

**MINUTES
SPECIAL SESSION
MAYOR and COMMON COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
Monday, DECEMBER 22, 2008
3:15 p.m.**

1. Call to Order

The meeting was called to order at 3:15 p.m.

2. Roll Call

Mayor Gioia, Vice Mayor Hauser, Councilors Garrison, and German were present; Councilor Smith was present (*by telephone conference*); Councilor Kovacovich was absent; there is one seat vacant.

Also Present: Town Manager Mike Scannell, Town Attorney Bill Sims (*by telephone conference*), and Recording Secretary Margaret Harper.

3. Update, discussion, consideration, and possible direction to staff and/or discussion or consultation with the Town Attorney for legal advice concerning Canyon Wood Supply owned by California Hotwood, Inc. formerly known as Zellner's Wood Yard. 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, in pending or contemplated litigation, or in settlement discussions in order to avoid or resolve litigation. (Staff Resource: Town Attorney)

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

Mayor Gioia announced that a citizen has requested to make a statement; the members agreed to accept public input prior to going into Executive Session.

PUBLIC INPUT

(Comments from the following individuals are summarized.)

Clint Gray said that prior to 1969, anything before that was considered grandfathered in. The property owners were never notified of any of the expansion of Zellner's Wood Yard. The operation also runs all day Saturday and all day Sunday. The dates on the deeds show when the property was purchased. The Town has never collected any kind of revenue or sales taxes off of the local wood sold here in Town. Mr. Gray urged the Council to not postpone the date any further, but to get something done.

John Gray asked if a statement will be made after coming out of Executive Session. (*Gioia said that would depend upon what transpires in the Executive Session and what information is shared.*)

A recess was called at 3:20 p.m. to go into Executive Session; the meeting was called back to order at 5:02 p.m.

4. Review, consideration, and possible approval of an Interim Settlement Agreement WITH THE PARTIES OWNING INTERESTS IN the Canyon Wood Supply.

There was no action taken.

Staff was directed in accordance with the following recommendation by Town Attorney Bill Sims:

"Mayor and Members of the Council: Since May you have asked staff and your Town Attorney to explore options to figure how best to mitigate the impact of the Wood Lot on the neighborhood. We have tried any number of options to include even potential relocation to different locations. Staff is here to try to recommend an option that might hold the greatest likelihood of at least having some degree of some remediation measures that would address some of the impact on

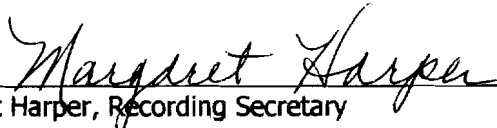
the community. Our recommendation is as follows: We would ask for direction tonight to negotiate a settlement agreement that would include the following terms: It would acknowledge some degree of use on some of the existing parcels. It would shut down, at least for the short term, the discovery and the hearing on January 8th to allow the parties time to spend resources to see if a compromise could be attained. And the community would acknowledge, every time I've spoken before the community, I have identified litigation as "a zero sum game; there will be a winner and there will be a loser." And that I could not guarantee to you, my Council, and to the citizens of Camp Verde that we could get any degree of operational constraint if indeed the Town were to lose. The intent of my recommendation tonight is to hold out the prospect of operational constraint. So the Settlement Agreement will offer some degree of use, it will require the parties to negotiate the uses in a way that perhaps some reasonable remediation measures could be implemented. We would hope to do this by February 15th, at which time if we could agree upon an agreement, which you will have to do under the Statutes, that the agreement meets the needs of all concerned, then the litigation could be terminated.

So our request to you tonight is to ask direction to negotiate a settlement agreement that would incorporate those terms."

There was no further Council discussion; Mayor Gioia confirmed that the foregoing would be the Council's statement also.

5. Adjournment

On a motion by Hauser, seconded by Garrison, the meeting was adjourned at 5:05 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 Special Session of the Town Council of Camp Verde, Arizona, held on the 22nd day of December 2008. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 27 day of January, 2009.



Debbie Barber, Town Clerk