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**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, November 4, 2009
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 Burnside, Vice Mayor Kovacovich, Councilors Whatley, Baker, Roulette and German were present; Garrison was absent.

Also Present: Town Manager Michael Scannell, Marshal Dave Smith, Deputy Town Clerk Virginia Jones, 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) Regular Session – October 21, 2009

b) Set Next Meeting, Date and Time:

1) November 12, 2009 at 9:00 a.m. – Strategic Planning Retreat

2) November 18, 2009 at 6:30 p.m. – **COMBINED** Regular Session & Council Hears Planning & Zoning Matters

3) November 25, 2009 at 6:30 p.m. – Council Hears Planning & Zoning Matters – **CANCELLED**

4) December 2, 2009 at 6:30 p.m. – Regular Session

5) December 16, 2009 at 6:30 p.m. – **COMBINED** Regular Session & Council Hears Planning & Zoning Matters

6) December 23, 2009 at 6:30 p.m. – Council Hears Planning & Zoning Matters – **CANCELLED**

On a motion by Kovacovich, seconded by Baker, the Consent Agenda was unanimously approved as presented.

5. Council Informational Reports.

Whatley reported on her attendance at a meeting of the Audit Committee, together with Mayor Burnside and Mary Taylor; another meeting is scheduled for Friday. Whatley also enjoyed participating in the Trick or Treat event.

Burnside announced that Garrison was absent because of family matters; and she represented the Town of Camp Verde at a NACOG meeting in Page as well. Burnside also commented on attending the Audit Committee meeting and the Trick or Treat event. Burnside reported on the walking tour of the 10 acres being considered as a possibility for a future Park, and, with Council agreeing, requested that Staff bring some ideas back to Council regarding the 10 acres.

6. Call to the Public for Items not on the Agenda

Jesse Rodrigues described his experience with a problem in Town involving the use of fireplaces and wood stoves; the smoke being created is affecting the air quality and intruding into the enjoyment of his home, and others have also complained about the problem in discussions with him; he lives in Verde Lakes. *Burnside requested that Scannell research the problem described, possibly an issue falling under air quality regulations.*

There was no further public input.

7. Presentation by Salt River Project representatives Manager of Water Rights and Contracts David C. Roberts and Jeff Ehlers, Patrick Sigl, and Steve Westwood with respect to the status of the Town of Camp Verde water rights. Staff

Resource: Michael Scannell

There was no action taken.

Town Manager Scannell introduced David Roberts and the other three representatives, noting that Mr. Roberts had last appeared before Council in May, and felt it was important to return to brief the new Council members on the interaction between SRP and the Town of Camp Verde on the issue of water rights.

Mr. Roberts distributed copies of a map of the Phoenix area that illustrated SRP boundaries, outlining the background of the

formation and subsequent growth and service provided by the Salt River Project entities. Mr. Roberts said he wanted to make sure that people understand that SRP is trying to work out water issues because it needs more water, and that is not the case. The service area that was established in 1903 is the same today; SRP is trying to protect its interest in the water supplies it has used for years. The growth occurring throughout the State is presenting a big challenge, including trying to resolve the dispute with Prescott on access to water supplies that potentially would impact the headwaters of the Verde River. Mr. Roberts said that SRP hopes to work it out by talking with Prescott officials. He pointed out the huge development of wells from Cottonwood through Camp Verde as indicated on the map, and the potential long-term effect on the water supply. Mr. Roberts added that SRP wants to work on the water rights, especially with Camp Verde in terms of keeping water rights and having the Town fill its portfolio of water rights for the future. Mr. Roberts said he had sent a letter to Scannell in June that outlines all the areas SRP would like to work with the Town on, documenting water rights, working on transferring water rights that are not getting used to the Town, working on economic development opportunities; there is full agreement that the Verde River is a significant asset to the Valley and SRP wants to be a good neighbor and work together. In order for SRP to help the Town, Mr. Roberts said he would encourage Camp Verde to acquire its own water company, as well as a sewer company, creating a single point to work with on water management. It may be necessary to have other types of Central Arizona Projects, that might be Northern Arizona Projects; it was acknowledged that infrastructure takes money, but everyone needs to work together to try to resolve the issue of needing a sustainable water supply. Mr. Roberts said that if other questions arise he would be happy to come back to talk about them, perhaps give a slide presentation, and further give SRP'S perspective.

Mayor Burnside requested item #8

8. **Discussion, consideration, and possible approval of Resolution 2009-788, a Resolution of the Common Council of the Town of Camp Verde, Yavapai County, Arizona, supporting the Public Planning efforts regarding the future use and management of the area described as the Verde Front located within the Prescott National Forest including the Greenway Corridor of the Middle Verde River as managed by Arizona State Parks. USFS Representative Dee Hines will be available to answer Council's questions.**

On a motion by Baker, seconded by German, the Council unanimously approved Resolution 2009-788, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, supporting the Public Planning efforts regarding the future use and management of the area described as the Verde Front located within the Prescott National Forest including the Greenway Corridor of the Middle Verde River as managed by Arizona State Parks.

Dee Hines, representing the Forest Service, gave a brief presentation describing what the Verde Front is, the proposed integrated recreation planning, and the need to make it a community planning effort, with everyone working together. There is a possibility of entering into an Intergovernmental Agreement, or Memorandum of Understanding, between the Forest Service and State Parks; the various issues are being discussed. A meeting is scheduled for December 7th in Cottonwood, and another public meeting at the new Ranger Station on December 10th from 6:00 to 8:30 p.m.; it is anticipated that the process will take approximately one year, prior to the actual planning stage.

9. **Discussion, consideration, and possible authorization to execute the contract with Kitchell to perform the technical aspects of the required energy analysis, and to complete and submit the application to the Arizona Department of Commerce Energy Efficiency and Conservation Block Grant in the amount of \$91,150.97. The cost for this service is \$4,375 and is an unbudgeted item from the Contingency Fund. Staff Resource: Ron Long**
- On a motion by German, seconded by Roulette, the Council unanimously authorized the Town Manager to execute the contract with Kitchell in the amount of \$4,375 to complete the energy analysis, prepare and submit the EECBG.

Scannell explained that staff had become aware of the availability of entitlement funding through the subject Energy Efficiency and Conservation Block Grant (EECBG) to be used for energy conservation type programs. The deadline for submitting the application is November 30th. Scannell outlined the excellent qualifications of the Kitchell staff and the improvements to be made with the proceeds of the Grant; the application needs to be very detailed and specific as to the project. Scannell said he would encourage the Council to authorize the Town Manager to execute a contract with Kitchell to prepare the energy analysis necessary in connection with submitting the application to the State by the deadline of November 30th. Scannell commented that the reimbursable costs to be paid in addition to the \$4,375 would be minimal. A potential competitive grant is also being looked into, to possibly replace the existing propane heating system for the pool with a solar powered system.

Councilor Garrison requested item #10:

10. **Discussion, consideration, and possible direction to staff regarding the operation of the Town's Weight Room.**
On a motion by Burnside, seconded by Baker, the Council unanimously continued this item to the meeting scheduled for November 18, 2009.
11. **Discussion, consideration, and possible approval to appropriate into the 2009-10 budget \$41,500 of RICO funds the**

Marshal's Office received from the Yavapai County Anti-Racketeering Fund. This is unbudgeted revenue. Staff Resource: David R. Smith

On a motion by German, seconded by Roulette, the Council unanimously approved appropriating into the 2009-10 budget the \$41,500 of RICO funds that the Marshal's Office received from the Yavapai County Anti-Racketeering Fund.

Dave Smith explained that the subject funds were received from the Racketeering Influenced and Corrupt Organizations pursuant to an act passed in 1970 that allows law enforcement to seize funds and property used in organized crime and to use the proceeds for law enforcement purposes. The \$41,500 is unanticipated revenue that needs to be appropriated into the budget. Scannell outlined how there is no problem with allowing that additional amount to be included into the budget; the funds are to be used for equipment needs in law enforcement.

12. Possible approval of the Intergovernmental Agreement between the Yavapai-Apache Nation and the Town of Camp Verde for police dispatch service. Staff Resource: David R. Smith

On a motion by German, seconded by Kovacovich, the Council unanimously approved the Intergovernmental Agreement between the Yavapai-Apache Nation and the Town of Camp Verde for police dispatch service.

Smith said that the Marshal's Office has been dispatching for the Yavapai-Apache Police Department for the last several years, and the current IGA expired June 30th. It has taken time for the attorneys to work out all the wording; the Nation's governing board has passed the agreement. The service is reciprocal between the two communities; the expense to Camp Verde remains fixed regardless, working with the Nation helps to cover the dispatch services and drive down costs. Burnside noted a clerical error on Page 2 of the Agreement, 6th line, "nation" should be capitalized as "Nation."

13. Possible approval of the amended and restated Mutual Aid Intergovernmental Agreement between the Yavapai-Apache Nation and the Town of Camp Verde for mutual use of law enforcement personnel and resources. Staff Resource: David R. Smith

On a motion by Whatley, seconded by Baker, the Council unanimously approved the amended and restated Mutual Aid Intergovernmental Agreement between the Yavapai-Apache Nation and the Town of Camp Verde for mutual use of law enforcement personnel and resources.

Smith said that the IGA expired last year, and renewal was held up because of changes in attorneys, which delayed the work on it; Southwest Risk, the Town's insurance pool, recommends approval of the mutual aid that protects both entities with backup help. A major change is that the agreement will self-renew each year unless either party elects to terminate it.

14. Possible authorization for staff to terminate the contract with Lincoln Financial, the company that currently provides short-term disability insurance to Town employees. Staff Resource: David R. Smith

On a motion by German, seconded by Baker, the Council unanimously authorized staff to terminate the contract with Lincoln Financial, effective January 1, 2010.

Smith explained that termination of the contract would result in a savings of \$20,000 per year. Under the new Personnel Policies a sick leave bank has been created that would provide short-term disability coverage for accidents or other illness. Smith outlined how the sick leave bank is funded and administered. During the discussion, Scannell reviewed the benefits provided by sick leave banks that actually would provide a better return to the employee compared with those provided by the insurance company. It was also pointed out that the employees, by contributing to the sick leave bank, in essence are creating their own short-term disability insurance pool.

A recess was called at 8:00 p.m.; the meeting was called back to order at 8:11 p.m.

Councilor Roulette requested item #15:

15. Discussion and possible consideration of either suspending or repealing the Transaction Privilege Tax imposed on commercial rentals that house retail merchants, followed by direction to staff to research the matter.

By consensus of the Council, staff was directed to return this item to the Town Council when the AZ North case has been determined, for the purpose of evaluating waiver of the Transaction Privilege Tax on commercial properties in the Town; in the interim the Town Manager will confer with Don Zelechowski for input regarding the commercial properties.

Councilor Roulette said that a main topic among constituents appears to be how the merchants in Town can be helped, since there are businesses that are failing and being lost. Roulette said that George Young has suggested that the Transaction Privilege Tax imposed on commercial rentals be suspended or repealed, which might help to lessen the financial burden for those businesses renting space. Those businesses already contribute by paying sales taxes. Roulette said that Town Attorney

Sims has said that waiving those property rental taxes for retailers may be considered a form of tax rebate, and there is currently a case being litigated that is challenging the constitutionality of municipal tax rebates. Mr. Sims has advised that before taking any action, there should be some research done on that issue, and it might be well to wait until the case is decided.

PUBLIC INPUT

(Comments from the following individual are summarized.)

George Young, as a business person over a number of years and having to collect sales taxes, confirmed his suggestion that waiving the Transaction Privilege Tax would not affect the property owners, but would be passed on to the merchants who need help from the Town.

After further discussion, it was agreed that any decision would be delayed until after the AZ North case has been resolved. During the discussion the question arose regarding how many commercial properties are involved in the Town. In the interim, Scannell said he will work with Don Zelechowski who is researching the current compliance rate among the businesses, to come up with an estimate of the number of commercial rental properties and potential revenue figures as quickly as possible. Scannell will return to the Council when the AZ North case is determined, for the purpose of evaluating waiver of the Transaction Privilege Tax on retail properties occupying commercial spaces in the Town.

Mayor Burnside requested item #16 & 17:

16. **Discussion, consideration, and possible selection of projects to recommend to the Yavapai Apache Nation for consideration as a contribution from the Cliff Castle Gaming Facility, pursuant to the Tribal-State Gaming Revenue Sharing distribution.**

On a motion by German, seconded by Whatley, the Council **voted 5-0** to recommend to the Yavapai Apache Nation for consideration the following items as a contribution from the Cliff Castle Gaming Facility, pursuant to the Tribal-State Gaming Revenue Sharing distribution: (1) 80% for General Public Services, for the Community Pool and to help support the Summer Youth Recreation Program; (2) 20% for Public Enhancement Services, to help with the Library Building Construction Fund; **Baker abstained.**

Mayor Burnside advised the members that a meeting is scheduled with the Yavapai-Apache Nation next Tuesday in connection with the new policy arising from events of last year regarding the contributions from the Nation to local communities. The Nation has requested that the Mayors present to them their preferred projects or programs to benefit from the distribution of the revenue-sharing monies. Burnside suggested a list of items for the Council to discuss and determine as priorities. The members discussed at length each of their individual preferences, and arrived at a final consensus on programs to present to the Nation for their consideration: 80% of the funding for the Community Pool and support for the Summer Youth Recreation Programs, since all of the youth, including those from the Nation, would benefit from those amenities; and 20% for the Library building fund which would also benefit all youth.

17. **Discussion, consideration, and review of the Performance Evaluation Procedures for Council-appointed staff as adopted by Council in 2004 and amended in 2005, followed by possible direction to staff relative to including the new procedures in a document, such as the Personnel Manual or in the Council Policies, Rules, and Procedures Manual.** The HR Director was directed to prepare an evaluation protocol that includes a 360-degree evaluation with input from a random selection of department heads, and includes a process for summarization of performance by the Council, together with a summarization of goals that a majority of the Council supports, and bring the document back to Council for approval.

Burnside referred to the recent Town Manager evaluation during which questions had come up regarding several problems in the procedure followed. To address that, Burnside said that he would like to make sure that documentation will be available setting forth the specific Town Manager evaluation procedure not only for this year but for future years, possibly memorializing the procedure recommended by the HR Director during the recent evaluation. It was suggested that an agreed-upon procedure become a part of the Personnel Manual. The members discussed at length their areas of concern and the need for guidance through written documentation, together with input and recommendations from Scannell based on his past experience with other government entities. The Council agreed upon directing Dave Smith to prepare a document that addresses the issues discussed, and then bring the document back to Council for approval.

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

There was no public input.

19. **Advanced Approvals of Town Expenditures**

a. **There are no advanced approvals.**

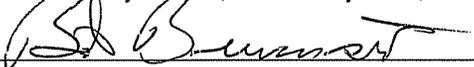
There were no advanced approvals.

20. **Manager/Staff Report**

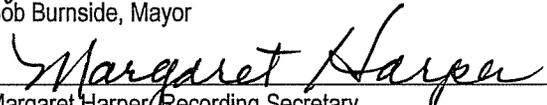
Scannell distributed to Council copies of a report he received from the Arizona League of Cities and Towns on Monday that gives a forecast of the Urban Revenue Sharing Distributions that are due to be disbursed on or about July 1st for the Fiscal Year 2010-11, from the State Income Tax collections of two years ago. The forecast shows that the monies for all the municipalities and towns within the State will be radically reduced; for Camp Verde, the reduction will be \$340,783 over what is being received in the current year. Scannell said that instead of an anticipated approximately 15 percent reduction based on the economy, the figures indicate a 24.6 percent reduction. Scannell assured Council that staff will be monitoring the financial impacts very closely through weekly reports from the League, and will continue to keep Council advised. On November 18th the Council will receive an update on the budget and a forecast of the estimated status of the budgeted numbers.

21. **Adjournment**

On a motion by German, seconded by Baker, the meeting was adjourned at 10:26 p.m.



Bob Burnside, Mayor

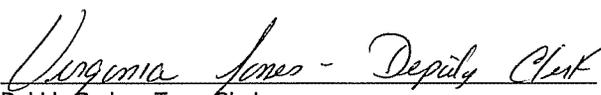


Margaret Harper, Recording Secretary

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 4th day of November 2009. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 20 day of November, 2009.



~~Debbie Barber, Town Clerk~~
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