

**DRAFT MINUTES
WORK SESSION
MAYOR and COMMON COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
Wednesday, MAY 4, 2011
5:30 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 5:30 p.m.

2. Roll Call

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, Baker and German were present; Councilors Garrison and Roulette were absent.

Also Present: Town Manager Russ Martin, Public Works Director Ron Long, Finance Director Mel Preston, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. Pledge of Allegiance

The Pledge was led by Whatley.

Discussion relative to the following:

4. Presentation by Mark Reader of Stone & Youngberg L.L.C. outlining and explaining potential financing options for the acquisition of 16.76 acres of parcel 403-22-025E on Industrial Drive in Camp Verde, Arizona, to be used for the Town's Public Works Yard. Staff Resource Ron Long

There was no action taken.

Town Manager Martin said that Mark Reader's presentation would help the Council in the possible purchase of land for the Public Works Yard, by outlining financing options and answering questions that the members might have regarding those options. Martin added that it is hoped that in two weeks the documents could be prepared for a final financing option decision so that there could be a closing in the following week or so.

Mark Reader, of Stone & Youngberg, commented that he had been before the Council several times in past years, and that as a financial consultant to the Town, his task is to educate and assist in the financing process should the Town decide to acquire the Public Works Facility. Mr. Reader also introduced Michael Cafiso of the Law Firm of Greenberg Traurig, who has also worked for the Town for years on financing issues and will be representing the Town on the legal aspects of the proposed project. Mr. Reader said that he had also spent some time with the Town Manager and Finance Director on the different options which he then outlined for the Council with a Power Point presentation.

Mr. Reader's presentation detailed estimated sources and uses of funds, a summary of four financing alternatives, including general obligation bonds and HURF bonds, both of which would require bond elections, and a lease purchase or an installment purchase. Mr. Reader said he would recommend the fourth option, an installment purchase agreement secured by HURF funds and Excise Tax that would result in the lowest interest rate and cost of capital to the Town. Mr. Cafiso outlined the legal structure and the draft legal documents that would be prepared. As for the time element for locking in the current low interest rate, the Town would be asked to sign an emergency resolution so that the purchase transaction could be closed as near to June 1 as possible.

During Council discussion, Mr. Reader confirmed that the previous loans with which he had assisted the Town, the WIFA and GADA, had the same pledge source as he had described for this purchase agreement; since the Town meets the required revenue income test, it has the authority to do additional debt on parity with the others. There was some discussion about the possibility of the Town having to impose an additional tax on the citizens in order to meet its obligations; Mr. Reader commented that the Excise Tax revenue would have to drop drastically, which would be catastrophic for all and highly unlikely. Mr. Reader said he anticipates receipt of the bids on the loan by Monday; they will be evaluated and a recommendation would be presented to Council for the meeting on May 18th, at which time a formal resolution will be adopted. The transaction would be expected to close on or around May 26th. For the citizens who may be concerned about going into debt, Mr. Reader pointed out that the facility has been leased for \$36-40

thousand a year for years, with nothing to show for it. In approximately 12 years, for \$60,000 a year, the Town will own the property. Public Works Director Ron Long added that the Town could also lease out a portion of the property to the County, or some trucking company; the income would then be paid back to the HURF Funds. Martin explained that the issue is to make sure that the Council is comfortable with the time frame and the amount, and reviewed the benefit of the planned financing process and the ability of the Town to commit to the purchase at this time.

Mayor Burnside said he was looking forward to the Regular Meeting scheduled for 6:30 p.m. in order to discuss the Arizona Constitution Article 9, Sec. 14, as well as the Attorney General's Opinion dated May 23, 2005 pertaining to expenditure of the HURF Funds.

5. Adjournment

On a motion by German, seconded by Baker, the meeting was adjourned at 6:07 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 Work Session of the Town Council of Camp Verde, Arizona, held on the 4th day of May 2011. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2011.

Debbie Barber, Town Clerk