breaking ceremony, and concurs with Councilor Murdock's opinion.

Mayor German attended the ground-breaking ceremony as well, and is also excited.

- 12. Manager/Staff Report** Individual members of the Staff may provide brief summaries of

current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Town Manager Russ Martin informed Council that the grant application for the Land and Water Conservation Fund is due and will be completed by the end of the month. He should have more in-depth information by the beginning of July.

He invited Council to attend the farewell retirement party for Carol Brown, Risk Manager at the Gazebo in Camp Verde on July 2nd at noon. Proper social distancing will be in place.

Town Manager Martin wanted to take the opportunity to apologize publicly to Vice Mayor Dee Jenkins for mistakes with last month's report.

13. Adjournment

The meeting was adjourned at 8:06 p.m.



Mayor Charles German



Attest: Town Clerk Cindy Pemberton

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 Work Session of the Town Council of Camp Verde, Arizona, held on June 17, 2020. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 13th day of July, 2020.



Cindy Pemberton, Town Clerk