

**AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, FEBRUARY 6, 2013
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, Jones and German were present.

Also Present: Town Manager Russ Martin, Town Marshal Nancy Gardner, Finance Director Mike Showers, Library Director Kathy Hellman, Economic Development Director Steve Ayers, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper
3. **Pledge of Allegiance**
The Pledge was led by Hellman.
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 23, 2013 – Council Hear Planning & Zoning Matters
 - 2) January 16, 2013 – Regular Session
 - b) **Set Next Meeting, Date and Time:**
 - 1) February 20, 2013 at 6:30 p.m. – Regular Session
 - 2) February 27, 2013 at 6:30 p.m. – Council Hears Planning & Zoning Matters
 - 3) March 6, 2013 at 6:30 p.m. – Regular Session
 - 4) March 20, 2013 at 6:30 p.m. – Regular Session
 - 5) March 27, 2013 at 6:30 p.m. – Council Hears Planning & Zoning Matters
 - c) **Possible approval of applications for Wine Festival License/Wine Fair License for Alcantara LLC, Arizona Stronghold Vineyards, Bitter Creek & Jerome Winery, Burning Tree Cellar, Caduceus Cellar, Carlson Creek Vineyard, Fire Mountain Wines, Granite Creek Vineyards, Javelina Leap Estate Vineyard, Kokopelli Winery, Oak Creek Vineyard & Winery, Page Springs Cellars, and Gallifant Cellars. The applicants will participate in the Pecan and Wine Festival being held on February 15th, 16th, and 17th, 2013, to be held at 395 S Main Street. Staff Resource: Debbie Barber**
 - d) **Possible approval of renewal of a Facility Use Agreement between the Town of Camp Verde and Yavapai Community College for use of room 206/207 for dance lessons offered through Yavapai Community College. Staff Resource: Michael Marshall**
 - e) **Possible approval of recommendations to move the monies in the LGIP-HURF (#91826) account into the LGIP-General account (#91825) and subsequently close the LGIP-HURF account. Staff Resource: Mike Showers**
 - f) **Possible approval of Resolution 2013-882, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona adopting the Yavapai County Multi-Jurisdictional Hazard Mitigation Plan 2011. Staff Resource: Marshal Gardner**
 - g) **Possible approval of Resolution 2013-883, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona pertaining to certain exemptions for motor vehicles used by the Marshal's Office and superseding Resolution 2011-841. Staff Resource: Marshal Gardner**
 - h) **Discussion, consideration, and possible approval of a lease agreement with Verde Lakes Water**

Corporation for use of the neighborhood park/picnic area located at 2867 E. Verde Lakes Drive.

Staff Resource: Russ Martin

On a motion by Kovacovich, seconded by Baker, the Consent Agenda was unanimously approved as presented, pulling Items 4.e), g) and h).

Councilor Baker requested that Item 4.e) be pulled; Councilor Whatley requested that Items 4.g) and h) be pulled for quick questions.

4.e) Possible approval of recommendations to move the monies in the LGIP-HURF (#91826) account into the LGIP-General account (#91825) and subsequently close the LGIP-HURF account.

On a motion by George, seconded by Baker, the Council voted 5-2 to direct staff to investigate the issue further with the League or the Attorney, and bring it back at the February 20th meeting, with **Whatley and German opposed.**

Baker questioned whether the transfer of funds as requested would amount to co-mingling of funds. Finance Director Showers explained that the Town's accounting system provides for the separation of all cash in several bank accounts, and it is possible to determine how much of that cash consists of HURF funds. The subject HURF account was established for some well-intended reason; however, it has never had a balance of more than approximately \$8,000. Approximately \$500,000 in HURF funds are held in the General Fund cash account, and every day regular HURF expenses are being paid from the General Fund cash account. After further discussion, Showers said that he would double check with the League on the issue of possible co-mingling. He added, however, that during the past several years, three different pairs of auditors have approved the existing system. Even if it were found necessary to separate the HURF monies into another account, the subject LGIP account would not be a good place for the HURF money; if necessary, a new account would have to be opened. Showers for the record pointed out that the quarterly Financial Report lists every single bank account that exists, and shows the cash that the Town has, and the LGIP total. He added that the Town has a "Cadillac" system for keeping track of where everything is and who is owed what.

4.g) Possible approval of Resolution 2013-883, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona pertaining to certain exemptions for motor vehicles used by the Marshal's Office and superseding Resolution 2011-841.

4.h) Discussion, consideration, and possible approval of a lease agreement with Verde Lakes Water Corporation for use of the neighborhood park/picnic area located at 2867 E. Verde Lakes Drive.

On a motion by Whatley, seconded by George, the Council unanimously approved the Consent Agenda Items 4.g) and 4.h), with it being recognized on 4.h) that the Attorney has reviewed the document.

Whatley questioned why Item 4.g) was just a one-year agreement; Marshal Gardner suggested that the Resolution could be approved at this time; and she will check to see if a longer period of time would be possible. As for Item 4.h), Whatley asked if the agreement had been checked by the Town Attorney; Martin said it was created by the attorney, and the box indicating that will be properly checked.

5. Special Announcements & Presentations

Martin introduced Economic Development Director Steve Ayers who spoke briefly to thank the Council members for hiring him for the position and giving him their support. He said he would do everything to live up to their expectations, and looks forward to working with the Town on developing a strategic plan and goals.

6. Council Informational Reports

German said that she participated in the BeneVet Bowling Tournament, along with others from Town, a very successful event. She also attended the 25-year celebration of the Camp Verde Adult Reading Center.

George reminded everyone of the Education Foundation Chili Cook-Off coming up on February 19th.

Baker said she also attended the BeneVet event, and the Adult Reading anniversary celebration.

Burnside reported that, together with Martin and Ayers, he attended the meeting at the Cottonwood Recreation Center, where various civic non-profit and concerned groups came together for the purpose of coordinating plans and making commitments by communities and leaders in the Verde Valley, and keeping the public informed.

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

(Comments from the following individuals are summarized.)

Adrienne Martin, from the Yavapai County AmeriCorps project, reported on the recent successful Martin Luther King event that included community services performed by volunteers, and especially thanked Councilors Jones, Whatley, Baker and George for their participation.

Steve and Barb Goetting offered a reminder of the upcoming Pecan & Wine Festival scheduled for February 15 through 17; volunteers will be appreciated.

There was no further public input.

8. Discussion and consideration of options and possible approval of the final scope of a new library and authorization to pursue adequate funding for that determined scope. Staff Resource: Kathy Hellman
On a motion by German, seconded by Baker, the Council unanimously directed staff to pursue Option 1, approval for the Town Manager, Russ Martin and Town Finance Director, Mike Showers to pursue a \$1.8 million 20-year loan from the lending source they deem best for a single phase, 17,000 square foot, 2-story library building project.

Library Director Kathy Hellman opened her Power Point presentation with special recognition of Joel Westervelt and Linda Harkness for their work and dedication to the project; a drawing of the possible appearance of the proposed facility was displayed. Ms. Hellman reviewed in detail examples of how urgently more space is needed for ongoing classes and activities now being conducted in the middle of chaos at times because of the crowded conditions. She said that access to State grants, technology, training and expertise is readily available, but the lack of space is a crucial deterrent. Ms. Hellman cited examples of how a well-designed and efficient library can play a significant role in supporting the cultural, educational and economic growth of the community. In response to a question, Ms. Hellman said she has definitely had an input on the proposed plans and pointed out on the draft rendering some of the features and possibilities she had discussed with the architect.

Joel Westervelt, Architect, reviewed the suggested building design and the process through which it is being refined based on meetings with the library committee. He pointed out that the design uses simple economical forms, reminiscent of early agricultural buildings in the Verde Valley. Some of the design features incorporate Verde River rock and reclaimed wood timbers. Westervelt displayed the site plan showing the proposed building placement that would minimize the water flow from a flood event. He also reviewed discussions with the library staff and fund-raising groups and their consensus that a 10,000 sq. ft. building would be outgrown in about five years. Westervelt said it was agreed that a 17,000 sq. ft. two-story building, keeping the same footprint as the 10,000 sq. ft. building, and with the upper level unfinished, would only cost approximately \$400,000 more. There was some discussion and suggestions regarding the placement of the footprint of the building and the parking options. Burnside discussed with Westervelt addressing possible access to the existing Park for children's programs, and possibly eliminating Moser Road. Westervelt said that has been discussed with Jenkins and Public Works Director Ron Long.

Linda Harkness reviewed the background of determining the space needs for a new library, the cost-savings between constructing a single-story steel building, which would cost \$21 a sq. ft., and the addition of the second story that would cost \$24 a sq. ft., a 16% increase in cost and 70 percent increase in square feet. Ms. Harkness outlined the significant donations and fund-raising efforts over the past years; the community has raised privately approximately \$1.3 million to support the new library, which shows a huge demand and desire for it. Ms. Harkness said that she is asking that the Council consider the request for the \$1.8 million funding.

PUBLIC INPUT

(Comments from the following individuals are summarized.)

Charlie German said he is excited about the proposal, and pointed out the presence of John Jenkins in the audience, who was on the Library Board during the construction of the first site.

Bob Johnson said the library has been very important to him during his 14 years in Camp Verde; it is obvious that the library is too small for this community; a new one is needed.

Adrienne Martin said she is a 22-year-old Camp Verde native who has used the library through the years; as a teenager there was no more pull since there has been no niche for them; having that safe haven of learning available to teenagers is important.

David White said he would like to see a re-orientation of the building, rather than ending up with the back doors facing everybody on Black Bridge, as well as changes to the parking and roadway plans.

Karen Heuman, a former Library Advisory Commission member, and a member of CCCVL and participant in fund-raisers, urged the Council to go for the extra \$400,000 and plan for a second story.

Linda German said she has also been involved in CVLE and the book sales; and told how a former Council six or seven years ago had said to go ahead and raise funds for a new library; the money has now been earned and it is time to move forward.

Gerry Laurito, a member of the library staff, said that they are aware of the needs of the community and are eager to do something about them, and ask for the tools to do something about it with the 17,000 sq. ft. building.

Steve Goetting said the Chamber looks at the library as one of the places to use for shared business services and conference space; a library in many communities is an incubator for small businesses, and is important for economic development.

There was no further public input.

There was further discussion with Westervelt on the issue of the library next to the Park, and possible placement of the building overlooking the Park; he confirmed that the library location is absolutely in the flood plain. Westervelt clarified the estimated time line for the construction of the base structure and then the unfinished second story. The intent is to finish out the lower floor, the 10,000 sq. ft., with the super structure for the second floor that will be sealed off until a Certificate of Occupancy is received. Burnside expressed his concern regarding where the money for the 17,000 sq. ft. building will be coming from, and asked if the value of the two properties not yet sold would be used to support a commitment from the General Fund to help offset the costs of construction, with the proceeds from the sale of the properties then designated back to the General Fund. And many related costs have not yet been identified. Town Manager Martin then gave a breakdown of the estimated cost, the amount of a loan, the cash and assets on hand, and acknowledged the concern about where the actual cash for the \$2.4 million is coming from to pay the bill on move-in day, and the options requiring financial decisions. Martin said that he and the Financial Director will do whatever

the Council is asking them to do from this point forward; how much they should try to borrow, and how the Council views coming up with the cash difference for a \$2.4 million construction bill. Burnside said that in his opinion, surety is absolutely needed, and there absolutely must be consideration for run-overs. Whatley reminded everyone that if this project is approved, donations may be coming in heavier when the construction actually commences. In response to further questions, Martin said that once staff has direction, the loan will be negotiated, including researching the possibility of USDA funding in the coming weeks. Martin added that the process will involve holding neighborhood meetings, finalizing the design, applying for a Use Permit, review by the Planning & Zoning Commission, and then approval by the Council.

A recess was called at 8:18 p.m.; the meeting was called back to order at 8:28 p.m.

9. **Discussion, consideration, and possible approval to appropriate monies to the Chamber of Commerce in the amount of \$7,500 to repay fees plus interest that the Chamber paid to assist in the purchase of the Oasis Road property located at the intersection of SR 260 and Oasis Road. Staff Resource: Russ Martin**

On a motion by Burnside, seconded by Kovacovich, the Council voted 6-1 to follow the recommendation on the high side of the dollar amount, recommended by the Attorney, which is \$5,000; with **Whatley opposed**.

Martin explained that the request follows his recent conversations with the Chamber of Commerce regarding how previous Chamber leadership had discussed the issue with him even more months ago. Martin said he feels that the commitment made by the Town at the time of the purchase of the property is one that both entities and the community would like to keep. It is well documented that use of the property goes to the benefit of the visitors and the economic aspects of the Town. As also suggested by the Attorney, Martin said, for the record, that this property has been and always will be owned by the Town of Camp, until such day as the Town decides to sell it or use it as intended. The Chamber at the time of purchase put in \$2500, and subsequently the Town offered to lease the property to the Chamber for a Visitors Center for \$1 a year, an offer with which the Chamber did not follow through. The Chamber has indicated a need for funds, and Martin said he believes that this is a good time to consider paying a reasonable amount of money back to the Chamber, with clarity. The Attorney has proposed that simple interest is the only real way to be able to suggest some level of pay-back to the Chamber, as a good gesture on the part of both entities. Any amount above that simple pay-back provision needs to qualify for the Gift Clause. The Attorney has suggested that simple interest on the \$2500 would result in a compounded amount of \$4,000-\$5,000. Martin said he would recommend an amount of \$7500. Martin said that he would work with the Chamber to demonstrate in written form the use of those dollars above the \$5,000, and how they should be benefiting the citizens and residents of Camp Verde.

Steve Goetting, Chairman of the Chamber Board, presented the view of the Chamber of Commerce regarding the subject request for funds, saying that he believes that the proposed number is a fair analysis, he looks forward to the Chamber being a good partner. Stephanie Peterson added that the Chamber of Commerce is having questionable budget issues right now, and having the funds available would help the Chamber and the community.

The Council members discussed with Goetting the history of the contribution of the \$2500, which Burnside pointed out that the Town formally accepted at that time as a donation, the offer of the lease back, the expectations of the Chamber as well as the Town, and the request for return of the money, plus simple interest. Burnside said that the records of actions taken through the years consistently show that the funds were a donation, or a commitment, but at no time was the money identified as an investment, or a request for a percentage of ownership of the property. Burnside suggested that the Chamber research the records, and if it is found that costs have been incurred in connection with the proposed lease, the Town would reimburse the Chamber for those costs, less the \$2500. Burnside added that to come to the Town and use that contribution as a lever and add a value to it, plus an interest rate on it, is difficult for him to contemplate, as an individual. Goetting said the Chamber has needs and issues at this time, and it is time to move on and

work in good faith with the community and business leaders, and try to find a simple solution, and clarify the understanding regarding the property. Whatley added that some pay-back would clear the books so the Chamber knows where it stands, that it has no involvement in the property, and the Town knows where it stands. Baker noted that for years the Town has been supporting the Chamber with significant funding. German said she hopes that it is made perfectly clear that the Chamber has never had any legal right to the title to the property, and that the misconception that the Town reneged on a commitment to the Chamber also be totally cleared.

There was some further discussion of the requested \$7500 and the amount above the \$5,000 suggested by the Attorney possibly being subject to the Gift Clause and requiring documentation as a benefit to the public.

10. **Possible approval of Resolution 2013-880, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, establishing Council salary amount (\$250 per month) and superseding Resolution 2002-511.**Note: the salary increase will become effective July 1, 2013. Staff Resource: Russ Martin

On a motion by Whatley, seconded by Baker, the Council **voted 5-2** to direct staff to change the Resolution to include Mayor's salary of \$350, Council at \$250; with **German and George opposed**.

Martin said that this item was previously discussed; however, he explained that there has traditionally always been some added compensation for the responsibilities of the offices of Mayor and Vice Mayor, and now would be the time to address that situation. The Council discussed increasing the compensation for the Mayor, acknowledging the added duties and extra expenses faced while serving in that office, and it was suggested that the amount be set at \$350 to recognize those added responsibilities. Town Clerk Barber said that if staff is directed to make a change as discussed, she will correct the Resolution and bring it back to the next meeting on the Consent Agenda.

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

(Comments from the following individual are summarized.)

Brad Gordon referred to the role of Economic Development Director, and asked if a cost-benefit analysis had ever been done in connection with that position; that should be researched at least every couple of years to see what kind of return is received from that investment. Mr. Gordon urged the Council to be more aggressive in publicizing the effort to acquire the Sanitary District and the benefit of doing so. He also commented on the available Cottonwood datum and future engineering projects close to the Town's border, and the proposed donation of survey equipment to the Archaeological Center.

There was no further public input.

12. **Manager/Staff Report**

Martin reported on releasing the current IT consultant and the transition to the new consultant; further details will be reviewed at a subsequent meeting. The incubator report has recommended not moving forward with a project at this time; the report will be made available to the Council in the coming week. Martin gave an update on the creation of the publicity pamphlet that has also been reviewed by the Attorney. Martin suggested considering holding an open house for public participation and education. Martin said he would be attending the ACMA, the Managers Conference in the Village of Oak Creek. He said he will also be in contact with some legislators after an Economic Development in Prescott Valley, and noted that there is little news regarding legislative issues.

13. **Adjournment**

On a motion by Burnside, seconded by Kovacovich, the meeting was adjourned at 9:30 p.m.

Bob Burnside, Mayor

2.21.13

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 6th day of February 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 25 day of February, 2013.

Deborah Barber
Debbie Barber, Town Clerk