

**MINUTES**  
**TOWN OF CAMP VERDE**  
**WORK SESSION**  
**MAYOR AND COUNCIL**  
**473 S MAIN STREET, SUITE 106**  
**WEDNESDAY, JUNE 10, 2020 AT 5:30 P.M.**

**ZOOM MEETING LINK:** <https://zoom.us/j/8524568246>

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

**1. Call to Order**

**Mayor German called the meeting to order at 5:34 p.m.**

- 2. Roll Call.** Council Members Buck Buchanan, Joe Butner and Bill LeBeau were present in Council chambers. Mayor Charlie German, Vice Mayor Dee Jenkins, Council members Robin Whatley and Jessie Murdock were present via Zoom.

**Also Present**

Town Manager Russ Martin and Town Clerk Cindy Pemberton were in Council chambers. Finance Director Mark Showers, Town Council Candidate Cris McPhail and Transcriptionist Susan Ayers were in attendance via Zoom.

**3. Pledge of Allegiance**

Councilman Buck Buchanan led the pledge.

**4. Discussion between Town Council, Town Manager and Finance Director on the potential for Base Adjustment and Expenditure Limitation Election.**

Finance Director Showers began by giving a detailed explanation outlining the basic definitions of Permanent Base Adjustment and Home Rule Adjustment. He then gave a summary of the current Annual Expenditure Limitations and explained the need for an increase in Base Expenditure Limitation; that the state sets a limit on how much money each town can spend each year, and if the town goes over that limit, even by a dollar, then they can take away a significant portion of the town's state shared revenues. He explained that the town has never been that close to reaching that limit until they took on the wastewater treatment plant. Mr. Showers explained the process of Base Adjustment which gives the Town the ability to grow if and when local revenues grow; covering the cost of operating the wastewater plant and acquisition of the water utility company without fear of exceeding the current State imposed limitation and losing State shared revenue.

He outlined the process by which the Town would petition the State, with the voters' approval, to increase the Base Expenditure Limitation. He pointed out the importance of understanding that it is not an authorization by Council or the voters to actually spend more money without purpose or without corresponding increase in revenues.

Councilman Joe Butner asked why it is based on the 1979 population. Mr. Showers explained it was in 1979, when the process went into effect. Mr. Showers highlighted the fact that Camp Verde is one of the last remaining cities in the state to enact either a Home Rule or a Permanent Base Adjustment.

Mr. Showers explained when he calculates the cost of operating the wastewater and acquisition of the water utility and allowance for potential capital expenditures, and after the factors are applied, he is proposing to increase the base adjustment by \$565,000. The town could not effectively take on acquisition of the water company and stay under the town's current limit.

Councilman Joe Butner asked for a reiteration of what the actual base number would be increased to, and the calculation came out to \$2,637,112.

Mayor German commented that the voters voted to allow the Town to enter into the utility business through the Title 9 authorization in June 1995. He believes that is very similar to what they are being asked as a Council to do; which is actually creating allowance for some flexibility.

Town Manager Martin added all of the other Verde Valley communities have done this as well; two have done it through the Home Rule option and two have done it through a Permanent Base Adjustment.

Mr. Showers outlined the timeline as to when Council should vote, sending of the proposition off to the State, and preparation and distribution of publicity pamphlets so as to be able to get it placed on the ballots for the fall election.

He then went over the wording of Resolution 2020-1046 and how it reads. Councilman Butner questioned as to whether the Resolution should be reworded so as to read "SHALL THE EXPENDITURE BASE OF THE TOWN OF CAMP VERDE BE PERMANENTLY ADJUSTED BY AN INCREASE OF \$565, 000?"

Town Clerk Cindy Pemberton and Mike Showers will check into the possible addition of the phrase "by an increase" with Town Attorney Bill Sims and The State respectively.

Town Manager Russ Martin explained to Council that they would receive the agenda on the budget tomorrow and asked Finance Director Showers to go through the list of exclusions from the expenses that are applied to the limitation. Mr. Showers explained that debt financing and debt servicing, any federal grants, most state grants and most non-profit donations and grants are excluded against the limit amount, as well as HURF (Highway User Revenue Fund) expenses.

Mr. Showers explained to Council that they would receive the budget agenda tomorrow, and outlined several items on the budget and his process for arrival at those numbers.

In conclusion, it was decided that Council would review the packet and vote on the proposal at the meeting next Wednesday, June 17, 2020.

## 5. Adjournment

In light of no further questions by Council at that time, Mayor German adjourned the meeting at 6:13 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 10, 2020. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 13<sup>th</sup> day of July, 2020.

  
Cindy Pemberton, Town Clerk