

## AGENDA



**REGULAR SESSION  
HOUSING COMMISSION  
TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
473 South Main Street, Room #106  
TUESDAY, June 16, 2009  
at 4:00 P.M.**

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
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) March 17, 2009 Regular Session
5. **Call to the Public for Items not on the Agenda.**
6. **Presentation by Town Manager regarding closing of the Housing Department, possible disbandment of the Housing Commission, and possible strategies regarding the formation of a citizens group to promote attainable housing in Camp Verde.**

**There will be no Public input on the following items:**

7. **Commission Informational Reports:** Individual members of the Commission may provide brief summaries of current events and activities. These summaries are strictly for the purpose of informing the public of such events and activities. The Commission will take no discussion, consideration, or action on any such item, except that an individual Commission member may request an item be placed on a future agenda.
8. **Staff Report**
9. **Adjournment**

Posted by: 

Date/Time: 6-9-09/10:35 a.m.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

**MINUTES  
REGULAR SESSION  
HOUSING COMMISSION  
TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
TUESDAY, March 17, 2009  
4:00 P.M.**

Minutes are a summary of the actions taken. They are not verbatim.  
Public input is placed after Commission 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 4:00 p.m.
2. **Roll Call**  
Chairperson Bach, Vice Chairperson Buchanan, Commissioners McReynolds, Roddan, Blue and Varela were present; Commissioner Davis was absent.  
  
**Also Present:** Special Projects Administrator Matt Morris and Recording Secretary Margaret Harper.
3. **Pledge of Allegiance**  
The Pledge was led by Roddan.
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) January 20, 2009 Regular Session
    - 2) February 17, 2009 Regular Session – Cancelled
  - b) **Set Next Meeting:**
    - 1) June 16, 2009 Regular Session

On a motion by Varela, seconded by Roddan, the Consent Agenda was unanimously approved as presented.
5. **Call to the Public for Items not on the Agenda.**  
There was no public input.
6. **Discussion, consideration, and possible recommendation to Town Council of Proclamation declaring the month of April as "Fair Housing Month".**  
On a motion by Buchanan, seconded by Varela, the Commission unanimously voted to recommend to Town Council that they proclaim the month of April as "Fair Housing Month."  
  
Matt Morris explained that the subject Proclamation was a yearly action taken by the Council during the month of April as one of the items mandated throughout the year by the terms of the Community Development Block Grant program.  
  
Vice Chair Buchanan said she felt that without related special activities the Proclamation is a hollow gesture; Morris said that the Proclamation is only one of four items, and the other requirements would be considered separately and publicized through material informing the public.
7. **Discussion, consideration and possible recommendation to Town Council of strategic goals and objectives to be accomplished by the Housing Commission during the 2009 year. (Item requested by Vice Chair Buchanan)**  
There was no action taken.

Buchanan said she had requested this agenda item for the specific purpose of brainstorming about what the Commission could hope to accomplish based on the curtailed meeting schedule recently imposed by Council as well as the substantially reduced amount of time that Morris has been allotted for working with the Commission. Buchanan also commented on attending the meetings of the Verde Valley Housing Task Force and its regional impact.

Buchanan suggested that one goal would be to revisit Camp Verde's Housing Strategy which is now approximately 10 years old, perhaps by forming a subcommittee structure to meet and bring back proposed updates for the next quarterly meeting. The members discussed the issue of attending the Verde Valley Housing Task Force meetings; there was general consensus that it would be important to continue to concentrate on the local level, and to update the Housing guidelines in order to move forward, but not to isolate the community from the regional aspect of housing. As for remaining proactive and weighing in on important topics, Buchanan proposed that members of the Housing Commission should appear before Council and speak as an individual on a particular topic that is of interest and concern.

It was suggested that a member be appointed as a liaison to participate and provide community input for the Code updating project that has been assigned to Morris; Blue commented that the Town's direction of late has become very punitive in requiring compliance with certain Building Codes that have never been heretofore required in the IBC which affects the affordability of housing. Blue said he would like to see that the concerns of the Housing Commission are presented to the Council as a recommendation to have certain requirements in the Building Codes added or revised.

There was further discussion regarding defining the role of the Housing Commission, and general consensus that it is important for the Housing Commission to bring the Housing Strategy document up to date in broad terms of today's market, as opposed to the restrictions of "onerous government regulations" that curtail the role of buyers. Buchanan suggested that she and Chairman Bach meet and study the issues raised, and through a committee or another member create a framework on which to work at the June meeting. It was agreed that the Commission will follow through on the suggestion made by Buchanan. There was also discussion comparing the pros and cons of a Commission as opposed to a Committee, and agreement that committees be formed consisting of no more than three members of the Commission.

**Blue requested an agenda item for discussion on whether to change the Commission to a Committee.**

8. **Discussion, consideration, and possible recommendation to Town Council regarding possible direction to staff relative to holding in abeyance any actions relative to enforcing the transaction privilege tax on residential rental properties in the Town of Camp Verde, as an attainable housing strategy. (Item requested by Vice Chair Buchanan)**

On a motion by Blue, seconded by McReynolds, the Commission voted unanimously to recommend to Council that the Commission would use Linda as a liaison for tomorrow's meeting to inform the Council that the Housing Commissioners support putting the residential rental tax in abeyance.

Buchanan reviewed the action taken by Council at the meeting of March 4<sup>th</sup> regarding the subject tax, which was to hold imposition of the tax in abeyance; the issue will be heard again at the Council meeting set for March 18<sup>th</sup>. Buchanan also outlined the input from the public at that March 4<sup>th</sup> meeting, as well as input from the Town Attorney regarding the legal mechanism to enable the Council to hold the tax in abeyance. A brief discussion followed regarding the negative effect of the tax on affordable housing.

9. **Discussion, consideration and possible recommendation to Town Council regarding preparation of Housing Commission agendas and general staff support.** *(Item requested by Vice Chair Buchanan)*

On a motion by Buchanan, seconded by McReynolds, the Commission voted unanimously to recommend that we approach Town Council with the proposal that the Commission through the establishment of a liaison with our Housing staff person take a greater role in preparing the agenda ensuring that we meet the legal requirements of posting and recording meetings; if approved the next step would be to select a liaison amongst ourselves.

Buchanan said that her intent for requesting this item was to try to determine how the Commission would be most effective and least burdensome, considering the constraints on the meeting schedule and Matt's reduced time in a supporting role. Buchanan suggested that the Commission take on the role of preparing the agendas with staff handling the legal posting requirements. The members discussed the proposal at length, including the role of the person assuming the related responsibilities and the support of staff. There was also discussion regarding establishing time frames for considering agenda items, as well as setting committee monthly work sessions at various locations and creating a simplified job description for the Commission.

10. **Discussion and consideration to build in time estimates into Housing Commission meeting agendas as a time managing measure to improve efficiency of meetings.** *(Item requested by Vice Chair Buchanan)*

On a motion by McReynolds, seconded by Varela, the Commission voted unanimously to recommend that the Chairperson puts a time limit on agenda items, and the Chairperson should set the agenda items for future meetings and decide the time frame that should be allowed on that, an approximation within five or ten minutes; the Chairperson should be able to call that time is running out and we need to either decide or put it onto the future agenda.

Buchanan commented that in connection with other boards and commissions that she works on, when a time frame is established the meetings move along better. Reference was also made to the suggestion made by McReynolds in the previous item to establish time frames, which he then explained in greater detail.

11. **Staff presentation of HOME/HTF Grant #318-07 final report, including before and after photos of five homes rehabilitated or replaced through grant project.**

There was no action taken.

Morris gave a power point presentation illustrating the before conditions of the subject homes and the results after replacement and/or rehabilitation through a combination of the referenced Home Grant and Revolving Fund loans. Morris said that the actual replacements and improvements that were accomplished actually exceeded the number of homes specified in the original Grant application. Morris pointed out that when the State Department of Housing auditor reviewed the completed projects, she praised them as far exceeding several other programs, and was very happy with the reactions of the owners and the quality of the homes. Morris said he will be giving the presentation and a report to Council.

Roddan questioned Morris about the criteria mandating how the home owners had been selected, and procurement of the contractors to do the work. Roddan also questioned the bid process and expressed displeasure over the local businesses apparently having been passed over in opposition to the Home Rule. Morris suggested that if Roddan had an issue with the way it had been handled she should file a formal complaint. Roddan continued to detail at length her objection and extreme disappointment to what she felt was an adverse impact on the local businesses by their "systematic" exclusion from participation in the bidding process.

Morris was thanked by the members for the work accomplished and the work of the loan committee, and there were comments on the reactions of the home owners to what they had received and their vows to somehow give back to the community in return. Morris requested that the members let the community know that a waiting list is being developed for future program participants.

Roddan **stated for the record** that Prescott Valley businesses do not pay Camp Verde taxes and "we do," adding that there were two highly qualified vendors right here in Town that were completely snubbed. Bach commented that there are many factors involved, but he was glad to see that everybody was happy; Roddan countered with the comment that everybody is not happy; she is 50% happy the people got homes, and 50% extremely disappointed in a project poorly done that failed, and taxes that were lost.

12. **Commission Informational Reports:**

McReynolds commented on the outstanding work that was done, and projects to look forward to.

Roddan said she did not attend the meeting on the finished homes as a form of civil protest against the process because "it was wrongly done."

Blue said he thought it was interesting that local municipalities are looking at trying to re-stimulate the housing affordability and putting in abeyance the current impact fees.

Buchanan said she would do her best to attend the next Regional Housing Task Force meeting to help keep the Commission informed; also, she hopes that individual members will avail themselves of additional training such as was just given in Flagstaff in a daylong workshop. Buchanan said she looks forward to the committee work to be done, and to attending the Council meeting tomorrow night; she will send her comments to Matt on the items addressed. *(Roddan requested that Buchanan also stress to Council that jobs should be given to local businesses, and further outlined that critical need.)*

Bach thanked Linda for including great recommendations for dialog between the members and staff, and noted that there are some issues to look forward to in connection with the next meeting.

13. **Staff Report**

Morris gave a comprehensive report on the meeting last month of the Verde Valley Housing Task Force. The main topic involved a discussion on the Task Force in terms of its goals and future direction, and utilizing the resources of NACOG. The Task Force will meet again April 23<sup>rd</sup>, tentatively; members will be notified by e-mail. Morris reminded the members that the Housing Department is closing down shop, and he appreciates the great work done by the members.

14. **Adjournment**

On a motion by McReynolds, seconded by Varela, the meeting was adjourned at 5:48 p.m.

---

Jeremy Bach, Chairperson

**CERTIFICATION**

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Housing Commission of the Town of Camp Verde during the Regular Session of the Housing Commission of Camp Verde, Arizona, held on the 17<sup>th</sup> day of March 2009. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

---

Margaret Harper, Recording Secretary

DRAFT

## STAFF REPORT

### Housing Commission Regular Session: June 16, 2009

#### Title

- 6. Presentation by Town Manager regarding closing of the Housing Department, possible disbandment of the Housing Commission, and possible strategies regarding the formation of a citizens group to promote attainable housing in Camp Verde.**

#### Description of Item

Town Manager Michael Scannell has offered to present to the Housing Commission information regarding the closure of the Housing Department, possible disbandment of the Housing Commission, and also some possible strategies regarding the promotion of attainable housing in Camp Verde.

Attached to this report is text from the Town of Camp Verde FY 2009/2010 Budget Draft #1 packet distributed to Council and Staff on May 13, 2009, which outlines the significant budgetary adjustments advanced for Council consideration. Included within the significant budgetary adjustments is the disbandment of several Town commissions including the Housing Commission. While the draft budget has been reviewed in prior work sessions of the Town Council, the final approval of the FY 2009/2010 Budget is pending.

#### Suggested Motion

N/A

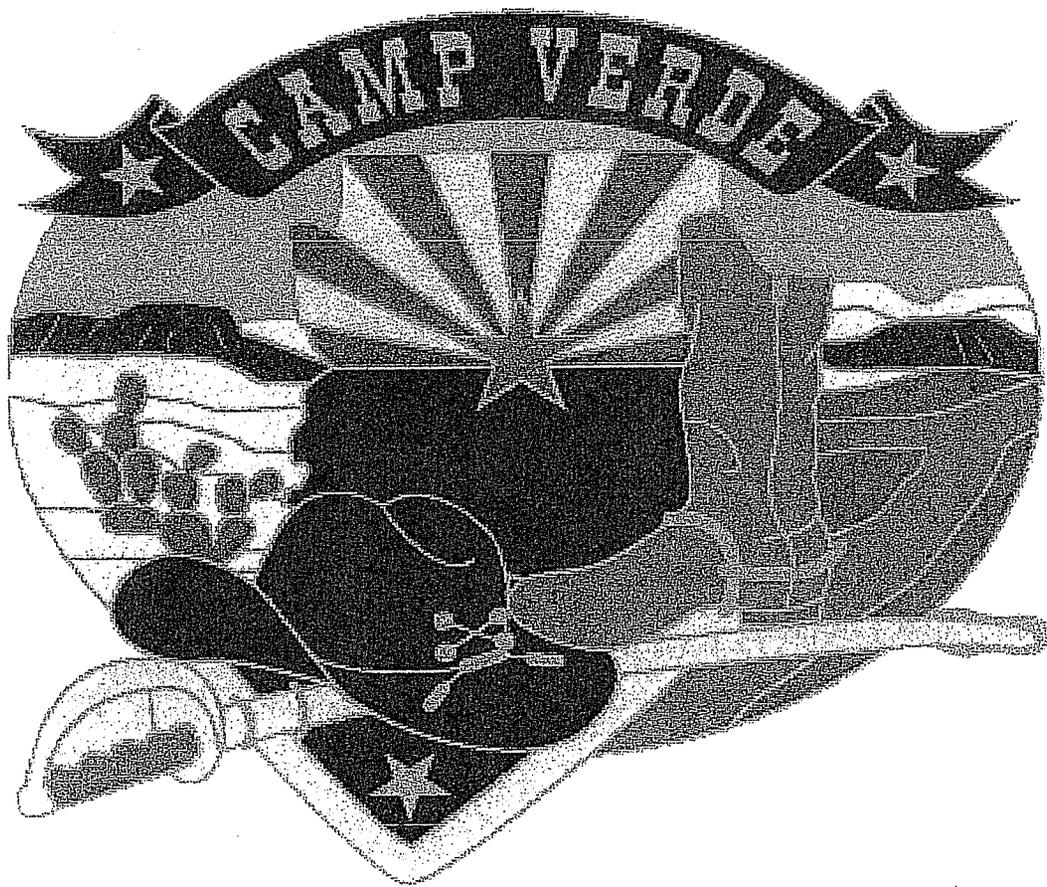
#### Attachments

Excerpt from "TOWN OF CAMP VERDE FY 2009/2010 BUDGET, Budget Worksheets, Draft #1" including: Town Manager's Budget Message, Exhibit A, Exhibit B, and Exhibit C.

#### Prepared by

Matt Morris

# TOWN OF CAMP VERDE FY 2009/2010 BUDGET



## Budget Worksheets

Draft #1

Distributed to Council and Staff on Wednesday, May 13, 2009



# TOWN OF CAMP VERDE

395 S Main Street Camp Verde, AZ 86322  
Finance 928-567-6631 Fax 928-567-6702  
Parks & Recreation 928-567-0535 Fax 928-567-1540  
Public Works Department 928-567-0534 Fax 928-567-1540  
www.cvaz.org

## Town Manager's Budget Message

With this message, I share with you the results of staff's efforts to present to you a balanced budget for the fiscal year 2009-10 which begins on July 1, 2009.

This fiscal year we face a plethora of inordinate financial challenges. The subvention funding the Town of Camp Verde is slated to receive from the State of Arizona is markedly less in the 2009-10 fiscal year than it was in the prior period. The sales tax revenue the Town of Camp Verde is projected to receive from taxable transactions consummated in our jurisdiction is projected to be significantly less in the 2009-10 fiscal year than it was in the prior period. Much of that decline is due to the generally lackluster performance of the local economy in all sectors. It is the presence of those challenges that have resulted in my presentation to you of a resource allocation plan that in many ways fails to meet the standards to which your constituents have become accustomed in terms of the array of services we deliver as well as the timeliness of the delivery of said services.

Simply stated, in my humble opinion, our revenues fall far short of that required to meet the needs of the community as I understand those needs. In order to lend credence to my point, Exhibit A attached hereto and incorporated herein by reference depicts our general purpose revenues as well as those operating transfers that would be required if we were to meet the letter of Resolution 2001-741 adopted on June 27, 2001. The resolution includes a provision for allocating one cent of the transaction privilege tax enacted by the Town. More specifically, the resolution calls for directing forty percent (40%) and sixty percent (60%) of said revenues to the Park Fund and the Capital Fund respectively. The resolution also directs setting aside three (3) months of expenditures (approximately \$280,468) in order to establish a reserve for the Highway Users Revenue Fund. As you can see, we would be incapable of funding our service delivery system if the dictates in Resolution 2001-471 were adhered to.

In order to juxtapose your options, I have prepared for your review Exhibit B, which is predicated on the premise that we cannot meet the dictates set forth in the resolutions referenced above and at the same time, meet the social contract that you maintain with the citizens of the Town of Camp Verde. As such, the distribution of our general purpose revenues in the instant case endeavors to fund your service delivery system in ways that provides some modicum of service to your constituents, respects the outstanding contribution of your employees, and which at the same time, and no less importantly, endeavors to adhere to sound financial management practices.

One or more of my recommendations will no doubt be considered to be controversial. Indeed, some may be viewed as heretical. Regardless of how my recommendations are perceived, I would ask those individuals reviewing same to reflect on the magnitude of the challenges which beset this organization and acknowledge that difficult challenges require difficult choices. In Exhibit C, I have endeavored to provide you with my rationale for having made certain of the recommendations I have advanced in Exhibit B. My hope is that as a community we can enter into a civil discourse on the subject of how we might move forward with the development and implementation of a service delivery model which serves our community and which is based on solid management tenets and sound financial management.

I look forward to working closely with each of you in the weeks ahead on this most important endeavor.

Respectfully submitted on this 13<sup>th</sup> day of May, 2009,

By: 

Michael K. Scannell, Town Manager

Exhibit A

General Purpose Revenues

Local Revenues

Fund 01-40-00

01-4001	Town Sales Tax
13-4001	1% Construction Tax - Allocated to Debt Serv Fund
03-4001	2% Construction Tax - Allocated to CIP Fund
04-4001	Parks Fund Sales Tax Allocation
4003	Accommodation Tax
4181	APS Franchise
4182	CV Water System Franchise
4183	NPG Cable Franchise Fees
4184	UNS Gas Franchise Fees
4710	Rio Verde Plaza Rents-transfer to Debt Service
4330	Reimbursement/Restitution
4340	Reimbursement - Bonds
4800	Miscellaneous
4810	Surplus Property Sales - Town
4900	Investment Interest

2008/2009 COUNCIL ADOPTION	2008/2009 ADJUSTED BUDGET	2008/2009 ESTIMATED ACTUALS	2009/2010 DEPARTMENT REQUESTED	2009/2010 MANAGER RECOMMEND	2009/2010 COUNCIL ADOPTION
1,760,000	1,505,000	1,505,000	1,740,000	1,740,000	0
151,607	151,607	151,607	40,000	40,000	0
0	0	0	80,000	80,000	0
440,000	440,000	440,000	200,000	200,000	0
135,000	135,000	135,000	135,000	135,000	0
185,000	185,000	185,000	185,000	185,000	0
20,000	20,000	20,000	20,000	20,000	0
16,000	16,000	16,000	16,000	16,000	0
4,500	4,500	4,500	4,500	4,500	0
36,000	36,000	14,000	0	0	0
5,000	5,000	2,300	500	500	0
500	500	0	0	0	0
11,200	11,200	15,750	10,000	10,000	0
4,000	4,000	19,200	4,000	4,000	0
150,000	30,000	30,000	40,000	40,000	0
<b>TOTAL</b>	<b>\$ 2,918,807</b>	<b>\$ 2,543,807</b>	<b>\$ 2,538,357</b>	<b>\$ 2,475,000</b>	<b>\$ -</b>

State Shared Revenues

Fund 01-41-00

4010	Urban Revenue Sharing
4015	State Sales Tax

1,581,760	1,581,760	1,581,760	1,385,314	1,385,314	0
970,503	870,503	870,503	824,927	824,927	0
<b>TOTAL</b>	<b>\$ 2,552,263</b>	<b>\$ 2,452,263</b>	<b>\$ 2,210,241</b>	<b>\$ 2,210,241</b>	<b>\$ -</b>

County Revenues

Fund 01-43-00

4020	Vehicle License Tax
------	---------------------

629,807	629,807	629,807	620,000	620,000	0
<b>TOTAL</b>	<b>\$ 629,807</b>	<b>\$ 629,807</b>	<b>\$ 620,000</b>	<b>\$ 620,000</b>	<b>\$ -</b>

Total General Purpose Revenues

<b>\$ 6,100,877</b>	<b>\$ 5,625,877</b>	<b>\$ 5,620,427</b>	<b>\$ 5,305,241</b>	<b>\$ 5,305,241</b>	<b>\$ -</b>
---------------------	---------------------	---------------------	---------------------	---------------------	-------------

Operating Transfers

7770	Transfers In-Parks Fund
7771	Transfers In-CIP Fund
8803	Transfers Out-CIP Fund
8804	Transfers Out-Parks Fund
8813	Transfers Out-Debt Service Fund
8820	Transfers Out-HURF Fund (FY09-10 subsidy)
8820	Transfers Out-HURF Fund (Fund Balance Requirement)

200,000	200,000	200,000	200,000	200,000	0
86,300	86,300	86,300	0	0	0
0	0	0	(80,000)	(80,000)	0
(440,000)	(440,000)	(440,000)	(200,000)	(200,000)	0
(302,263)	(302,263)	(302,263)	(306,025)	(306,025)	0
0	0	0	(410,914)	(410,914)	0
0	0	0	(280,468)	(280,468)	0
<b>TOTAL</b>	<b>\$ (455,963)</b>	<b>\$ (455,963)</b>	<b>\$ (1,077,407)</b>	<b>\$ (1,077,407)</b>	<b>\$ -</b>

Net Available General Purpose Revenues

<b>\$ 5,644,914</b>	<b>\$ 5,169,914</b>	<b>\$ 5,164,464</b>	<b>\$ 4,227,834</b>	<b>\$ 4,227,834</b>	<b>\$ -</b>
---------------------	---------------------	---------------------	---------------------	---------------------	-------------

General Fund Departmental Subsidies

20-10	Mayor & Council
20-11	Town Manager
20-12	Town Clerk
20-13	Finance Department
20-14	Human Resources
20-15	Housing Department
20-16	Legal Department
20-17	Non-Departmental
20-20	Maintenance Division
20-30	Municipal Court
20-40	Public Works/Engineer
20-41	Storm Water Management
20-50	Community Development
20-51	Building Department
20-52	Current Planning
20-53	Long Range Planning
20-54	Code Enforcement
20-60	Marshal's Department
20-61	Animal Control
20-70	Camp Verde Community Library
20-71	Beaver Creek Library
20-72	Camp Verde Children's Library
20-80	Parks & Recreation
20-81	Special Events
20-82	Pool
20-83	Children's Recreational Programs
20-84	Adult Recreational Programs
20-85	Senior Recreational Programs
20-86	Community Programs
	Contingency

73,148	68,281	44,903	34,570	19,864	0
200,245	194,995	193,776	180,830	181,062	0
268,172	252,664	225,959	214,156	209,678	0
241,957	227,688	237,082	253,427	254,389	0
37,824	31,324	29,024	48,877	56,664	0
117,090	117,090	43,610	0	0	0
72,090	72,091	72,411	122,089	72,088	0
526,505	486,075	256,007	478,105	486,474	0
417,141	421,119	385,862	396,716	381,923	0
26,117	26,610	97,935	120,044	123,278	0
136,786	161,757	18,169	186,870	167,774	0
0	0	0	40,490	36,322	0
473,794	360,500	370,823	44,105	41,609	0
700	(7,481)	(66,642)	(2,967)	(18,410)	0
0	0	0	107,582	106,016	0
0	0	0	243,209	265,648	0
0	0	0	60,037	60,329	0
2,169,011	2,099,252	2,119,537	1,987,156	1,989,659	0
115,246	114,043	111,246	119,151	119,205	0
294,136	289,611	4,958	194,140	98,816	0
0	863	(3,622)	(9,431)	13,829	0
0	0	0	26,970	109,053	0
236,084	238,555	118,005	211,619	150,334	0
28,576	26,486	14,136	0	0	0
84,457	81,282	41,213	102,368	49,014	0
0	0	0	34,063	34,063	0
0	0	0	22,541	22,541	0
0	0	0	7,499	7,499	0
0	0	0	23,224	23,224	0
120,000	120,000	120,000	100,000	50,000	0
<b>Total General Purpose Subsidies</b>	<b>\$ 5,639,078</b>	<b>\$ 5,382,805</b>	<b>\$ 4,434,392</b>	<b>\$ 5,111,944</b>	<b>\$ -</b>

Net <Subsidy From>/Contribution To General Fund Balance

<b>\$ 5,836</b>	<b>\$ (212,891)</b>	<b>\$ 730,072</b>	<b>\$ (1,119,606)</b>	<b>\$ (884,110)</b>	<b>\$ -</b>
-----------------	---------------------	-------------------	-----------------------	---------------------	-------------

Prior Year Ending General Fund Fund Balance

Estimated Ending General Fund Fund Balance (deficit)

<b>\$ 3,564,574</b>	<b>\$ 3,564,574</b>	<b>\$ 3,564,574</b>	<b>\$ 4,294,646</b>	<b>\$ 4,294,646</b>	<b>\$ 4,294,646</b>
<b>\$ 3,570,410</b>	<b>\$ 3,351,683</b>	<b>\$ 4,294,646</b>	<b>\$ 3,175,040</b>	<b>\$ 3,410,536</b>	<b>\$ 4,294,646</b>

HURF/Streets Revenues

Fund 20-41-00

4030	HURF Revenues
4035	LTAFF Revenues

877,186	797,186	687,099	700,000	771,100	0
46,146	46,146	52,663	45,000	50,513	0
<b>\$ 923,332</b>	<b>\$ 843,332</b>	<b>\$ 739,762</b>	<b>\$ 745,000</b>	<b>\$ 821,613</b>	<b>\$ -</b>

HURF/Streets Expenditures

Fund 20-20-00

Total HURF/Streets Expenditures
Estimated Ending HURF Fund Balance (deficit)

<b>\$ 1,778,169</b>	<b>\$ 1,725,895</b>	<b>\$ 1,184,399</b>	<b>\$ 1,497,970</b>	<b>\$ 1,159,802</b>	<b>\$ -</b>
<b>\$ (9,615)</b>	<b>\$ (37,341)</b>	<b>\$ 334,689</b>	<b>\$ (410,914)</b>	<b>\$ 0</b>	<b>\$ -</b>

Exhibit B

General Purpose Revenues

Local Revenues

Fund 01-40-00

	2008/2009 COUNCIL ADOPTION	2008/2009 ADJUSTED BUDGET	2008/2009 ESTIMATED ACTUALS	2009/2010 DEPARTMENT REQUESTED	2009/2010 MANAGER RECOMMEND	2009/2010 COUNCIL ADOPTION
01-4001 Town Sales Tax	1,760,000	1,505,000	1,505,000	1,740,000	1,740,000	
13-4001 1% Construction Tax - Allocated to Debt Serv Fund	151,607	151,607	151,607	40,000	40,000	
03-4001 2% Construction Tax - Allocated to CIP Fund	0	0	0	80,000	80,000	
04-4001 Parks Fund Sales Tax Allocation	440,000	440,000	440,000	200,000	200,000	
4003 Accommodation Tax	135,000	135,000	135,000	135,000	135,000	
4181 APS Franchise	185,000	185,000	185,000	185,000	185,000	
4182 CV Water System Franchise	20,000	20,000	20,000	20,000	20,000	
4183 NPG Cable Franchise Fees	16,000	16,000	16,000	16,000	16,000	
4184 UNS Gas Franchise Fees	4,500	4,500	4,500	4,500	4,500	
4710 Rio Verde Plaza Rents-transfer to Debt Service	36,000	36,000	14,000	0	0	
4330 Reimbursement/Restitution	5,000	5,000	2,300	500	500	
4340 Reimbursement - Bonds	500	500	0	0	0	
4800 Miscellaneous	11,200	11,200	15,750	10,000	10,000	
4810 Surplus Property Sales - Town	4,000	4,000	19,200	4,000	4,000	
4900 Investment Interest	150,000	30,000	30,000	40,000	40,000	

<b>TOTAL</b>	<b>\$ 2,918,807</b>	<b>\$ 2,543,807</b>	<b>\$ 2,538,357</b>	<b>\$ 2,475,000</b>	<b>\$ 2,475,000</b>	<b>\$ -</b>
--------------	---------------------	---------------------	---------------------	---------------------	---------------------	-------------

State Shared Revenues

Fund 01-41-00

4010 Urban Revenue Sharing	1,581,760	1,581,760	1,581,760	1,385,314	1,385,314	
4015 State Sales Tax	970,503	870,503	870,503	824,927	824,927	

<b>TOTAL</b>	<b>\$ 2,552,263</b>	<b>\$ 2,452,263</b>	<b>\$ 2,452,263</b>	<b>\$ 2,210,241</b>	<b>\$ 2,210,241</b>	<b>\$ -</b>
--------------	---------------------	---------------------	---------------------	---------------------	---------------------	-------------

County Revenues

Fund 01-43-00

4020 Vehicle License Tax	629,807	629,807	629,807	620,000	620,000	
--------------------------	---------	---------	---------	---------	---------	--

<b>TOTAL</b>	<b>\$ 629,807</b>	<b>\$ 629,807</b>	<b>\$ 629,807</b>	<b>\$ 620,000</b>	<b>\$ 620,000</b>	<b>\$ -</b>
--------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------

**Total General Purpose Revenues**

<b>TOTAL</b>	<b>\$ 6,100,877</b>	<b>\$ 5,625,877</b>	<b>\$ 5,620,427</b>	<b>\$ 5,305,241</b>	<b>\$ 5,305,241</b>	<b>\$ -</b>
--------------	---------------------	---------------------	---------------------	---------------------	---------------------	-------------

Operating Transfers

7770 Transfers In-Parks Fund	200,000	200,000	200,000	200,000	200,000	0
7771 Transfers In-CIP Fund	86,300	86,300	86,300	0	0	0
8803 Transfers Out-CIP Fund	0	0	0	(80,000)	(80,000)	0
8804 Transfers Out-Parks Fund	(440,000)	(440,000)	(440,000)	(200,000)	(200,000)	0
8813 Transfers Out-Debt Service Fund	(302,263)	(302,263)	(302,263)	(306,025)	(306,025)	0
8820 Transfers Out-HURF Fund	0	0	0	(410,914)	0	0

<b>TOTAL</b>	<b>\$ (455,963)</b>	<b>\$ (455,963)</b>	<b>\$ (455,963)</b>	<b>\$ (796,939)</b>	<b>\$ (386,025)</b>	<b>\$ -</b>
--------------	---------------------	---------------------	---------------------	---------------------	---------------------	-------------

**Net Available General Purpose Revenues**

<b>TOTAL</b>	<b>\$ 5,644,914</b>	<b>\$ 5,169,914</b>	<b>\$ 5,164,464</b>	<b>\$ 4,508,302</b>	<b>\$ 4,919,216</b>	<b>\$ -</b>
--------------	---------------------	---------------------	---------------------	---------------------	---------------------	-------------

General Fund Departmental Subsidies

20-10 Mayor & Council	73,148	68,281	44,903	34,570	19,864	0
20-11 Town Manager	200,245	194,995	193,776	180,830	181,062	0
20-12 Town Clerk	268,172	252,664	225,959	214,156	209,678	0
20-13 Finance Department	241,957	227,688	237,082	253,427	254,389	0
20-14 Human Resources	37,824	31,324	29,024	48,877	56,664	0
20-15 Housing Department	117,090	117,090	43,610	0	0	0
20-16 Legal Department	72,090	72,091	72,411	122,089	72,088	0
20-17 Non-Departmental	526,505	486,075	256,007	478,105	486,474	0
20-20 Maintenance Division	417,141	421,119	385,862	396,716	381,923	0
20-30 Municipal Court	26,117	26,610	97,935	120,044	123,278	0
20-40 Public Works/Engineer	136,786	161,757	18,169	186,870	167,774	0
20-41 Storm Water Management	0	0	0	40,490	36,322	0
20-50 Community Development	473,794	360,500	370,823	44,105	41,609	0
20-51 Building Department	700	(7,481)	(66,642)	(2,967)	(18,410)	0
20-52 Current Planning	0	0	0	107,582	106,016	0
20-53 Long Range Planning	0	0	0	243,209	265,648	0
20-54 Code Enforcement	0	0	0	60,037	60,329	0
20-60 Marshal's Department	2,169,011	2,099,252	2,119,537	1,987,156	1,989,659	0
20-61 Animal Control	115,246	114,043	111,246	119,151	119,205	0
20-70 Camp Verde Community Library	294,136	289,611	4,958	194,140	98,816	0
20-71 Beaver Creek Library	0	863	(3,622)	(9,431)	13,829	0
20-72 Camp Verde Children's Library	0	0	0	26,970	109,053	0
20-80 Parks & Recreation	236,084	238,555	118,005	211,619	150,334	0
20-81 Special Events	28,576	26,486	14,136	0	0	0
20-82 Pool	84,457	81,282	41,213	102,368	49,014	0
20-83 Children's Recreational Programs	0	0	0	34,063	34,063	0
20-84 Adult Recreational Programs	0	0	0	22,541	22,541	0
20-85 Senior Recreational Programs	0	0	0	7,499	7,499	0
20-86 Community Programs	0	0	0	23,224	23,224	0
Contingency	120,000	120,000	120,000	100,000	50,000	0
<b>Total General Purpose Subsidies</b>	<b>\$ 5,639,078</b>	<b>\$ 5,382,805</b>	<b>\$ 4,434,392</b>	<b>\$ 5,347,440</b>	<b>\$ 5,111,944</b>	<b>\$ -</b>

**Net <Subsidy From>/Contribution To General Fund Balance**

<b>TOTAL</b>	<b>\$ 5,836</b>	<b>\$ (212,891)</b>	<b>\$ 730,072</b>	<b>\$ (839,138)</b>	<b>\$ (192,728)</b>	<b>\$ -</b>
--------------	-----------------	---------------------	-------------------	---------------------	---------------------	-------------

Prior Year Ending General Fund Fund Balance

Estimated Ending General Fund Fund Balance (deficit)

	\$ 3,564,574	\$ 3,564,574	\$ 3,564,574	\$ 4,294,646	\$ 4,294,646	\$ 4,294,646
	\$ 3,570,410	\$ 3,351,683	\$ 4,294,646	\$ 3,455,508	\$ 4,101,918	\$ 4,294,646

## Exhibit C

### Significant budgetary adjustments that warrant your review

#### State Shared Sales Tax Revenues

The funding we receive from the State of Arizona in this revenue account has been reduced by forty-five thousand dollars (\$45,000) from that received in the prior fiscal year. The reduction is based on the poor performance of the statewide economy.

#### Urban Revenue Sharing

The distribution of revenues from the State in this revenue account flow from State Income Tax collections accrued two years ago. This year, largely due to tax cuts two years ago, the funding we have been advised we can anticipate is two hundred thousand dollars (\$200,000) less than that recorded in the prior fiscal year.

#### Local Sales Tax Revenues

On the local level, in fiscal year 2009-10 I am forecasting a decline in our sales tax revenues of sixty thousand dollars (\$60,000) from that anticipated to be accrued in the current fiscal year. The malaise in our sales tax program is broad based. We have seen few sectors in our local economy performing well. Regrettably, we see little on the horizon that leads us to believe that we will experience any degree of vibrancy in terms of taxable transactions in our community. If we have learned anything from this most recent economic downturn it would be that the Town of Camp Verde needs to diversify its economy. While the austerity we face in this budget has caused me to make no financial provision for crafting an economic development strategy, you may want to consider appropriating funds for such a purpose.

#### Interest Earnings

As a result of the monetary policy adopted by the Federal Reserve Bank, the interest rate environment is not investor friendly. At the present time, we are earning yields on our invested funds that are in the range 0.05% to 0.61%. As a result of the current interest rate environment, we are forecasting that the interest earnings on our invested funds in the 2009-10 fiscal year will approximate forty thousand dollars (\$40,000). This is a material reduction from that budgeted in the current fiscal year.

#### Debt Service Fund

The appropriation in the Debt Service Fund contains an appropriation of one hundred thirty-five thousand dollars (\$135,000) as satisfaction of your fiscal year 2009-10 legal obligation to compensate the Koch Financial Corporation for having advanced funds to the Camp Verde Sanitary District for its use in the construction of a wastewater treatment plant. Earlier this year we entered into discussions with the Camp Verde Sanitary District relative to refinancing the loan in question in order to avail ourselves to the favorable interest rate environment present in the marketplace. While an analysis of the benefits associated with a refinancing of the existing loan is favorable in all respects, refinancing the loan is not in your purview. As a result of the manner with which you structured your guarantee of and your participation in the Camp Verde Sanitary District loan, only the District Governing Board can initiate a restructuring of the loan. No less importantly, the determination of whether any of the benefits associated with refinancing the loan will inure to the benefit of the Town of Camp Verde resides solely with the Camp Verde Sanitary District Board. The savings inuring to the benefit of the Town of Camp Verde, if a refinancing were to take place, and if the Camp Verde Sanitary District Governing Board elects to share same with you, are estimated to be in the range of twelve to fifteen thousand dollars (\$12,000-15,000) per annum over the remaining life of the loan, that being approximately twenty-three (23) years. For budgeting purposes, regrettably, I have assumed that there will be no refinancing of the Koch Financial Lease Purchase Agreement #2. As such, it would appear that there will be no benefit inuring to the taxpayers on the Town of Camp Verde in the 2009-10 fiscal year.

### Computer Software Acquisition

The budget before you includes an appropriation in the amount of one hundred ten thousand dollars (\$110,000) for the acquisition of a new software system as well as the ancillary hardware we will need to support the new software system. We contemplated acquiring the system in the 2008-09 fiscal year, however, due to budgetary constraints, we delayed the purchase and re-appropriated the funds in order to affect the purchase in the 2009-010 fiscal year. This acquisition is critically important and should not be delayed.

### Library

Because the Library is a discretionary activity and because of the financial challenges we face, I have reduced the appropriation requested by the Director in two significant ways. First, I have reduced the new book acquisition budget by twenty-six thousand dollars (\$26,000) and I have eliminated the appropriation requested to support a thirty (30) hour per week library support position that is slated to be vacated by the incumbent in the near term. The elimination of this position will yield a savings of forty-one thousand four hundred seventy-three dollars (\$41,473) in the 2009-10 fiscal year. With respect to the former, I have left intact an appropriation of twenty thousand dollars (\$20,000) for new books and publications so that we can meet our contractual obligations to the Yavapai County Library subvention funding program.

### Marshal's Office

I have reduced the appropriation in the Marshal's patrol division by one hundred eight thousand one hundred seventy-four dollars (\$108,174) to reflect the fact that I am recommending that two (2) positions currently vacant be held vacant for the duration of the 2009-10 fiscal year. While this may impact response times for calls for service, the austerity we face calls for difficult decisions.

### Maintenance Division

I have reduced the appropriation in the Maintenance Division by seventy thousand six hundred eighty-five dollars (\$70,685) to reflect the fact that I am recommending that two positions (2) currently vacant be held vacant for the duration of the 2009-10 fiscal year. The staffing reduction I am recommending will no doubt impact our ability to maintain the grounds in ways that you may find acceptable.

In order to achieve a more efficient utilization of our maintenance staff, I am recommending an appropriation of twelve thousand nine hundred sixteen dollars (\$12,916) to place weed suppression barriers in each of the planter areas on Main Street. When the landscaping was originally placed, no provision was made for the placement of weed suppression barriers. By retrofitting the planters, we will limit the propagation of weeds and the resultant need to have individuals either spray herbicides or to physically remove the weeds by hand. My hope is that the approach I am recommending will free up our trained professionals to do the work for which they have been trained rather than completing mundane chores such as weed pulling.

### Animal Control

Marshal David Smith and I have entered into informal conversations with officials from Yavapai County about the potential for contracting with Yavapai County for animal control services rather than continuing to maintain and administer an Animal Control program in the Town of Camp Verde. Our discussions are in the preliminary stage at this juncture, however, we believe that pursuing this business model will result in benefits inuring to Yavapai County as well as the Town of Camp Verde. For budgeting purposes, I have assumed that our service delivery model will remain unchanged. If we are successful in transitioning to an alternative service delivery model on or about October 1, 2009, we will experience a savings of something approximating thirty thousand dollars (\$30,000) in the 2009-10 fiscal year. If we are successful in our quest to transition to an alternative service delivery model, we can ultimately reduce our draw on fund balance to reflect the anticipated savings.

### Streets Department

This budget contains no provision for an operating transfer from the General Fund to the Highway Users Revenue Fund (HURF). As such, the Town's Streets Department must rely solely on gas tax revenues it received from the State of Arizona. The amount of funding made available from the State is woefully inadequate to maintain the Town's road system in its current state or, stated another way, to prevent any further deterioration.

Mr. Ron Long, Town Engineer has opined that in order to properly maintain the Town's road system at its current level of repair, an infusion of no less than six hundred fifty thousand dollars (\$650,000) per annum, would be required. Given that you are charged with the responsibility for maintaining the integrity of your asset base, you may want to consider your options relative to identifying alternative funding sources for use in protecting this most important asset.

### Elimination of Select Commissions Which Serve the Community

In the case of the Library Commission, Park and Recreation Commission, Trails and Pathways Commission, and Housing Commission rather than maintaining the current commission based organizational structure, I am recommending that we transition to a committee based organizational model.

While the members of the aforementioned commissions have served the community well and have certainly added value, they have done so under a model which carries an expense that can be avoided if we transition to an alternative organizational structure. At the present time, each of the aforementioned commissions are established by your Council and are thus required to operate under the State's Open Meeting Laws and all that those laws entail. On an annual basis, even with the truncated meeting schedule under which the commissions now operate, I have been advised that we incur no less than six thousand seven hundred thirteen (\$6,713) in contract labor staffing costs and other ancillary expenses as a result of supporting the aforementioned commissions. Those expenses can be avoided if you transition to a committee based organizational structure. Under a committee format, you would not be appointing the committee members nor would you be forming the committee. As a result, the newly formed committees would not be required to organize themselves under the provisions of the State's Open Meeting Laws.

### Re-write of the Land Use Codes

This budget establishes an appropriation of one hundred fifty thousand dollars (\$150,000) for use in securing consulting services for the re-write of the Town's land use ordinances et al. This appropriation will augment the work that Mr. Matt Morris will be doing on the Town's behalf vis a vis the Town's land use ordinances. While one hundred fifty thousand dollars (\$150,000) may seem like a lot of money to expend on this objective, in my considered opinion, I believe that when all is said and done, over and above the expenses incurred in funding the staff position allocated to this project, we will likely expend no less than three hundred thousand dollars (\$300,000) on this most critical endeavor.

### Water Adjudication

Based on Council direction, I have established a twenty five thousand dollar (\$25,000) appropriation for use in perfecting the Town's water rights which lie beneath the Town's roadways and for settlement of the Gila River adjudication.

### Zellner Wood Yard / California Hotwood Litigation

This budget makes no provision for funding any litigation beyond the end of the current fiscal year. I believe that the question of whether to fund or not fund this litigation effort is a policy discussion which resides at the Council level.

### Filming of Town Council Meetings

I am recommending that the currently existing appropriation for filming the Town Council meetings be extinguished in fiscal year 2009-10. While the savings associated with this change are admittedly small (\$3,780), I respectfully submit that those individuals in the community who are interested in following the proceedings of the Town Council can do so via the Town's web site and more specifically the audio link that is provided. The audio portion of your Town Council meetings can be listened to in its entirety at any time and from any internet accessible location.

### Contingency Fund

The budget before you contains a paltry fifty thousand dollar (\$50,000) appropriation for contingencies which may occur throughout the year. While the limited nature of the appropriation is problematic, the austerity we face precluded providing a higher amount. Your Council may want to consider your options relative to increasing this most important element of your budget.

### Draw on Fund Balance

The expenditure reductions I have advanced to you in this memo as well as those implemented by our Department Heads have, in my considered opinion, seriously impacted our ability to serve the community. Implementing additional funding reductions will only exacerbate that problem. In order to close the gap between projected revenues and projected expenditures, I am recommending that we draw down our General Fund fund balance in an amount approximating two hundred thousand dollars (\$200,000). The alternative would be for you to consider adjustments to the revenue side of the ledger. Staff will be pleased to provide you with any analyses that you may deem appropriate in order to facilitate your decision making process.