

**MINUTES  
JOINT WORK SESSION  
MAYOR and COMMON COUNCIL  
and the  
CAMP VERDE SANITARY DISTRICT**

**Camp Verde Marshal's Office Training Room  
646 S. First Street  
Camp Verde, AZ**

**THURSDAY, NOVEMBER 1, 2007  
6:00 P.M.**

1. **Call to Order**

Mayor Gioia called the meeting to order at 6:02 p.m.

2. **Roll Call**

**Council:** Mayor Tony Gioia and Councilors Greg Elmer, Norma Garrison, Bob Kovacovich, Mike Parry, and Ron Smith were present. Vice Mayor Hauser was absent.

**Sanitary District Board:** Chairman Rob Witt, Vice Chair Al Dupuy, Members Ben Bueler and Kathy Scherich were present. Member Roy Gugliotta was absent.

**Also Present:** Town Manager Mike Scannell, Public Works Director Ron Long, and Town Clerk Debbie Barber

3. **Pledge of Allegiance**

Mayor Gioia led the pledge.

4. **Discussion, consideration, and possible direction to staff regarding a possible amendment to the terms of the Intergovernmental Agreement that was approved on April 25, 2007 and ratified and affirmed on May 16, 2007 by Resolution 2007-726 and/or the drafting of an Operational Agreement to include, but not limited to, the status of District employees and the Town and District coordination.**

Gioia advised that he attended a meeting to discuss issues related to the IGA, along with Councilors Parry and Kovacovich, Town Manager Mike Scannell and Marshal David Smith, and Board Members Rob Witt and Al Dupuy and Sanitary District Clerk Jan Grogan. Gioia asked Dupuy to recap the meeting.

Dupuy said that they discussed several issues; with the most predominate being the District's hiring procedures. He explained that the District did follow the Town's procedures and provided documentation proving so. He explained that the District retained an outside agency to do the hiring and advertising and that the employees were fingerprinted and backgrounds check completed. He then explained that in subsequent meetings, Gioia and Parry had requested the District to take the employees and their benefits back. Mike Scannell had also suggested this.

Gioia said that from here, the Town would attempt a resolution. He explained that he had recommended that the District check into the Verde Valley Employee Benefit Trust (VVEBT) for their insurance and that they could join Arizona State Retirement on their own. He explained that the Town had asked the District to take their employees back [they are on the Town's payroll/benefit package on a reimbursement basis] because staff and Council had concerns that the Town had no ability to enforce the rules/laws, but held all the liability. Gioia advised that the Town would also be likely moving to the VVEBT as well.

District Plant Operations Manager Rick Spears spoke to the retirement and insurance. Clerk Grogan advised that they had not yet checked into VVEBT.

Gioia asked the District to consider taking their employees back and give the Town time to assume the District duties.

Chair Witt said that they were willing to pay for these benefits separately, but that if it cost more than what it did through the Town, then the Town would need to pay the difference. He said that the Board's concern lied with the work environment of their employees. He said he understood that the Town was not ready to assume the billing portion and that District employees were trained in this and it made sense to keep that with the District as opposed to the Town assuming it on January 1, 2008. He explained that the initial plan was for the Town to begin assuming District duties in small increments so that when the election took place in November 2008, the Town would be ready to take over. He explained that the Town would have then had about one year to show the public that they could run the District without any problems.

Witt was also very concerned with Councilor Garrison's recent requests for public information and accused her of intimidating the employees, and of making slanderous and libelous statements as a Council person. Garrison advised that she made requests for public information as a District taxpayer, not as a Council person and stated emphatically that she had made this clear. Witt made a few veiled threats to Garrison about litigation for slander and libel if she continued to ask for documents and suggested that she present herself as a Council person rather than a District member so that she would be protected financially. Witt said that his attorney advised that since Garrison had used the Town's fax number to receive information, that she was acting as a Council member and that she was not acting appropriately. Town Clerk Barber explained that since Garrison did not have a fax line that was required by the District to receive the information, she had advised Garrison that the Town has always permitted the general public to receive faxes at this number and therefore, it would be permissible for her to use it as well. After a heated debate between Witt and Garrison, it was generally agreed that **Garrison would become the Council's liaison** and attend all District Board meetings and that the agendas would include an item for Council concerns and comments.

Witt then told Council that all of their **questions needed to be filtered through Garrison** who would then bring them up at the meetings, rather than going directly to the employees and Board members. Parry then said that he applauded Witt and Garrison for working out their problems.

Witt also advised that the District wanted a timeline from the Town indicating the steps that they planned to take before the election to prepare themselves for the transition. Scherich said that they wanted something more along the lines of a '**business plan**', so that there would be no more confusion about next steps.

Witt then advised that the District does NOT agree to take back the employees and that since the Town had signed an agreement and was attempting to go back now.

After a brief discussion about the fear of failure and the lack of staff capacity on both sides, all attendees agreed that the most important issue was the success of the District in completing their project. Attendees generally agreed to a **joint work session on a quarterly basis** to keep the lines of communication open between both boards.

Gioia, noting that the Town is paying several thousand dollars annually to lease space for the street yard, made arrangements for him and Engineer Long to visit the site that the Sanitary District has set aside for the Town.

Witt reiterated his concerns for District staff and asked that the Town guarantee them their jobs after the transition and not require an additional probationary period. He explained that they were hired with the understanding that they would have jobs and it was important for all concerned to stand by the signed agreement. Dupuy agreed and mentioned HR Director Smith's concerns about the procedures and said that the District Board just did not see the logic.

Manager Scannell explained that this was a policy decision that must be made by Council. He said that a probationary period is definitely required by Town procedures and any deviation from the procedures, required Council approval.

Dupuy pointed out that the District is being asked to deviate from the IGA, thus, the Council should be willing to deviate from their policies and procedures. Scannell advised that staff and Council needed time to consider all the possible ramifications/

Parry noted that the Town had to terminate a District employee earlier in the day due to issues related to the background check. Witt stopped the discussion and said that if the employees are not doing their jobs, they needed to be terminated now, not a year from now.

Scannell, defending Parry's statement, explained that the Town was somewhat concerned that the due diligence done by the District with regard to qualified employees met the Town's standards. He explained that the Town adheres to procedures and that we must ensure that the District vetted the employees to our standards. He said that the point that the District would adhere to Town standards needed to be put into the agreement.

Rick Spears said that they had a copy of the Town's procedures and that they had followed them. Gioia asked that he **provide a copy to the Town's HR Director**. Witt said that this would be counterproductive and assured Council that the District would follow Town procedures from this point forward.

Gioia advised that this matter would be **agendized for Council discussion**.

Manager Scannell advised that another component of concern is the amortization schedule where the Town has agreed to payment for 25 years and the Sanitary District bond schedule is for 20 years. Council discussed their intent to pay according to the bond amortization and they were never advised that the term had been reduced by 5 years.

Witt said that the District needed 25 years, but the bonding companies would not go longer than 20 years. He explained that the District would have 8 years left to pay and they needed the Town's commitment for the long-term.

Scannell replied that this should have been disclosed in the financial documents as the Town had understood the funding was tied to the amortization schedule. He said that when the District gets their WIFA loan, their debt service would be decreased, thus, the Town's payments should also reflect the change. Scannell then explained the 'no call' provisions in bonding.

Chairman Witt became very upset with Scannell's explanation of the no call provision, stating that therein lies the problem – someone who knows nothing about something launches into tirades spouting off incorrect information. He also reported that WIFA funding was not available until the project was completed.

Scannell gave the definition of 'tirade' and stated that he had not launched a tirade, but rather in response to Council's requests, offered an explanation so that they could make an informed decision.

Witt apologized and then explained that there was a two-year no call provision.

Councilor Smith felt that the Town had pledged the money, not the time. Gioia asked for a **copy of the bond documents**.

Gioia asked for an update on how the project is progressing. Witt told the Mayor that he was not in charge of the meeting and that he should not interrupt him. After a short discussion between Witt and the Mayor, Witt deferred the report to Rick Spears. Spears advised that the project was going very well with no concerns and \$100,000 under budget. He said that the collection lines were another story, but expected the boring under the interstate freeway to begin within the next two weeks. He advised that the District was concerned with several of the 90 degree angles and had upgraded the system to include larger manholes for access and add more slope to meet MAG standards. He noted this project was two weeks ahead of schedule and only \$1,000 over budget.

Gioia said that he felt the meeting was very productive and he thanked Spears for his excellent report. He attempted to summarize agreed upon points, including the District would meet to decide when they will take their employees back. Witt interrupted and said the District agreed only to the need to amend the IGA. Dupuy said that the District Board would discuss taking the employees back, with the Town agreeing to funding any additional costs and offering continued employment to the employees.

Gioia said that the Town would do the following:

- Discuss the 6-month probationary requirement;
- Set up the protocol for communication, which is primarily through the Town Engineer, Manager, and liaison Garrison;
- Garrison will attend District meetings and Council will ask her to discuss properly agendized items with the District Board;
- The Town will work out a timeline.

**Public Input:**

Jackie Baker thanked Manager Scannell for his explanation and she found it valuable and necessary information. She noted that she was a Council member during the framing of the IGA and she remembered some discussion on the Town taking over the billing. She said directly to Chairman Witt that she did not recall Council ever discussing or agreeing to take on their employees. She suggested that Council should let the public know about meetings and prepare minutes or a record so that they did not have to rely on someone's 'recollection' of what was said and/or what took place.

There was no other public input.

The Mayor thanked everyone in attendance and members expressed appreciation to one another for the productive meeting.

5. **Adjournment**

On a motion by Smith, seconded by Parry, the meeting was adjourned at 8:00 p.m.

  
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Deborah Barber, Town Clerk

**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 1<sup>st</sup> day of November 2007. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 15 day of November, 2007.

Deborah Barber  
Debbie Barber, Town Clerk