MINUTES
WORK SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. MAIN STREET ROOM 106
WEDNESDAY, JULY 30, 2014 at 5:30 P.M.

Minutes are a summary of the discussion. They are not verbatim.
Public input is placed after Council discussion to facilitate future research.

1. **Call to Order**
Mayor German called the meeting to order at 5:30 p.m.

2. **Roll Call**
Mayor German, Vice Mayor Jackie Baker, and Councilors Bruce George, Carol German, Brad Gordon, Robin Whatley, and Jessie Jones were present.

Also Present
Town Manager Russ Martin, Community Development Director Steve Ayres, Barbie Bridge, and Recording Secretary Lynn Riordan.

3. **Pledge of Allegiance**
Mayor German led the pledge.

4. **Discussion, consideration and possible direction to staff relative to potential revenue sources, including but not limited to food tax, sales tax, voter approved property tax, CIP fees, and improvement districts, etc.** Staff Resource: Russ Martin.
Town Manager Russ Martin addressed the Council, stating Camp Verde has a unique geographical location, with the mountain, river and major interstate. The discussion tonight is to help determine how the town of approximately 10,000 can successfully fund a municipality and what is needed for the town's infrastructure, defining the long term needs and finding short term and long term solutions, generating revenue through a taxation system that is best suited for the town and its residents, and visitors. The Town's tax policy will dictate how the community is run, and deciding if the Town currently has enough infrastructure and income, or if we want more and how to generate the revenue to support the town government. Mr. Martin suggested that the town should not become dependent on only one source of revenue and look at the long term ability to stabilize income and expenses, taking into consideration that some residents want an increase in municipal infrastructure and services, library, parks, and road improvements while other residents are happy with what is currently available without increasing services, infrastructure, revenue or expenditures. Mr. Martin advised the Council that they could consider revenue options: Sales tax wherein everyone pays the same percentage, it is paid by both residents and non-residents, as with bed, restaurant or luxury tax. Sales tax fluctuates based on whether or not people feel they have expendable income. Food tax is a more reliable source of income, as it is a necessity, not a luxury, and it is also paid by both residents and non-residents. Property tax, another option, is a steady income but costs certain residents more than others due to county district overlays, and currently most towns in Yavapai County do not collect property taxes. Currently the residents in Camp Verde are already paying a higher percentage per $100,000 of assessed value than residents in any other Yavapai County municipality. The Town currently receives State shared revenue and urban revenue sharing, which are based on the Town's population and fluctuates with the stability or instability of the economy., and Urban Revenue Sharing from Another option is CIP assessment, which is difficult to collect as there are no enforcement provisions. Mr. Martin provided a handout for the Council to review and consider regarding options regarding establishing a tax base revenue. Councilor Whatley requested that residents with public comments against new taxes also provide the Council with suggestions for generating revenue to support the municipal government and funding capital improvements.
Public Comment:
Greg Blue addressed the Council opposing any new taxes being implemented, but stated support of generating new commerce and attracting new business.
Sherry Wishmeyer addressed the Council opposing any new taxes being implemented, but stated support of generating new commerce and attracting new business. Ms. Wishmeyer recommended the formation of an Economic Development Committee of residents and current business owners to solicit new business.
Gail Pate addressed the Council opposing the implementation of any food tax, stating it may cause a hardship on

the residents that are least able to pay and residents on a fixed income. Ms. Pate stated support for a possible increase in sales tax, stating everyone pays the same percentage on the amount they spend.
Milton Pate addressed the Council stating that certain commercial property owners have, on more than one occasion, thwarted establishment of new business by refusing to sell available property for a reasonable price, and continue to do so.
Mayor German acknowledged that the establishment of new business has been deterred by the refusal of commercial property owners to sell at a reasonable price, and the building permit process has also deterred new business from being established in Camp Verde.
Steve Goetting addressed the Council stating the economy is still very soft, and he is opposed to a new food tax. Mr. Goetting stating the Council should consider property tax revenue, and he supports generating income from new commerce and attracting new business. Mr. Goetting stated he does not believe enough is being done with respect to adverting or marketing the Town.
Byron Phillips addressed the Council opposing a new food tax, but stated support of generating new commerce and attracting new business. Mr. Phillips stated there are very few places in Camp Verde to shop, therefore, residents are shopping in neighboring communities. Mr. Phillips stated he does not believe enough is being done by the Economic Development Department with respect to advertising or marketing the Town.
Steve Ayres, Economic Development Director, addressed the public regarding his department (of one) and the strides the Town is taking to increase commerce and the development the Town infrastructure which is necessary to attract new business. Mr. Ayres stated every department in the Town has a strict budget. The Town recently received a grant from the Walton Foundation for marketing, and a tourism study had just been completed for the Verde Valley which will help in determining where and how to market to bring in tourism. With respect to new business, the Town has lost the bid on several proposed new businesses as the infrastructure they required is not available. On a positive note, VVMC will be paying for the sewer to be extended to the 260 corridor and they will be breaking ground within the next year, ADOT will be paying for road improvements, and Broadband will be coming into Camp Verde. The Economic Development Department is taking incredible strides, on a limited budget, to market the Town and bring in new business, but none of the benefits will be seen overnight, as these are long term projects with benefits that will be realized over many years.
Russ Martin, Town Manager, stated the Council first needs to determine what is needed versus what is wanted, and then determine how to generate the revenue to support those needs and/or wants.
Mayor German thanked Mr. Ayres for giving clarity to the Economic Development Department progress and long term goals, stating the major issue of establishing the Town's infrastructure is crucial to new development and commerce. The Council needs to determine the Towns immediate needs, and discuss potential taxes that create immediate income, stating a ½% sales tax would generate approximately $400,000 per year which the Council could consider a "sunset clause" or "dependent clause" when income reached the desired level, and look at property tax being placed before the voters for approval at a later date.
Tom Pitts addressed the Council in support of generating new business, commerce and increasing tourism. Mr. Pitts stated concerns that business owners are not participating in these open meetings, recommending that the Council personally address the Town's business owners seeking participation in helping create positive value changes and supporting the Town in reaching its goals and meeting the needs of the residents.
Mayor German stated the Council received many good comments and suggestions this evening, and agrees that having business owners involved in these work sessions is necessary. Mayor German concurs that the Town needs to keep improving infrastructure and bring in commerce. Mayor German stated that he personally, and will encourage other Council Members, to personally visit business owners for their opinions and suggestions, and solicit participation.
Vice Mayor Baker stated that when the Town incorporated in 1986 Main Street was busy, but when the 260 bypass was completed, traffic bypassed downtown and downtown died. For many years the Town spent over $135,000 a year on marketing and completed Main Street enhancement. The economy is slowly recovering and infrastructure improvements are happening, although the benefits will not be visible overnight. Vice Mayor Baker stated she believes the Town is doing OK and does not believe it is a good time to increase spending or create new taxes, and therefore she is not in support of implementing a food tax, or an increase in sales or property taxes.

5. **Discussion, consideration and possible direction to staff relative to CIP project needs, including but not limited to Rio Verde Plaza.** Staff Resource: Russ Martin

Russ Martin stated the Council needs to discuss and consider options for funding CIP projects, and generate revenue to support local government. Rio Verde Plaza needs substantial upgrade if the Town want to market the building. Currently AA is interested in moving into Rio Verde Plaza, however, some upgrade must be done first, but the Council must determine if the Town has the resources to complete those upgrades. Additionally, many CIP projects have been put on hold due to lack of resources. The Council needs to determine what CIP projects are necessary, how to accomplish securing funding for those projects, and at what level the Town wants to invest in CIP projects with the anticipation of long term benefits. Currently there are real options, and CIP projects that are moving forward and are huge benefits to the Town – Sewer expansion on 260 and Finney Flats, the Library project, an road improvements. Mr. Martin state he does not have the answers, but can make suggestions and lay out scenarios, all without any guarantee, but with hope that the investments create long term benefits to the Town and its residents. Currently the Town does not have the resources to complete all of the proposed, and desired, CIP projects. Funding CIP projects through "debt levy" is set in concrete and requires public vote.

Councilor Whatley opposed any property tax increase or debt levy, stating that it creates a large bill each year for the residents, which makes it difficult for many property owners to pay. She state she would be in favor of a food or sales tax that is collected a small amount at a time, which generates immediate revenue for the Town, is an equal percentage to everyone, and is only a few cents or dollars at a time for each person, both residents and non-residents. Council Whatley also suggested that the Council discuss the possibility of selling Rio Verde Plaza as the Town purchased the Plaza with good intentions, but it does not appear to be working out positively for the Town, and additionally, the Town should not be acting as a landlord.

Councilor George concurs stating the Plaza has been somewhat of a money pit, the Town should consider selling the property. Council George state he is in support of AA moving into the Plaza if they want to shoulder the financial burden of making necessary upgrades.

Vice Mayor Baker stated the Town purchased the Plaza for future use, initially intending that it would become Town Hall. Currently we should utilize the building if possible.

Councilor Jones stated that the stated necessary upgrade fluctuates from engineer to engineer. Is the building currently up to code, is ½ of the building up to code and the other half not? Are we spending thousands of dollars to bring it up to code to house non-profit organizations? What is the real cost of keeping and maintaining this property and is it, or will it be, a benefit to the Town?

Russ Martin advises the Council that the Town government should not be in competition with business owners. The Plaza needs a new roof at an expense of $40,000-- $50,000, and other necessary upgrades to utilize the entire Plaza/building would be an expense of over $100,000. He will meet with AA and bring new ideas and suggestions to the Council at the next work session.

Public Comment:

Fred Howe addressed the Council stating the Town needed vision for revenue and would like to see current business owner's work with the Town to help develop growth.

Greg Blue addressed the Council and suggested a committee or committees to generate resources and information regarding development and CIP projects.

David Boilee addressed the Council stating the Council needs to solicit and invite business owners to participate in suggestions, with specific line items in mind, property taxes, sales taxes, an marketing. Mr. Boilee is opposed to have AA in Rio Verde Plaza, as AA and other non-profit business do not attract new business or tourism, and could actually be detrimental. Mr. Boilee state he support any long term investment in the town with respect to infrastructure, commerce and tourism.

Councilor Whatley thanked the residents for attending this work session and giving the Council many suggestions.

Steve Ayres, Community Development Director, stated the Council could consider selling Rio Verde Plaza, however, to make the building marketable, a considerable amount of money would need to be invested. At the current condition of the building, the Town would lose about ½ of their original investment.

Russ Martin, Town Manager, stated he was hopeful that the bid package for the Library Project would be ready to put out for bid by mid September.

Adjournment. On a **motion** by Mayor German, seconded by Councilor George, the council unanimously voted to adjourn the meeting at 7:55 p.m.

Charles German, Mayor

Virginia Jones for Lynn Riordan

Lynn Riordan, 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 July 30, 2014. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 4 day of September, 2014.

Deborah Barber

Deborah Barber, Town Clerk