MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. Main Street, Room #106
WEDNESDAY, APRIL 18, 2012
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, George, Baker and German were present; with the resignation of Councilor Buchanan, there is currently one vacancy on the Council.

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

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

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 – April 4, 2012
   b) **Set Next Meeting, Date and Time:**
      1) April 25, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
      2) **Monday**, April 30, 2012 at 4:00 p.m. – Budget Work Session
      3) May 2, 2011 at 6:30 p.m. – Regular Session
      4) **Monday,** May 7, 2012 at 4:00 p.m. – Budget Work Session
      5) May 9, 2012 at 4:00 p.m. – Work Session Budget Review with Finance Director & Manager
      6) May 16, 2012 at 6:30 p.m. – Regular Session
      7) May 23, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters

On a motion by Kovacovich, seconded by Baker, the Consent Agenda was unanimously approved as presented, deleting the April 25, 2012 meeting.

The members discussed with Town Manager Martin the schedule of meetings as listed, in particular the Budget Work Session for April 30, 2012, noting that the meeting of April 25, 2012 has been canceled.

5. **Special Announcements & Presentations**
   - **Presentation of a plaque to Former Council Member Alan "Buck "Buchanan in appreciation for his service to the Town.**
   - **Possible approval of a proclamation declaring May 1 – May 7, 2012 as "Youth Week", as requested by the Benevolent and Protective Order of Elks.**
   - **Welcome to the new businesses:**
     - **Ameri-Fab LLC – Phoenix**
     - **Clear Creek RV Park – 4483 E SR 260, Camp Verde**
     - **John Randel Mobile Home Service – Glendale**
     - **Candy Corral, LLC – Cottonwood**
     - **Solar Topps, LLC – Tempe**
     - **B & D Distributors, Inc. – Phoenix**
     - **Lexi's on Main – Main Street, Camp Verde**
     - **Loren Vickers Overhead Door – Flagstaff**

- **Usery Pass Enterprises – Cottonwood**
- **Ellis Firearms, LLC – Camp Verde**
- **Valley Fabrication – Cottonwood**
- **Sedona Home Improvement, Inc. – Sedona**
- **A special thank you also goes out to the 13 vendors that participated in the Petapalooza event**

Mayor Burnside first took the opportunity to present a plaque to Alan Buchanan in appreciation for his time served on the Council; Burnside then proclaimed May 1 to May 7, 2012 as "Youth Week," as requested by the Benevolent and Protective Order of Elks.

Burnside welcomed with pleasure the new businesses as listed, and extended a special thank-you to the vendors that participated in the Petapalooza event.

6. **Council Informational Reports.**

German reported on attending the book signing and presentation by Lisa Schnebly Heidinger, and the Denim & Lace Auction held last weekend, and thanked everyone who had attended.

Baker commented on enjoying the Denim & Lace event, a wonderful affair once again this year.

Whatley attended the Sanitary District meeting, regretting she had not been able to attend the Chamber Mixer held on the same night. She enjoyed the History of the Soldier event Saturday morning that was also attended by County Supervisor Chip Davis. Whatley also participated in the Denim & Lace event Saturday night, and related how she has been reading the Lisa Schnebly Heidinger book to her history class, and had brought them to the book signing.

George reported on his attendance at committee meetings with the Verde River Basin Partnership; George described how they are moving forward with conveying education messages to the public on water issues. George not only attended, but helped with the tent for the History of the Soldier event; he also was at the Denim & Lace event.

Burnside said that he had assisted Brenda Hauser with the raffle event for donations for the Clear Creek Cemetery. He attended an interesting WAC meeting today at which Supervisor Davis said it was time to move forward. Burnside read from a printed announcement regarding "Dancing With the Wolves," April 20th at 10:30 a.m. at Beaver Creek Community Center, phone 567-6844.

7. **Call to the Public for items not on the agenda.**

(Comments from the following individuals are summarized.)

George Young said that his wife, who volunteers with a caregivers organization, has reported finding many citizens of Camp Verde who are in dire financial straits, barely existing on fixed meager Social Security incomes. Mr. Young appealed to the community for ideas to help their neighbors.

Irene Peoble referred to the Bugle's recent publication, "Kudos for Kids," that listed only three activities for Camp Verde children, the pool, and two church programs. Ms. Peoble outlined how Cottonwood benefits from parents taking children to that area for the many programs offered there, and suggested several ways to implement fun programs for the children in Camp Verde.

Sari McQuality, a member of the Jerome Elks Lodge, thanked the Council for the Proclamation declaring "Youth Week," and described the work being done by the Elks on supporting programs and activities for all the youth in the areas that include Camp Verde, Cottonwood and Clarkdale. Ms. McQuality said they would love to work with the previous speaker who had expressed her concerns about the lack of activities for the Camp Verde children.

Chip Davis, Yavapai County Supervisor, commented on the citizen who pointed out a problem with no youth programs for Camp Verde, and the very next speaker who had a solution to that concern, as an example of good citizen involvement. Mr. Davis challenged the Council members with several questions regarding the history of Arizona, after which he presented each member with a special Commemorative Coin memorializing the 100-year Anniversary of Arizona becoming a State.

There was no further public input.

Mayor Burnside requested the following item:

8. **Presentation, followed by discussion, consideration, and possible authorization for the Mayor to sign the Participation Agreement for Sector Partners O'Connor House Centennial Voter Engagement Project.**
On a motion by Burnside, seconded by Whatley, the Council unanimously authorized the Mayor to sign the Participation Agreement for Sector Partners O'Connor House Centennial Voter Engagement Project.

Melissa Kramer, representing the Verde Valley Voter Engagement Project, shared a short video, followed by a Power Point presentation on the values and ideals of Sandra Day O'Connor and her impact on the State of Arizona, and a request that the Town of Camp Verde become a Partner in the Sector Partners O'Connor House Centennial Project.

The Council briefly discussed the admirable goal of the subject Centennial Voter Engagement Project, acknowledging that it was a very worthwhile organization, and commenting on how it is an honor to be an American and to vote.

9. **Jeffrey Hall of the Lowell Observatory will provide a presentation and discuss the new Discovery Channel Telescope and its potential economic impact.** Staff Resource: Mel Preston
There was no action taken.

Jeffrey Hall gave a Power Point presentation on the history of the Lowell Observatory and displaying the development of the Discovery Channel Telescope that will be situated on the Mogollon Rim overlooking the Verde Valley, with operation and the first images being anticipated for this summer. Mr. Hall noted that the Observatory has offered to set up three small telescopes for viewing the night sky during the next Fourth Friday, April 27, at 8: p.m. at Wingfield Plaza.

Mel Preston confirmed the plan to have the telescopes set up for the April 27th event, and outlined the planned activities to begin at 7:00 p.m.

10. **Presentation and possible discussion of the quarterly reports from the following:**
   - **Planning & Zoning Commission**
   - **Board of Adjustments**
   - **Camp Verde Chamber of Commerce**

There was no action taken.

Community Development Director Mike Jenkins presented the quarterly reports for both the Planning & Zoning Commission and the Board of Adjustments, noting that it appears that the Town Code should be amended to clearly reflect that the Board of Adjustments also acts as the Board of Appeals on building issues.

Tracie Schimikowsky, representing the Camp Verde Chamber of Commerce and Visitors Center, gave a Power Point presentation on their activities for the third quarter information for the FY12, followed by a brief discussion with Council on the information she had reviewed.

11. **Discussion, consideration, and possible appointment of a Council member to fill the vacant seat left by the resignation of Former Council member Alan Buchanan. If necessary, direction may be given to staff to continue to solicit Letters of Interest. Note: if an appointment is made, this item may also include the administration of the Oath of Office.** Staff Resource: Debbie Barber
A motion by George, seconded by Whatley, to appoint **Brenda Hauser** to fill the vacant Council seat was defeated by a **vote of 2-4**; with **Kovacovich, Burnside, Baker** and **German** opposed. Following the motion, the Mayor asked that all who were in favor to signify by raising their right hand. Whatley and George raised their hands. The Mayor announced that the motion did not carry and asked for another motion.

On a motion by Whatley, seconded by Kovacovich, the Council **voted 4-2** to appoint **Jessie Jones** to fill the vacant seat left by the resignation of former Council member Alan Buchanan; with **German** and **Burnside** opposed. Following the motion, the Mayor asked that all who were in favor to signify by raising their right hand. Whatley, George, Kovacovich, and Baker raised their hands. The Mayor announced that the motion carried.

Town Clerk Debbie Barber referred to the four letters of interest, copies of which had been included in the Agenda packets, from Bradford Gordon, Jessie Jones, Brenda Hauser and Gary Thompson. Mayor Burnside explained that the selected individual will serve until the next regularly scheduled election, which will be the Primary in March of 2013, with the General in May of 2013. Burnside stressed that the selection should not be made based on a personal preference, but must be guided by the individual's interest and visions of the community.

Burnside invited each of the candidates to come to the podium and make a brief presentation to Council, at which time Burnside said that a citizen would be allowed to ask a particular question of the candidate during his or her presentation.

Bradford Gordon, a one-year resident of Camp Verde, outlined his experience working in the engineering and surveying industry for 30 years, including several of those years operating his own business in Scottsdale, and recently working in real estate and fix-and-flip housing projects. He believes he is knowledgeable about the Town's permits and ordinances, having appeared before the Council regarding a non-conforming lot when he and his wife moved to Camp Verde. *Reid McManus questioned the applicant's position on "building out" the Valley, because of his development background.* Mr. Gordon referred to the General Plan and how he understands it would restrict development.

Jessie Jones said that she has lived in the Verde Valley her entire life, and is raising her daughter here; she wants to help develop the community and provide things for others to do. She believes it is important to preserve who we are, but there is much we can grow to be, and this is her opportunity to stand up and take action and get involved.

Brenda Hauser stated that she is here to offer her time and energy; she works for the Town all the time with other activities; if not on the Council she will still work for the Town. She will have five generations that live here in the Verde Valley.

Gary Thompson said that he would promise to serve the citizens of Camp Verde with dedication and integrity; his major emphasis would be on helping to build a strong community and getting the local economy going again. *Irene Peoble questioned whether there would be a conflict of interest since he is currently serving on the Chamber of Commerce Board.* Mr. Thompson said that if appointed, he would plan to resign his position on the Board.

After the statements by the candidates, a motion was made and seconded to appoint Brenda Hauser to fill the vacant Council seat. Discussing the motion, the Council members acknowledged the extreme difficulty of making a choice because of the quality of the candidates, including the appeal of the candidate new to

the area who would be looking at the community from a fresh viewpoint, with excellent municipal qualifications. After calling for the vote, Burnside announced that the motion did not carry because of only two votes in favor. A motion was then made and seconded to appoint Jessie Jones as the new Council member; Whatley explained that the reasoning behind her motion was to give a voice to the young adults who are raising families. After calling for the vote, Burnside announced that with four votes in favor, the motion so carried.

Burnside made it a special point to commend Mr. Gordon for his offer to participate in the Town government so soon after becoming a resident of Camp Verde, and reminded him that there are several other opportunities where his expertise would be welcomed; Burnside also thanked Mr. Thompson and Ms. Hauser for their interest in serving.

Following the appointment of Jessie Jones as the new Council member, Town Clerk Barber administered the Oath of Office to Jones who then took her seat and participated in the remainder of the meeting.

12. **Discussion, consideration, and possible authorization for the Mayor to execute the Agreement between the Town of Camp Verde and the low bidder, A.L.D. Inc., for Project #12-099: Town Campus Painting Project in the amount of $38,849.**Staff Resource: Ron Long
On a motion by German, seconded by Baker, the Council unanimously authorized the Mayor to execute the Agreement between the Town of Camp Verde and A.L.D., Inc., for Project No.12-099, Town Campus Painting Project in the amount of $38,849.

Public Works Director Ron Long said he was requesting approval of the subject Agreement as stated, and invited questions from the Council regarding the project. Long explained that although only one bid was received, with four other bidders dropping out because of the bond requirement, he has confirmed that the amount bid was fair and reasonable. The members discussed with Long the painting project and the desire to preserve the historical features, as well as the anticipated completion date of June. Burnside thanked the entire staff on doing a fine job on creating the Agreement, which could be used as a model for other projects that will be coming up.

A recess was called at 8:02 p.m.; the meeting was called back to order at 8:12 p.m.

Councilor George requested this item:

13. **Presentation, discussion, and possible direction to staff relative to preparing an ordinance increasing the Transaction PrivilegeTax (sales tax), as well as potential changes to the Model City Tax Code to include, but not be limited to exemptions for electricity and food, property tax, etc. If directed, the ordinance(s) will be placed on a future agenda for consideration.** Staff Resource: Russ Martin/Mike Showers
On a motion by George, seconded by Baker, the Council **voted 5-2** to direct staff to pursue Option 3; with **Burnside** and **Kovacovich** opposed.

Councilor George referred to the recent financial report and the frugal approach the Town has had to make during the economic downturn the past few years, and the demands for capital projects that have been put off during the downturn, and the lower service levels during that same period. The demands from the citizens for Capital Improvement Projects that can only be met with more revenue. The Town has done the necessary slimming and trimming, and it is time to acknowledge that more revenue is needed and the better and more equitable way to accomplish that is through an increased sales tax.

Town Manager Martin reiterated that it is now time to consider adding revenue so the Town can meet the needs of its citizens; staff is recommending an increase of 1% in the Transaction Privilege Tax. Martin referred to the analysis that he had provided for the members, and explained in detail the four options that he had presented: first, to do nothing; second, consider alternative taxation such as on food or electric bills,

for example; third, the Transaction Privilege Tax; and fourth, passing a property tax, which Camp Verde currently does not have. Martin noted that the four options he had placed in front of the Council are ones that the neighboring communities have considered and have passed in one form or another. Martin stressed that a sales tax does not "hurt" a business since it simply collects the sales tax but does not pay it; the taxes in the other options are much bigger deterrents. It is time to take the next step; that is what staff is requesting.

PUBLIC INPUT
(Comments from the following individuals are summarized.)
George Young commented that of all the choices, the sale tax is probably the best because he can choose to pay it by choosing where he shops and what he buys; however, a tax on propane would be a burden. He also pointed out the higher prices in this area for items and services; the sales tax is a minor factor in the cost.

Reed McManus said he had listened to the Town Manager and the previous speaker, and believes that the sales tax would be the lesser of the evils. *Mike Showers and Russ Martin discussed with Mr. McManus the percentages paid for the different taxes; the total is 9.35%, including County, State and City.* Mr. McManus said he is not in favor of the 1% increase.

Clinton Gray feels that raising taxes is not necessary; people are hurting for money, we are in a depression. The Town has two pieces of property that can be sold and the money used for the Town.

Robert Martin asked if there are any demographics, or statistics on the retired people in Camp Verde, and their incomes. *Burnside responded that the information is available through the Town Manager, or the Chamber, or the Internet.* Mr. Martin suggested that volunteers might be able to help by doing the painting project that was just approved, for example; get the people involved. *Burnside said that volunteerism is what the Town is all about, and his suggestion can be looked into.*

Linda Harkness said that all the services in Camp Verde, since its inception, have been paid for through the sales tax, which is essentially paid by tourist dollars. Benefits are being lost; we should take responsibility for our life style, and if we want to live in this town we should pay taxes, such as a property tax or sales tax.

Harold McCormack commented that any of the taxes being considered will be passed on by businesses; it will raise prices, and businesses will be driven out of this town. It is devastating to see the loss of businesses here in the past eight years. Raising taxes will end up in losing more money than will be gained. People will resent taxing money that has already been taxed.

Helen Zimmerli presented a novel idea, suggesting that perhaps people could voluntarily contribute to a special fund for the Town to use, instead of having a sales tax imposed.

William Gomez, a resident since 1993, asked if anyone drinks tea, hot or cold; he referred to tea as it relates to taxation in history; raising taxes is not the answer, at least until the economy improves.

Lou (unintelligible) , not a resident of Camp Verde, said that any decision should not be based on what is popular, but should be on what is best for moving Camp Verde forward; leadership is important.

There was no further public input.

The Council discussion included a review of the current tax rates, reference to a previous study that indicated a 1% increase in sales tax would amount to approximately $40 annually for a family. It was also noted that employees are being asked to do more with no increase in pay to meet the constantly rising

costs, and tourists would be helping to pay the sales taxes. It was pointed out that a sales tax increase would not impact the individual citizen in this town as much as any other tax would. It was confirmed that the sales tax would also apply to propane, although there is a process by which that could be excluded. It was commented that government exists to serve its citizens, whether it involves roads, safety, libraries, or parks. The proposed tax increase would stay in and benefit the Town.

After the motion was made, the issue of the 2010 tax propositions was discussed, with the reminder that the people had voted against any increase; Burnside said he believes that there should be no increase until the economy gets better. The point was also made that a proposed increase in the sales tax should be brought back for discussion.

14. **Presentation, discussion, and possible adoption of the Capital Improvement Plan.** Staff Resource: Russ Martin/Mike Showers/Melissa Preston
On a motion by Baker, seconded by German, the Council **voted 5-2** to approve and adopt the Capital Improvement Plan for 2012 and beyond; with **Whatley** and **George** opposed.

Martin discussed with the Council the document that had been presented for possible adoption ,the four projects that had been identified, and the amounts estimated to accomplish them. During the discussion, Whatley said that as for the statement that all Council members identified projects, she would like the record to show that she had not been present at the meeting on March 5th to express what her priorities are. Martin said that the Capital Improvement Plan as presented involves not only Year One, but also Years Two-Six; staff has suggested the amounts that would go to those projects that were identified. Martin said that staff is requesting that the entire document be adopted. During the discussion of the estimated costs, Whatley strenuously objected to the estimated amount of $377,000 for Rezzonico Park in Years Two-Six; Martin indicated that the ultimate decision funding-wise is made during the budget process; the document presented is not a spending document, it is a plan in place to allow Council to consider the projects and the details within them. George said he was not comfortable with approving the entire document; he would agree to only Year One. Martin advised the Council that the current Capital Improvements Plan is incorporated into the budget; the intent of staff was to take this to another level and incorporate community involvement as well. Burnside reminded everyone that the dollar amount is an estimate only; when the time comes there will be a discussion on the actual cost involved, and that can change.

15. **Call to the Public for items not on the agenda.**
(Comments from the following individuals are summarized.)
David White cited the $377,000 figure and hearing all the reasons why there is no money for the other park; we cannot take care of what we have, and then a new tax.

George Young said he was addressing the television audience; he spoke about the Town not being able to properly maintain the pool; the plans for the future include improving existing parks and neglecting the park that the Town has. Sell that property and put the money into something that would be of more benefit. He would be willing to pay the $40 per year if it would be no higher. If a tax is going to be imposed, he said he thinks that perhaps the citizens should try to put up a referendum for an election to let the people make the decision.

Justin Wertz again appeared before the Council in connection with his ongoing project for the approval of the appropriate authority.

There was no further public input.

16. **Manager/Staff Report**
Martin said that several applications for Library Director have been received and the numbers narrowed

down; interviews will be scheduled in the next couple of weeks, and the Council will be kept advised on the selection process.

17. **Adjournment**

On a motion by Baker, seconded by German, the meeting was adjourned at 9:44 p.m.

Bob Burnside, Mayor 5-2-12

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 April 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 3 day of May, 2012.

Debbie Barber, Town Clerk