MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, JANUARY 5, 2011
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, Garrison, Baker, Roulette, and German were present.

Also Present: Town Manager Russ Martin, Special Projects Administrator Matt Morris, Sr. Acct. Lisa Elliott,. Mayoral Candidate Steve Goetting, Council Candidate Alan Buchanan, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. **Pledge of Allegiance**
The Pledge was led by Whatley.

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 – December 15, 2010
   b) **Set Next Meeting, Date and Time:**
      1) January 7, 2011 at 9:00 a.m. – Work Session – General Matters to include, but not be limited to Town Code amendments, policies & procedures, etc.
      2) January 12, 2011 at 6:30 p.m. – Work Session – Fireworks
      3) January 19, 2011 at 6:30 p.m. – Regular Session
      4) January 26, 2011 at 6:30 p.m. – Council Hears Planning & Zoning Matters
   c) **Possible approval of an addendum to the Consultant Agreement for professional services for a planning consultant between the Town of Camp Verde and Dava & Associates, Inc. for the rewrite of the Camp Verde Planning & Zoning Ordinance, Subdivision Regulations and Engineering Standards.** This is a budgeted item in the General Fund. Staff Resource: Matt Morris
   d) **Possible approval of Resolution 2011-821, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, setting meeting dates and times for Council and all Commissions/Committees for 2011.** Staff Resource: Debbie Barber
   e) **Possible approval of Resolution 2011-822, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, establishing hours of operation and setting the 2011 Holiday Schedule, in which Administrative Offices will be closed.** Staff Resource: Debbie Barber
   f) **Possible approval of a Policy Statement that authorizes the Mayor, as the Town's Chief Elected Official, to support or oppose legislative bills that protect groundwater, state shared revenues, and land use authority that are introduced during legislative sessions when they adversely affect the Town's interest and need an immediate response.** Staff Resource: Debbie Barber
   g) **Possible approval of Resolution 2010-828, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, authorizing the submission of an application for State Housing Funds (which may include federal funding through the HOME Investment Partnership Program or State Housing Funds), certifying that said application meets the community's housing and community development needs and the requirements of the State Housing programs, and authorizing all actions necessary to implement and complete the activities as outlined in said application.** Staff Resource: Matt Morris

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

Whatley pointed out a clerical error in **4.d);** the date for the meeting schedule should be 2011.

5. **Special Announcements & Presentations**
There were no special announcements or presentations.

6. **Council Informational Reports.**
Roulette said that he understands that at the Sanitary District meeting prior to the end of the year it was decided to approve the solar panels project to provide electricity for the plant.

Burnside reported on attendance at a meeting in Clarkdale, together with Russ Martin; the figures from the Census indicate that the State of Arizona showed a 20 percent increase. The County will now have five supervisors instead of three. In February there will be some Open House meetings for public input; in approximately September the results will be reviewed. The Town will be provided with the information; it will be on the Town's website. Burnside also requested that at the end of this session the Council members coordinate with the Town Clerk a time for setting up a meeting on January 14 with the Yavapai-Apache Nation.

7. **Call to the Public for items not on the agenda.**
There was no public input.

8. **Discussion, consideration, and possible appointment to the following Boards & Commissions:** Staff Resource: Debbie Barber
   a) **Board of Adjustments – 2 members for 3-year terms. Applicants are James Binick and Murray J. Lichty.**
   b) **Planning & Zoning Commission – 2 members for 3-year terms. Applicants are Howard E. Parrish and Michael Hough.**

On a motion by Roulette, seconded by Garrison, the Council voted unanimously to appoint Michael Hough and Howard Parrish to the Planning & Zoning Commission, with the current term expirations as per Town Code, with the expirations to be amended if the Town Code is amended; and to appoint James Binick and Murray J. Lichty to the Board of Adjustments, and to set the expiration dates according to the current Town Code, with their term expiration dates to be amended if the Town Code is amended.

With input from Town Clerk Barber, the members discussed the conflict between the current Town Code, the Policies and Procedures, and the anticipated changes in the new Code specifying the term expiration dates and when appointments are to be made. It was subsequently agreed that the existing Town Code should be followed to the letter, with the terms ending in September 2013, and the dates can be revised if and when the Code is amended as anticipated.

9. **Discussion, consideration, and possible approval of Resolution 2011-827, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving a Lease Purchase Agreement for the purpose of procuring financial and administrative information systems software and hardware.** This is a budgeted item in the General Fund. Staff Resource: Lisa Elliott
On a motion by German, seconded by Baker, the Council **voted 4-3** to approve Resolution 2011-827, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving a Lease Purchase Agreement for the purpose of procuring financial and administrative information systems software and hardware, with **Burnside, Garrison and Whatley opposed**; Garrison requested that the Minutes reflect that her 'no' vote was based on the verbiage in tem 20 of the document providing for the "highest lawful rate."

Sr. Acct. Lisa Elliott reviewed the background information of the purchase agreement entered into on

September 15,2010 for the purchjase of the INCODE software system. Based on current financial considerations, rather than an outright purchase of the system, staff has determined that it would be in the best interest of the Town to enter into a Lease Purchase Agreement to finance the purchase over a period of five years.

Garrison commenced the discussion voicing her objection to what she perceived was not only an apparent lack of Town Attorney review and protection for the Town on the proposed financing document, but a clause in the agreement providing for the "highest lawful interest rate" in the paragraph regarding Interest on Default. Town Manager Martin said he could work with the financing entity on the concerns raised; the document is simply a third-party agreement to finance the actual purchase agreement that was contractually obligated in September when it was approved. During the budget discussions it was decided that a loan would have to be made in order to purchase the software as approved. Martin said that he has reviewed the document with Elliott to make sure that it represented the best outcome for the Town under the existing circumstances. Martin added that he would take steps to make sure that documentation of the Attorney review at an even higher level will be provided. Garrison again referred to her objection to the clause stating the "highest lawful interest rate," which could give rise to legal battles down the line. Baker pointed out that the lease is a standard one, and as far as attorneys fighting, she **stated on record**, in defense of our Town Attorney that he one of the best in the State of Arizona regarding municipal law and the needs of the Town; his job is solely to protect the Town from getting into the sort of issues raised by Garrison. Baker added that she trusts the staff when she is told that the attorney has been consulted, and that if Mr. Sims felt there was something the Town needed to be made aware of, he would bring that to their attention. If the Town wants more than that from the Attorney, it should be prepared to pay more. There was further discussion regarding other provisions in the financing document, with input from Elliott and Martin explaining the relationship between the financing agreement and the purchase agreement. Martin reiterated that he would request written documentation of the attorney reviews instead of relying on verbal verification from staff.

Burnside suggested that Paragraph 20, Interest on Default, be amended to reflect, in part, "....until paid, **up to** the highest lawful rate; Martin said he believes he could work that out with the Lessor. After a brief reminder that the document is a standard agreement for leasing money on equipment, and defaulting is not anticipated, it was suggested that the Council move forward and take the necessary action. Martin agreed that staff will keep working on the request for written attorney input.

10. **Discussion, consideration, and possible direction to staff relative to an application for a Rural Economic Development Grant through the Arizona Commerce Authority to assist in the development of the Verde Valley Archaeological Center project including renovation and preparation of a Main Street building for the location of this center in Camp Verde.** Staff Resource: Russ Martin
On a motion by German, seconded by Roulette, the Council unanimously directed the Town Manager to apply for the Rural Economic Development Grant as presented in the "green sheet."

Martin explained that this item is the result from some recent meetings to consider different options that had been proposed for the purpose of promoting economic development. The funding available is Federal Recovery Act money, and although the time line for applying for the subject Grant is extremely short, the group that prepared the Archaeological Center Project has prepared a draft outlining some of the project objectives, a copy of which was provided in the agenda packet. Martin acknowledged that there may be questions that cannot be answered at this time, but time is of the essence, and more information will be forthcoming between now and when the funds are received if the application is successful. Everyone will be working in the meantime to be prepared to hit the ground running at that time.

Representatives from the Verde Valley Archaeology Center, a 501(c)(3) non-profit corporation, reviewed the benefits to the Town from the potentially high numbers of tourists and interested people, a facility that would be unique to the entire Verde Valley, the enthusiastic support of the Forest Service, the National Park Service, and the Yavapai-Apache and Hopi Nations.

The Council had questions for Ken Zoll, the Treasurer, about how the funds would be used; that would include hiring an Interim Director to oversee the development, furnishing and use of the Center, including the audio-visual equipment, and classroom equipment. If the grant is approved, it was confirmed that the intent is to enter into a 5-year lease of the building, with options for additional years; it was suggested that a cap on the rent should be in place at the end of the initial 5-year lease period. It was also suggested that the grant application include the anticipated number of workforce to be employed for the remodeling phase. The owner will also be putting cash into the project that will inure to his benefit, all of which has been discussed. Martin confirmed that the grant involves reimbursable funds; if necessary, the Town could reallocate funds, the same as the home loan project. In response to a question regarding accountability, Matt Morris explained that he had discussed the subject of risk with the State Representative Matthew in the reimbursement format. Any work done will have to qualify in order to receive reimbursement; if the project stalls or is ended, the State would not hold the Town to the project; if other options are available, other options may be available. Morris said he was left with the impression that the State needs to distribute the money out the door; this is probably one of the cleanest blank-checks the Town will ever get.

PUBLIC INPUT
(Comments from the following individuals are summarized.)
Jim Meredith expressed his excitement over the proposed project; it is a great opportunity for the entire community.

Linda Buchanan said that she had sat in on the community meeting on December 21; she complimented the Council on making the community engagement possible and encouraged the Council to support the proposed project.

There was no further public input.

The Archaeology Board was commended on its fine work; they had everything organized, and a very aggressive time line has been outlined. It was agreed that Martin will be the contact person for the Town on the project. Martin cautioned the Council that it is important not to oversell the project; in economic development it is possible that what is tried may not work. Also, there will be some benefit to the business community in general to have the building upgraded which could lend itself to future benefits to that particular area; even getting halfway done would be a good thing done. And there is no guarantee of using local contractors because it will be financed with Federal/State dollars and subject to the strict procurement rules. The Council has not made any promises in that regard. There were further comments on the reactions of the Yavapai-Apache Nation and the Hopi Nations; they are extremely excited about being a part of the exhibits and educating the public on their history.

11. **Discussion, consideration, and possible approval of the Draft Franchise Agreement with Arizona Public Service, followed by direction to staff to begin negotiations with APS in order to meet the election timeline for the General Election scheduled for May 2011.** Staff Resource: Russ Martin
On a motion by Roulette, seconded by Baker, the Council unanimously directed staff to begin negotiations with APS and reviewing the Draft Franchise Agreement.

Martin said that the Clerk's Office had brought to his attention the need to redo the Franchise Agreement with APS; addressing the issue at this time will give the Town the opportunity put it on the election during one of the regular cycles as opposed to having a Special Election. Both Jones and Barber have worked with the Attorney on drafting this document that as a result is much more updated and appropriate than the one currently in place. Martin noted that the dates in the document are not necessarily the dates that the Town will be dealing with; secondly, the document provides for a 2% Franchise agreement which is basically what everybody else in the State has, however, the language provides that at any point if such higher number is given in any other one that is granted, the Town will potentially benefit from that. Martin also pointed out

revised language in Section 7 will now allow the Town to tax facilities like the State already does and has for 25 years. Martin wanted to make it clear to the public that adopting this Franchise Agreement does not raise the taxes on the utility bills. The 2% amount is currently not included in everyone's utility bill, and will not be included by adoption of this Franchise Agreement; it would require changing the Tax Code to add that 2%. Martin said that the document gives the Town the freedom within the responsibility of the utility provider and the municipality that is necessary; it is as good a document there is currently available to any municipality in any Franchise Agreement currently available for APS. The document has not been negotiated with APS; action tonight will set the process in motion to begin negotiations. The dates will be set according to law; if adopted by the public the document is as good for the Town as possible.

12. **Call to the Public for Items not on the Agenda.**
There was no public input.

13. **Advanced Approvals of Town Expenditures.**
Martin explained that the Town has been receiving rebates based on a project for energy efficiency that have amounted to a surplus in the amount of $12,000; he requested that the funds be used to upgrade Town facilities, including the Library, going out to bid on energy upgrades; the Council approved the request.

14. **Manager/Staff Report**
Barber reminded the members to coordinate with her the meeting time for January 14. Martin commented on the upcoming Work Session Friday at 9:00; food will be provided. Martin requested that the members set aside the last two Fridays in February for possible preliminary discussions on, if nothing else, reserve policies heading into the budget sessions.

15. **Adjournment**
On a motion by Baker, seconded by Roulette, the meeting was adjourned at 8:09 p.m.

Bob Burnside

Bob Burnside, Mayor

Margaret Harper

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 5th day of January 2011. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 20 day of January, 2011.

Deborah Barber

Debbie Barber, Town Clerk