

**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
WEDNESDAY, JANUARY 16, 2008
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 6:31 p.m.

2. Roll Call

Mayor Gioia, Vice Mayor Hauser, Councilors Smith, Garrison, Kovacovich, and Elmer were present.

Also Present: Town Manager Mike Scannell, Town Attorney Bill Sims, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. Pledge of Allegiance

The Pledge was led by Elmer.

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 9, 2008 – Special Session
- 2) January 2, 2008 – Regular Session
- 3) January 2, 2008 – Executive Session

b) Set Next Meeting, Date and Time:

- 1) Council Hears Planning & Zoning – January 23, 2008 at 6:30 p.m.
- 2) Work Session – January 30, 2008 at 5:00 p.m.
- 3) Regular Session – February 6, 2008 at 6:30 p.m.
- 4) Joint Work Session with Parks & Recreation – February 13, 2008 at 6:30 p.m.
- 5) Special Session – February 20, 2008 at 4:30 p.m.
- 6) Regular Session – February 20, 2008 at 6:30 p.m.
- 7) Council Hears Planning & Zoning – February 27, 2008 at 6:30 p.m.

c) Possible approval to confirm Judge Harry Cipriano, Judge Duane Wyles, and Judge G. Eugene Neil as Juvenile Hearing Officers for Yavapai County without additional compensation as per ARS §8-323A and Administrative Order No. 2008-02, 2008-03 and 2008-04.

On a motion by Smith, seconded by Kovacovich, the Consent Agenda was unanimously approved as presented, with the changes noted.

Mayor Gioia said that he has been requested by the Yavapai-Apache Nation to address them tomorrow afternoon; the time has not yet been set. Councilors are asked to attend if possible and staff will post the meeting and advise the members when the time is determined. The meeting scheduled for January 23rd is canceled, and the Special Session on February 20th at 4:30 is canceled.

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

(Comments from the following individuals are summarized.)

Karen Cox, together with her husband Harold Cox, advised the Council that they have been told by the State authorities contacted that the human fossil remains found in an archaeological site on their property in 2006 are too old for repatriation. The Yavapai-Apache Nation has expressed

no interest in the site. Ms. Cox said that she is reasonably certain that the particular Tribe has been located and has provided evidence that the Camp Verde artifacts correlate directly to their Tribe's artifacts. Ms. Cox suggested the items should be preserved, possibly in a museum, and is concerned about repatriation of the human fossil remains. *Gioia said he would request the Manager to address the issue and place it on a future agenda for further discussion.*

James Strava distributed a handout to all the members and described his efforts working with an informal group to resolve their problems with the Sanitary District, and the refusal of the Sanitary District to answer inquiries from the group regarding the District's actions, including the recent cease order that was received. Mr. Strava said he was asking the members and all citizens to contact his Salt Mine Sewer group and submit email comments to SRSOG@live.com.

There was no further public input.

6. **Presentation and discussion of Internal Control Agreed upon Procedures Engagement by Lisa Lumbard, CPA, CGFM of Lumbard & Associates, PLLC**

Town Manager was directed, acknowledging his existing time constraints, to finalize the Policies & Procedures and the related recommendations into a document to be adopted by Council, together with a draft of his views and directions to staff as to how to execute each and every procedure, for review by the Council.

Town Manager Scannell reviewed the decision to engage Lumbard & Associates in response to his concern about inadequacies in the internal controls in the Town's financial system, adding that Lisa Lumbard was present to give her report on the internal controls review that was recently completed.

Lisa Lumbard prefaced a comprehensive review of her written subject report by explaining that internal controls consist of procedures that are in place in order to prevent the possibility as well as to help deter the possibility of fraudulent activities occurring. Ms. Lumbard presented a page-by-page review of the report that evaluated the adequacy of the internal control over specific categories involving all financial transactions and accounting and included recommendations for corrective procedures to be put into place. In summary, Ms. Lumbard said her firm understands that the Town is experiencing significant weaknesses in segregation of duties, partially due to the small size of the staff; however, she said she does believe there are areas of segregation that could be improved upon with the existing staff, and getting a qualified Finance Director will definitely be of help. Ms. Lumbard extended appreciation to the current Town personnel for their courteous cooperation, and commented that her firm was not rendering an opinion as to adequacy of controls, but is only reporting the results of the audit.

The members discussed the report with Ms. Lumbard, including her recommendation that definitive Town Policies & Procedures should be finalized and communicated to all employees together with training sessions so that everybody is aware of the Policies & Procedures. Manager Scannell outlined for the Council some of the items in the report beginning to be addressed, and assured the members that each and every recommendation is legitimate and those improvements will be made with the support of the Council. Scannell added that the Finance Department staff is an outstanding group of employees who are doing the best they can.

PUBLIC INPUT

(Comments from the following individual are summarized.)

Jerry Tobish, a local business owner, said he understands what is needed because he has worked in internal controls professionally; he commented on the importance of following through with the recommendations and findings contained in Ms. Lumbard's report and put everything in order.

There was no further public input.

7. **Council Informational Reports**

- **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.**

Hauser assured the public that they are getting their money's worth from her, she goes to meetings, looks out for the children, and looks out for the community's money and their wallets.

Gioia also said that because of the full agenda he would elect to not report on his schedule of meetings.

Kovacovich reported on the address given yesterday by Governor Napolitano in Clarkdale; many town leaders from throughout the Valley were there.

Garrison, in an update on the Sanitary District, said that she had heard from Mr. Dupuy that the Sanitary District Board is doing everything within their human power to proceed with the sewer project; if anyone has concerns or comments they can call the District at 567-6794. The next meeting of the District is February 13th at 1:00 p.m.

Smith said he was also at the Governor's presentation yesterday, and thanked the College staff for including the Town in the invitation to attend. Smith added that he, Carol Brown and some other staff members are working on a surprise for Council.

8. **Discussion, consideration and possible appointment of a Council member to fill former Council member Parry's term that expires in June 2011. The candidates for the position are Tina Andersen, Harry Duke, Dave Freeman, Donald E. O'Toole, Timothy E. Sykes, Jerry Tobish, and Robin Whatley.**

A motion by Hauser, seconded by Garrison, to appoint **Dave Freeman** to fill the position **failed** by a 3-3 vote, **with 'no' votes by Kovacovich, Elmer and Smith.**

A motion by Smith, seconded by Kovacovich, to approve **Harry Duke** for Council, **failed** by a 3-3 vote, **with 'no' votes by Hauser, Gioia and Garrison.**

A motion by Smith, seconded by Elmer, to appoint **Jerry Tobish** to Council, **failed** by a 3-3 vote, **with 'no' votes by Garrison, Gioia and Hauser.**

A motion by Hauser to appoint **Robin Whatley** to Council **failed for lack of a second.**

It was agreed that this item is continued to another meeting.

Town Attorney Sims, in response to questions from Council, confirmed that a vacancy must exist, and does, the vacancy must be filled within a prescribed period of time, and the requirements for serving as a Council member are: Must be a qualified elector in the State of Arizona; must be a resident of Camp Verde for at least one year prior to the selection; and must be at least 18 years of age.

Mayor Gioia said that each of the applicants was encouraged to speak for a period of up to 10 minutes, followed by an opportunity for the Council to talk with each individual. After that, the public will be invited to offer comments.

CANDIDATES' STATEMENTS

(Comments from the following individuals are summarized.)

Dave Freeman introduced himself and then read from a lengthy prepared statement describing his experience, philosophy, past and current record and involvement in Town government and accomplishments as a member of various committees and Commissions, currently serving on the Housing Commission and as Chairperson of the Planning & Zoning Commission.

Councilor Garrison cautioned the applicants not to take any vote personally but to stay involved in the community, adding that packets can be pulled in December because the election process will start all over again.

Tim Sykes said that he has no political experience but does have a big interest in the Town; has been a fire fighter for 11 years, is a journeyman electrician, is a working man; he believes he could do a lot for the Town and would like to be a part of it.

Mr. Sykes confirmed that he lives within the incorporated area of Camp Verde.

Tina Anderson said she was passionate about the Town and had wondered what she could do to make a difference, which is why she expressed her interest in serving; however, she realized that because of her young children and getting a business started, the time needed to serve might be a problem at this time, and she withdrew her name for consideration.

During a brief discussion with the Council, Ms. Anderson was encouraged to remain passionate about the Town and perhaps serve on some Commissions or Boards to learn more about the process.

Harry Duke reviewed his qualifications as a resident for 32 years employed by the Postal Service and serving the people; he reminded the members that he had received a large majority of the vote during the last election, losing to Mike Parry by only a small number of votes. Mr. Duke believes he has experience to bring to the Council, and is aware that there are a lot of challenges ahead.

Robin Whatley gave an overview of her residency in the Town, her education, and her employment as a teacher; she is currently serving as a member of the Parks & Recreation Commission, attends Council meetings regularly, and is active as a volunteer on many events. Ms. Whatley assured the members that even if she is not selected she will continue to remain active, involved and committed to Camp Verde.

Jerry Tobish said he has been a resident for about 7 years and he has no special interest or political ties. Mr. Tobish has been a retail business owner in the Town for the last 4 years; he is only looking for what is best for the Town, and acknowledged that all the candidates only want to make a difference, regardless of whoever is selected.

Donald O'Toole said that when he had first heard that only one individual had applied for the seat on the Council, he had decided to apply; however, he said he is withdrawing his name at this time and would like to throw in his support for Harry Duke.

Mayor Gioia thanked everyone who had shown interest in being appointed.

PUBLIC INPUT

(Comments from the following individuals are summarized.)

Henry Shill expressed his support for Harry Duke since he was almost elected and he would be good for the Town.

Dave Anderson, Tina Anderson's husband, said he was amazed at the number of responses to serve on the Council, adding that everyone shares the same passion, drive and energy for the community.

Ray Floyd spoke in favor of appointing Harry Duke; he reminded the members of the close vote in the election. Mr. Floyd said it appears that Mike Parry did not live in the Town at the time election, so it seems logical and just to appoint Harry Duke.

Paul Clawson said that the one candidate who stood out above the rest was Dave Freeman,

and he believes that Freeman would be the best person for the job on Council.

Therese Tobish said she was expressing support for her husband, Jerome Tobish since he feels he could do a good job for the Town and would be an asset; she will be the woman behind a good man.

Jackie Butler commented on how involved the people have been from the beginning of the Town's incorporation 22 years ago; the citizens have voted for Harry Duke and have therefore already spoken about who they want seated on the Council; Harry Duke is a qualified candidate.

Jim Bullard also spoke in favor of Harry Duke, pointing out that basically the Town people have voted.

Rob Witt said that all the candidates have good intentions and would serve honorably; he voted for Harry Duke in the election because of his honesty and his experience in the community.

There was no further public input.

Hauser said that she has been on the Council for 10 years; in the past she had been denied a seat on the Planning & Zoning Commission as well as the Parks & Rec Commission. Hauser told everyone to just keep doing what they do, and eventually they can make a difference.

Smith commented on the close election; the public made a statement and the Council should listen to them and appoint Harry Duke. Garrison explained that emotionally she would choose Robin Whatley. Garrison said she had numerous calls from the public; however, because they were both involved in the last campaign, she cannot choose either Harry Duke or to Robin. Kovacovich said he believes Duke made the important commitment in the last election to serve on the Council. Elmer said it was a tough decision, and he believes the voters wanted to see Harry Duke appointed. Gioia said he could not support Robin, and had told her so; Gioia said he would support Freeman because he earned the highest points on the rating system that Gioia used.

9. **Discussion, consideration, and possible appointment of a member to the Housing Commission for a term that expires September 2009. Candidates for the position are Tony Varela and Dianna Wright.**

On a motion by Hauser, seconded by Garrison, the Council by a 5-1 vote appointed **Tony Varela** to the Housing Commission for a term that expires September 2009; **with a 'no' vote by Smith.**

Mayor Gioia invited the two candidates to speak to the Council, if they wished to.

CANDIDATES' STATEMENTS

(Comments from the following individuals are summarized.)

Tony Varela said he and his wife have lived in Camp Verde for 12 years, and their home is directly below the proposed development of the 5 acres. He said that he wants to contribute his support to Camp Verde's plan to develop the quality houses within the economic reach of families, and outlined his career background and skill in the Spanish language.

Dianna Wright explained that she is very familiar with low-cost income since her career and expertise is in managing apartment complexes, most of it on the lower economic side; she is currently the property manager for a complex in Camp Verde; she agrees that the Town needs low income housing.

Garrison said she did research on the residency requirement for candidates for Commissions and Boards, and she believes Ms. Wright would qualify.

PUBLIC INPUT

(Comments from the following individuals are summarized.)

Tom Nielson said he is also concerned about the lack of housing in the Town; he supports Dianna Wright.

James Strava spoke on behalf of Tony Varela, and believes Mr. Varela would bring an alternative vision to the Commission.

Dave Freeman questioned whether Mr. Varela would have a conflict of interest serving on the Housing Commission because he lives so close to the 5-acre proposed project which is currently the main focus of the Commission; as for Ms. Wright, the Commission needs people who are working with low-income people every day, and her experience would be invaluable.

There was no further public input.

Town Attorney Sims was asked about the possibility of Mr. Varela having a conflict of interest, as suggested. Sims said that if Mr. Varela truly has no financial interest, there should be no problem. Even so, that would not bar him from sitting on the Commission in general.

Smith expressed concern about Mr. Varela opposing high density developments, and reiterated the recommendation made by Freeman to appoint Ms. Wright because of her experience in low-income housing.

A recess was called at 9:08 p.m.; the meeting was called back to order at 9:17 p.m.

10. **Discussion, consideration, and possible rejection of all bids for the Senior Center Improvement Project, CDBG #108-07.**

On a motion by Elmer, seconded by Hauser, the Council unanimously rejected all bids for the subject Senior Center Improvement Project.

Staff was directed to work with the Senior Center Board to resubmit requests for bids for alternatives eliminating items from the proposed project in order to reduce the cost to meet the budgeted amount.

Town Clerk Barber explained that the amount of approximately \$58,000 had been allocated for the Senior Center project; however, the low bid received was \$84,890 with a high bid of \$138,000. Staff is recommending that all bids be rejected, and a bid package with alternates prepared, eliminating some items. The Council discussed with Barber some proposed alternatives. Barber said that at the next pre-bid conference the contractors will be made more aware of the funds available; she also confirmed that the Senior Center board will definitely be involved in the entire bid process.

PUBLIC INPUT

(Comments from the following individual are summarized.)

Robin Whatley said she is a member of the Senior Center, recommended the lunches that are served there, adding that the membership seems to be growing.

There was no further public input.

11. **DISCUSSION, CONSIDERATION, AND POSSIBLE PRIORITIZATION OF TOWN PROJECTS FOR 2008. THIS INFORMATION WILL BE RELAYED TO THE YAVAPAI-APACHE NATION COUNCIL PER THEIR REQUEST.**

There was no action taken.

Mayor Gioia explained that the Yavapai-Apache Nation had requested prioritization of Town projects for 2008 in connection with their upcoming discussion and ultimate recommendation

regarding the allocation of the funds that are disbursed annually to Verde Valley communities, in compliance with the State's Gaming Compact.

The members discussed various Town projects for 2008, including priorities that have been recommended by the community, and arrived at a consensus that the following three projects are selected and prioritized in the order listed, to be relayed accordingly to the Yavapai-Apache Nation Council as requested: **Senior Center upgrades, the Library and Youth Center.**

There was no public input.

12. **Discussion, consideration, and possible prioritization and/or direction to the Manager concerning items set forth under his name in the Council Direction Report that is prepared by the Town Clerk after each Regular Session.**

The Town Manager was directed to focus on the basics, list 5 or 6 strategic objectives that can realistically be undertaken and need to be addressed; putting the house in order is the first priority in order to serve the public appropriately.

Councilor Smith expressed his concern about all the projects being carried forward, with some apparently being removed from the subject Report with no explanation, citing some examples, in particular the proposed monument signs at the Town entrances. Barber reviewed the process for making additions and changes to the Report. The members discussed several other projects that had been listed and carried over on the subject Report for years in some instances. Manager Scannell acknowledged that there were numerous assignments that have been made; however, he suggested that the Council should consider a more realistic approach in light of the limited capacity of the staff and that the Council needs to be more conscious of that. Scannell reminded the Council that urgent current issues are being confronted. Among his suggestions was preparation of a list of realistic objectives, allocating them to the different departments for action, which in turn he believes would provide a much more useful basis for evaluating performance and holding people accountable. After further discussion Scannell was requested to offer his point of view on 5 or 6 items to be prioritized; Scannell said that together with the Council members he will try to come up with a list that will be worthy of pursuit and demonstrate accountability to the community. Scannell agreed that holding a retreat would be of help in developing the list of objectives as discussed.

PUBLIC INPUT

(Comments from the following individual are summarized.)

Nancy Floyd said that the Council cannot keep loading up the Manager with projects; when a new one is directed, then an existing one should be removed.

There was no further public input.

13. **Discussion, consideration, and possible direction to staff regarding preparation of agenda packets, establish a checklist for P&Z issues, and reduction in use of paper and employee time.**

Staff was directed to work with the Attorney, Garrison and Smith to recommend an alternate procedure in order to bring a proposal back to Council for further review.

Garrison explained that she had discussed with Buckel the cost of assembling packets of information for the Councilors in connection with proposed developments each time an item came up for consideration, resulting in what seems to be a waste of money and staff's time. Garrison and Smith reviewed their discussion with Buckel and a suggestion for an alternate procedure using a checklist indicating items signed off, with a master copy of all the documents and information on file in the office for reference. Buckel described how she envisions the proposed procedure, confirming that she would follow through on it, providing everyone agreed it would be feasible. The members discussed their opinions and personal approaches to reviewing material in connection with projects to be approved. Based on concerns that included meeting

statutory requirements, the members were unable to arrive at a consensus at this time, deferring further consideration until an alternate procedure is proposed that addresses their input, and is approved by the Town Attorney.

There was no public input.

14. **Discussion, consideration, and possible direction to staff concerning bidding at the on-line auction for the community park property known as Parcel "A" of the USFS Administrative site consisting of approximately 118 plus acres located of SR 260 and McCracken Lane. Note: Council may vote to go into executive session pursuant to ARS §38-431.03(A)(7) for discussion or consultation with designated representatives in order to consider Council's position and instruct its representatives regarding negotiations for the purchase, sale, or lease of real property and ARS §38-431.03(A)(3) for discussion or consultation with the attorney for legal advice**

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

Scannell said that there had been no bids received as of this afternoon; the closing date was identified as January 30th at 3:00 p.m. Scannell requested an Executive Session in order to discuss the negotiating strategy to be followed should the Council elect to bid on the subject parcel. Gioia said that if Council so chooses to go into Executive Session on the following item, both items will be discussed during the same session.

15. **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 Hauser, seconded by Gioia, the Council voted unanimously to go into Executive Session.

Scannell said the Sanitary District has been presented a draft set of provisions for the IGA currently being discussed. Scannell explained that he and the Town Attorney request an Executive Session to seek counsel on how best to proceed through the negotiations.

It was agreed to address the remainder of the agenda prior to adjourning for the Executive Sessions.

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

There was no public input.

17. **Advanced Approvals of Town Expenditures**

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

There were no advanced approvals.

18. **Manager/Staff Report**

a) **Analysis of the Smart Growth Scorecard encouraged by the Arizona Department of Commerce to qualify for discretionary funding.**

b) **Update on facilitator, Lance Decker, of L. L. Decker & Associates.**

Manager Scannell requested that Item a) be continued to February 6th meeting. Scannell said Lance Decker has sent him some material recapping the prior meeting; that information has been forwarded to each member. Efforts are ongoing to arrange a meeting date with Decker.

19. **Adjournment**

On a motion by Elmer, seconded by Hauser, the meeting was adjourned at 10:35 p.m.



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 16th day of January 2008. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 12 day of February, 2008.



Debbie Barber, Town Clerk