

**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
WEDNESDAY, DECEMBER 5, 2007
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 Gioia, Vice Mayor Hauser, Councilors Smith, Garrison, Kovacovich, Elmer and Parry were present.

Also Present: Town Manager Mike Scannell, Town Attorney Bill Sims, Town Marshal Dave Smith, Library Director Gerard Laurito, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. **Pledge of Allegiance**

The Pledge was led by Kovacovich.

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) November 7, 2007 – Regular Session

b) Set Next Meeting, Date and Time:

1) Council Hears Planning & Zoning – December 12, 2007 at 6:30 p.m.

2) Regular Session/Council Hears P&Z – December 19, 2007 at 6:30 p.m.

3) Council Hears Planning & Zoning – December 26, 2007 – **CANCELLED**

On a motion by Hauser, seconded by Kovacovich, the Consent Agenda was unanimously approved as presented with the meeting of December 26, 2007 canceled.

5. **Call to the Public for Items not on the Agenda.**

Jim Williams, a member of the Verde Valley Rangers Sheriff's Posse, said he wanted to thank the Council for approving his group to serve beverage at Town functions this past year, and he then detailed how the funds they earned were distributed; he said they hope to provide that service again next year.

Amber Polo, from the Camp Verde Library Endowment, described the Wreath event they will be holding on Saturday, December 8th that will include a Silent Auction of the wreaths donated by volunteers, artists and businesses, and a book sale; there will also be refreshments tomorrow night at 6:00 p.m. to preview the wreaths and to recognize all those who have contributed to the event.

Tom Nielson spoke briefly on wanting to set up a meeting with the Council to discuss fundraising. *He was reminded that there is a later agenda regarding fundraising.*

There was no further public input.

6. **Council Informational Reports** Individual members of the Council may provide brief summaries of current events and activities. These summaries are strictly for informing the 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.

- **Councilor Garrison's Liaison Report regarding Camp Verde Sanitary District**

(District) meetings and possible discussion and/or determination of requests for placement on the District's standard agenda item for Council Updates/Reports.

Kovacovich thanked staff for the decorations along Main Street, and reminded everyone about the Lights Parade on Saturday, December 8th at 6:00 p.m.

Garrison reported on her attendance at the Transportation meeting last Tuesday and the ADOT meeting on Wednesday. She also commended the staff for providing audio recordings of meetings on the Town web page. The next Sanitary District meeting will be held on December 12th, and she would appreciate input from the Council members by December 11th to present to the meeting.

Smith commented on the win by ASU over UofA; he also reviewed the information from the Verde Valley Transportation meeting on upcoming projects in the different communities.

Hauser apologized for missing some meetings.

Elmer commented on Smith for helping him at the meeting a couple of days before Thanksgiving, and thanked Town Manager Scannell for doing a good job with his reports and good communication.

Parry reported on the Intergovernmental meeting at the Marshal's Office including the suggestion to appoint a liaison person, or lobbyist, to represent the Verde Valley.

Gioia thanked Hauser for shopping for the Council's Adopt-A-Family program, and also commended staff for the work done on Main Street. Gioia gave a comprehensive report on the Governor-Mayors Summit including the economic forecast and possible decrease in revenue sharing. Gioia commented on the Growing Smarter legislation, and the Smart Growth report card system introduced by the Governor, and how the report cards can generate extra credit for revenue sharing funding.

7. **Discussion, consideration, and possible authorization for Linda Harkness to gather information on behalf of the Town for financing possibilities for a new library building.**

There was no action taken.

Linda Harkness said she had been in touch with Mayor Gioia who had made the suggestion of forming a non-profit corporation separate from the Town as a method of providing both public and private donations without the restrictions imposed on a governmental entity, such as entering into construction contracts without the public bidding process. Ms. Harkness explained that a private entity could take advantage of contributions of labor, goods and fund-raising capabilities from talented and knowledgeable people within the Town. She envisioned holding a meeting of all interested parties to form a basic three-person committee to work together on the common goal according to their particular strengths.

Mayor Gioia offered the reminder that the first Camp Verde Library was completed totally by the community. Gioia added that there are now more restrictive regulations, but the new library could be realized in much the same way through formation of a non-profit, 501(c)(3) entity, and he detailed how such a private corporation would function without the restrictions of the public procurement processes and could build on Town-owned land through a lease arrangement. Gioia also outlined proposed separate responsibilities of the individuals forming the proposed three-person committee.

The Council discussion opened with an expression of concern about the appearance of the Town trying to circumvent State legal requirements, countered with the comment that everyone should focus on the advantages of working with a non-profit entity without all the red tape faced by

government. Town Attorney Sims expressed his belief that there is a way to accomplish the proposed method of financing through a non-profit corporation with 70% donations and 30% public funds; Sims outlined how that entity would function, including leasing the Town land, but cautioned against "imposing the Town's fingerprints" on the process. In essence, Sims believes it would be legal for the Town to go the route of attempting to get private funds, informing the donors they have some input, and working with the donors to provide general guidance to meet the needs of the community. The members discussed the concept further, including further concerns about its legality or possible violations of any statute. Town Manager Scannell confirmed that he is comfortable with the concept. There was also a brief discussion about parking for the new Library possibly encroaching onto the Black Bridge Park parcel; it was suggested that the issue could be addressed during the planning phase.

PUBLIC INPUT

(Comments from the following individuals are summarized.)

Tom Nielson said he had been chosen to work with Maureen Pastine on the financing, was wondering why he was even on the committee, and protested that the Council is not letting them in on it at all.

Karen Heuman invited all of the members to attend a Library Commission meeting, that they have been discussing fund-raising for at least two meetings, working on a task force and grant writing, adding that at least four of the six members are feeling circumvented by what is happening. *Gioia explained that the concept is to try to get around the barriers that have been put in front of all the past efforts.*

Roger Doering posed the question of liability and accidents injuring volunteers; he objected to an inference that the Library Commission has not been able to get the project done; now is the time for the Commission to get it done. *A brief discussion followed, including further input from Ms. Harkness pointing out how cooperation from everyone will be needed. As to the liability issue Sims said that as the lessor of the property the Town would need to be included on contractors' policies as an additional insured.*

There was no further public input.

Smith then objected to what he defined as micromanagement by the Council, protesting that Council is circumventing the Library Commission, adding that his resignation "will be on the desk tomorrow morning". **Smith left the Council Chambers at 7:33 p.m.**

There was further comment from the Council expressing concern that members of the Library Commission feel they have been slighted in any way; rather, the goal of Council is to try to find a faster, cheaper way to get the Library built, and the belief is that the private sector can accomplish that. It was added that it is regrettable that some feelings have been hurt, but not to discuss the proposal would have been wrong; everyone was urged to pull together and get the project done.

8. **Discussion, consideration, and possible approval of establishing a new library building project fund and declaring it a top priority and direction to set aside from a portion of the 60% of the one cent sales tax now used for funding Capital Improvement Projects as a funding source.**

On a motion by Hauser, seconded by Gioia, the Council voted unanimously to declare the library a top priority.

On a motion by Elmer, seconded by Hauser, the Council voted unanimously to direct staff to look into some financing options and report back to Council.

Library Commissioner Karen Heuman gave a Power Point presentation in support of the subject requests, reviewing the benefits of the Library including open access to the community,

expansion of education and sharing of worldwide information, stressing that 800 people had signed the petition saying they wanted the new Library as soon as possible. Heuman reviewed the estimated costs and available funding on hand, potential funding from the requested percentage of the sales tax as well as impact fees, and income from grants. Library Director Laurito added that everyone needs to work together, and that by the Town committing to the Library being a top priority it will be easier to get private funding.

Town Manager Scannell distributed copies of a spreadsheet illustrating two different options for funding the Library including involving the Capital Improvement fund, one through debt financing and the other on a pay-as-you-go basis, the methods of which Scannell reviewed in detail. The Council discussed the options and figures presented, expressing opinions on the need for as well as the difficulty of determining priorities for the major projects currently being addressed. Scannell pointed out that the Library and Park land acquisition are the only two projects that affect the General Fund.

PUBLIC INPUT

(Comments from the following individuals are summarized.)

Karen Heuman requested the Town Manager to clarify what he understands the Town priorities are; *Scannell explained that his report is submitted every two weeks and that it contains a previous general listing of the needs of the Town.*

Susan Reeve, a new member of the community, said that the Library is a necessary priority and she is impressed with the work done by the Commission and the other groups. Ms. Reeve read an essay by W. H. Murray that ended with a couplet by the poet Goethe, containing the message that definite commitment to an idea will inevitably bring success.

Kathleen Lew said the Library is always very busy, and the new Library is needed.

Joseph Chatley asked about a prior meeting where priorities had been discussed; *Gioia explained that a consultant had been hired to work with bringing Council closer together, and one of the exercises was listing the different goals and priorities expressed by the members.*

Richard Clark, a resident for 30 years, believes that now is the time to build the new facility; he said he favors the pay-as-you-go method of financing.

Bob Johnson suggested that the old library building is a good building and should not just be torn down.

There was no further public input.

The Council discussed the two subject requests further, with input from Scannell further outlining the method of debt financing compared with pay-as-you-go financing. Since a determination of the method of financing was not agendized, Attorney Sims suggested that staff could be directed to research financing options and report back to Council.

Gioia scheduled a Work Session with the Library Commission for the second Wednesday in January involving a financial discussion, with input from staff, community members, Commission, all of whom are invited to attend; no decisions will be made but may be memorialized in the next regular session of Council.

9. **Discussion, consideration, and possible resolution relative to correcting the Town's accounting records as they relate to the designation of funds in the CIP for the acquisition of the Camp Verde Water Company.**

A motion by Gioia that Council direct staff to correct the budget to read \$500,000 in the account for Water Company acquisition and reinforce the direction to start a separate account **failed for lack of a second.**

On a motion by Elmer, seconded by Hauser, the Council voted 5-1 to keep the account at the amount of \$450,000 and review it during the next budget time for possible changes; **with a 'no' vote by Gioia.**

(Following the action taken, Scannell confirmed with Council that the instruction to staff is to designate \$450,000 for possible Water Company acquisition and to keep it blended with the CIP funds, but designated for that particular purpose and reflected in the documentation.)

Town Manager Scannell explained that a review of the Town financial records showed that there was a discrepancy between what existed in the documents going back a couple of years and what was reflected in the Minutes of the proceedings in connection with the funds set aside for the proposed acquisition of the Camp Verde Water Company. The amount in the budget work sheets show that the existing set aside is \$450,000, or \$200,000 less than the amount indicated in the Minutes. Scannell brought the issue before Council in order to address the conflict and make sure the records are correct by either accepting the figure in the budget worksheets as being the amount contemplated, or correct the record to reflect the amount memorialized in the Minutes. After some discussion, including input from Marshal Smith as to what he recalled from the last budget session, the Council considered increasing the amount as discussed and also discussed opening a separate account for the funds which the prior Finance Director had failed to do, as previously directed. It was generally agreed that the \$450,000 as budgeted will continue to be a part of the CIP funds, designated specifically for the acquisition of the Camp Verde Water Company, acknowledging that the past Minutes indicated the intent of the Council to commit to and set aside the \$650,000.

PUBLIC INPUT

(Comments from the following individual are summarized.)

Marshal Dave Smith volunteered his recollection of the amount that was reduced at the budget session this year, which could explain the discrepancy.

There was no further public input.

10. **Discussion, consideration, and possible authorization to sell a portion of the Town's water rights from Equestrian Estates to Camp Verde Water System and discussion, consideration and possible authorization for the Town to become a Trustee of the remaining \$50,000 trust fund for Camp Verde Water System until such time that Camp Verde Water System acquires surface water rights or the funds are returned to the Central Arizona Conservation District, as required by the Trust agreement.**
There was no action taken.

Stan Bullard, of the Camp Verde Water System, said that the \$50,000 being held in their trust fund may be used only for the acquisition of surface water rights. The company has not been able to acquire water rights so far, and if the funds are not used there is the risk of the \$50,000 being returned to Central Arizona Conservation District. The current Trustee of the \$50,000 has resigned since they typically do not handle small amounts in trusts; Bullard suggested that the Town of Camp Verde become the Trustee. However, Attorney Sims said that banks are authorized by statute and trained to be trustees and that cities and towns cannot be trustees legally. Gioia explained that the Town, in essence, needs to continue to acquire and retain any water rights for the future. Gioia added that the Town's water attorney has offered to provide Bullard with names and phone numbers of others who may be interested in selling water rights; Bullard will follow through on that offer.

There was no public input.

11. **Discussion, consideration, and possible direction to staff and/or discussion or consultation with the Town Attorney for legal advice concerning the proposed**

Employee Associations and Meet and Confer Agreement. Note: Council may vote to go into Executive Session pursuant to ARS §38-431.03(A)(3) for discussion or consultation with the attorney for legal advice and §38-431.03(A)(4) for discussion or consultation with the attorney in order to consider Council's position regarding contracts that are the subject of negotiation.

On a motion by Parry, seconded by Hauser, the Council unanimously voted to go into Executive Session.

Scannell explained that the Town employees have expressed an interest in union representation and a document discussing meet-and-confer provisions, wages, hours and working conditions has been submitted for consideration; Scannell recommended that the item be discussed in Executive Session. Sims added that for such a discussion it may be necessary for members of the staff to leave the room; however, their presence will be required for discussion of Item 12. It was therefore agreed that Item 12 will be addressed first in Executive Session.

The members also agreed to address Items 13, 14 and 15 before adjourning to go into Executive Session.

There was no public input.

12. **Discussion, consideration, and possible direction to staff and/or discussion or consultation with the Town Attorney for legal advice concerning the Intergovernmental Agreement between the Town and the Camp Verde Sanitary District. Note: Council may vote to go into Executive Session pursuant to ARS §38-431.03(A)(3) for discussion or consultation with the attorney for legal advice and §38-431.03(A)(4) for discussion or consultation with the attorney in order to consider Council's position regarding contracts that are the subject of negotiation.**

On a motion by Elmer, seconded by Kovacovich, the Council voted 5-1 to go into Executive Session, and to address this item prior to Item 11 during the Executive Session; **with a 'no' vote by Garrison.**

Garrison commented that she would like the Council to discuss every possibility that could be discussed in public, instead of in Executive Session, so that more information would be available in the Minutes for research.

There was no public input.

13. **Call to the Public for Items not on the Agenda.**
Bob Johnson suggested that the old library building be saved and rented out for more funds coming into the new Library; he also suggested combining a water line with the new sewer line to make water more accessible for fighting fires.

There was no further public input.

14. **Advanced Approvals of Town Expenditures**
a) There are no advanced approvals.
There were no advanced approvals.

15. **Manager/Staff Report**
There was no Manager/Staff report.

The meeting was adjourned at 9:10 to go into Executive Session, and called back to order at 11:00 p.m.

16. **Adjournment**
The meeting was adjourned at 11:00 p.m.

Margaret Harper

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 5th day of December 2007. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 20 day of December, 2007.

Debbie Barber

Debbie Barber, Town Clerk