

**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, SEPTEMBER 3, 2014 at 6:30 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 6:30 p.m.

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

Also Present
Town Manager Russell Martin, Marshal Nancy Gardner, Fire Chief Terry Keller, Finance Director Mike Showers, Community Development Director Mike Jenkins, Assistant Planner Jenna Owens, Building Official and Safety Officer Robert Foreman, Town Clerk Deborah Barber, and Recording Secretary Saepyo Choe.

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

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) Special Session – August 18, 2014
 - 2) Work Session – August 13, 2014
 - 3) Regular Session – August 6, 2014
 - 4) Work Session – July 30, 2014
 - b) **Set Next Meeting, Date and Time:**
 - 1) September 10, 2014 at 5:30 p.m. – Work Session
 - 2) September 17, 2014 at 6:30 p.m. – Regular Session
 - 3) September 24, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters
 - c) **Approval of Special Event Liquor License application for the Verde Valley Rangers, Mounted Sheriff's Posse fundraiser to be held during Fort Verde Days at 75 E Holloman Street.** Staff Resource: Debbie Barber:
 - d) **Approval of the appointment for Judge Harry E. Cipriano, as an Assistant Magistrate for the Camp Verde Municipal Court for a two (2) year term, effective September 1, 2014, and setting an hourly pay rate of \$50.00 per hour on an as need basis with a three hour minimum.** Staff Resource: Russ Martin
 - e) **Approval to postpone discussion until September 17, 2014 regarding amending the Tax code by eliminating the exemption of food for home consumption under the Model City Tax Code thereby instituting a Food Tax for the Town of Camp Verde.** Staff Resource: Russ Martin and Michael Showers

On a motion by Baker, seconded by German, Council voted unanimously to approve the Consent Agenda as written.

Town Manager Russ Martin explained that the new Town Magistrate would begin working November 1, 2014, and that he would work without pay until Dec, due to his late arrival. He clarified that Council

approved the extension of Judge Cipriano's full-time contract as Magistrate in order to facilitate the transition; and that his appointment as Assistant Magistrate, is a separate part-time contract.

Martin explained that the Food Tax Agenda Item was scheduled for discussion today, 60 days after the initial proposal date, along with the new fee schedule, to the meet state public posting requirements, but that Council needed more time to prepare for the discussion.

The September 10, 2014 Work Session will discuss taxes and the Capital Improvement Plan.

5. **Special Announcements and presentations:**

- **Commendation certificate to be presented to Rosalie Lienhart, Haddie Miller, Ryan Miller, Cory Miller, Tyler Brown for their bravery.** Staff Resource Nancy Gardner
CVMO and CVFD Officers presented certificates to 3-year old Haddie, mother Rosalie, and son Ryan Miller for their bravery. On July 28, 2014, the family discovered an incapacitated man in the pool of an RV Park, called for emergency services, and rendered CPR until the Fire Department arrived on scene. The Officers commended their bravery, competence, and respect for life; hoping that the family would remember not only the traumatic event, but also that their Town was proud of them for their valiant efforts. They received a standing ovation. Cory and Tyler were not available to attend, and the Officers offered to mail their certificates.

- **Presentation of a plaque to the Town of Camp Verde from Government Finance Officers Association for Certificate of Achievement for Excellence in Financial Reporting.** Staff Resource: Russ Martin

Town Manager Russ Martin recognized Camp Verde Finance Director and Finance Department Staff with a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

- **Approval of Proclamation designating September as National Recovery Month.** Staff Resource: Mayor Charles German

Mayor German proclaimed September as National Recovery Month.

- **Approval of Proclamation Declaring 9-11-2014 "A Day to Remember".** Staff Resource: Debbie Barber

Mayor German proclaimed 9-11-2014 "A Day to Remember."

On a motion by German, seconded by Baker, Council unanimously approved moving Agenda Item 9 in front of Agenda Item 8.

6. **Call to the Public for Items not on the Agenda.**

There was no public input.

7. **Discussion, consideration & possible approval of Ordinance 2014-A399 an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Use Tax; amending the Tax Code of the Town of Camp Verde, Arizona by increasing the Use Tax Rate from two percent (2%) to three percent (3%).** Staff Resource: Mike Showers

The motion by George, seconded by Whatley, to approve Ordinance 2014-A399 failed 3-4, with 4 "no" votes from Gordon, German, Vice Mayor Baker, and Mayor German.

Mike Showers explained that the use tax helps to level the playing field for merchants within Town boundaries, by charging a tax on expensive purchases made outside of Camp Verde, which are used within the Town. This may refer to equipment purchased outside of Town limits, for use within Town limits by a company for which Camp Verde is their base of operations. Since the equipment was not subjected to Camp Verde tax, but was used for profit in Camp Verde, a Use Tax is applied at the end of the year for such items. He explained that this mainly impacts businesses, since state audits seek to ensure that businesses pay their proper dues to the city and state. Some businesses claim a 2% Use Tax on their taxes instead of the 3% Sales Tax, whether by accident or with fraudulent intent, which saves the business 1% in taxes. This discrepancy causes a temptation for businesses during tax filing, and much investigative work for the Finance Director. He proposes to eliminate these issues by raising the Use Tax to 3%, which still keeps Camp Verde at competitive rates.

Public hearing:

Greg Blue received clarification that the Use Tax for Rentals is in a different category, which would remain at 2%. He stated that the Council is elected to ensure a system of checks and balances, and that he does not support any increase in taxes right now. Council should represent the voice of the people, as it is impossible for the public to present a full case in only 3 minutes during a public hearing.

John Bassous, a local contractor, explained that business owners pass their costs onto the people, so that the Use Tax increase does in fact affect private citizens. He stated that 1% can make or break a business, especially in Camp Verde. He asked that Council think of it, not as just 1% that affects a few, but as 1% more that affects everyone.

Discussion:

Councilor Whatley stated that this proposal supports local business by supporting local vendors.

Mayor German joked that Vice Mayor Baker should "entertain a donation."

8. **Discussion, consideration & possible approval of Resolution 2014-924, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting fees for town services for FY 2014-15 and superseding Resolution 2013-895. Staff Resource: Mike Showers.**

On a motion by George, seconded by Gordon, Council voted 5-2 to approve Resolution 2014-924, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting fees for town services for FY 2014-15 and superseding Resolution 2013-895. Vice Mayor Baker and Councilor German voted "no."

Mike Showers explained that the fees proposal was posted for the required 60 days, with no new fees being added since the initial proposal presented in June.

Whatley expressed her understanding that the fees pay for themselves, that they are justified, and in line with other municipalities. Staff replied that Camp Verde's fees are slowly coming up to that of other Towns.

Jenna Owens explained the reason for the \$1700 "commercial to commercial" zoning map change fee. She explained that every type of zoning map change, such as, "residential to residential," and "residential to commercial" have always been represented in the fee schedule, and that "commercial to commercial" zoning map change requests needed to be added in as well. The fee covers the cost for all the required staff work, including: 1) investigating the impact of the different allowances, uses, and intensity; 2) conducting 2 public hearings, 3) conducting neighborhood meetings, and 4) notifying the public and advertising to allow time for public input. Councilor George thanked Owens for the explanation.

Public Hearing:

Rob Witt received confirmation from Staff that Camp Verde has followed the International Code Council (ICC) evaluations and table for calculating fees since 2006. Building Official Robert Foreman explained that the ICC publishes average costs for construction twice a year, which determines permit cost, but that the Town only updates their costs annually, in February. He informed that builders may contest the ICC's numbers if they can show justification that they can safely build at a lower cost.

Greg Blue stated that he understands bookkeeping, but that we should not try to "catch up" to other Town's fees. Update as needed, but do not raise fees for the sake of raising fees. Council decision should allow for itemization, rather than blanket approval of all the fee changes.

John Bassous stated that the fee schedule is complicated and often needs help from Staff for calculations. He pointed out that not all departments pay for themselves, ie. the Library, Parks & Recreation. He suggested that the Town consider underwriting 25% of a business' building cost, as an investment into the community. He stated that it should not be about collecting 100%, but about creating a business-friendly environment. Some communities understand this and agree to subsidize costs.

Discussion:

Russ Martin explained that Camp Verde's philosophy has always been to try to collect 100% of costs. He explained that setting a target, such as subsidizing 25% of business costs, is not as straightforward in practice as it may sound, due to many fluctuations from year to year. The question should be whether the Town is charging appropriately for providing a service and if the fees are overburdening businesses.

Whatley stated that she does not agree with subsidizing businesses.

German explained that she met with the building department to understand the fees and agrees with some and not others, especially when Camp Verde is losing businesses. She explained that some fees, such as the Fire Marshal review and the Recording request on a Town-provided jump drive need to be approved. Some things, such as the map change for zoning from "mixed use to low density" are no longer used and need to be removed. She does not agree with the Temporary Use Permit being raised from \$100 to \$150, for using an RV while waiting to build a home, or the \$175 residential single family dwelling fee. She asked if the Town should adopt a sign ordinance, referencing the \$50 A-frame sign fee. Jenna Owens explained that the amount of paperwork needed for one A-frame sign, was the same as for changing multiple signs; which also require inspections of placement and design.

Community Development Director Mike Jenkins explained that when you see a jump from \$85 to \$175 in a fee, it is a clue that the Town is losing money on services provided. He explained that building in rural areas, for example, require many considerations for emergency services, and significant efforts to address the issues. He explained that the \$500 "non-compliance fee" is justified, since addressing non-compliance issues are an arduous judicial process requiring attorneys.

Vice Mayor Baker reported a statewide emphasis to be more business-friendly, as Utah and Colorado are neighboring competitors, attracting many businesses.

George stated that the fees, which are to be reviewed and adopted annually, have been reasonably adjusted.

Jones reminded that builders may contest the ICC codes with proper justification, and inquired if the Town could waive some fees as an incentive for business wanting to come to Camp Verde. Russ Martin explained

such arrangements would be made in a direct agreement with the business, which would also show what value the business brings to the Town.

Whatley objected to selective waivers and said that what applies to one business, should apply to all.

Gordon recognized Kendall Welch for making the fee schedule more user-friendly.

Robert Foreman explained that most of the changes were in wording and required updates, and that Camp Verde is 35% behind the national average for fees. He stated that their proposals are modest and that the Town needs to prepare for future development. The new medical center and other building projects will quickly build momentum for new developments, which will lead to a very busy Staff in the building department. When asked if Camp Verde charges a separate "Inspection fee," he answered that it is rolled into the total cost, with extra fees being assessed only for after-hours inspections or for appointments that are rescheduled due to lack of preparation.

9. **DISCUSSION, CONSIDERATION, AND POSSIBLE SELECTION OF AN INDEPENDENT ATTORNEY TO REVIEW EMPLOYEE COMPLAINTS AND COUNCIL CONDUCT AS IT RELATES TO TOWN COUNCIL POLICIES, RULES, AND PROCEDURES.** Staff Resource: Russ Martin/Bill Sims

On a motion by Mayor German, seconded by Baker, Council voted 5-2 to direct staff to bring back to Council a selection of 3 independent attorney candidates to choose from to review employee complaints and council conduct as it relates to town council policies, rules, and procedures. Mayor German and Councilor German voted "no."

Russ Martin explained that the Town Attorney recommended removing Ms. Schwab as a candidate due to a possible perception of bias, and that third candidate was sick and could not be ready in time. He stated that both candidates, Grammage & Burnham, and Curtis, Goodwin, Sullivan, Udall & Schwab P.L.C. were top recommendations that would do a great job. He stated that there would be another meeting next week, at which he could ask Ken Strobeck for additional recommendations.

Vice Mayor Baker, Gordon, and Mayor German requested a total of 3 candidates from which to choose. Councilor George preferred to start the investigation as soon as possible with Curtis, Goodwin, Sullivan, Udall & Schwab P.L.C.

Councilor German requested that the Agenda Item come back on September 17, 2014, as she will be out of Town for the September 10th Work Session. She read from an official statement, which will be attached and become a permanent part of the record. She stated that \$10,000 for an investigation is a bad use of money that should rather be put towards park and streets. The Council should come to a workable solution on their own, as an investigation would not offer any solutions to the problem.

Vice Mayor Baker agreed that is an unfortunate use of taxpayer money, but that it also seemed necessary to go beyond the Town Attorney for a resolution.

Jones stated that an investigation, though unfortunate, would offer an unbiased look at the problem.

Whatley reminded Council that they voted to direct staff to bring back to Council some independent attorney candidates to investigate the matter at the last meeting.

Mayor German stated that the Council should meet and work it out, using Staff resources and recommendations to come up with solutions and policies that will address the issues. He explained that it was the concern of litigation that led to the original decision, but that if possible, he prefers not to let it go

that far.

Public Hearing:

Warren Harris stated that he was tired of Council's petty disagreements and of being disrespected. He stated that he was the citizen who asked for public records of all Town salaries and pay scales, which were provided to his satisfaction. He did not single out certain employees. He has never heard any negative reports about the Marshal, but questioned why the Marshal's wage was so high in a small Town with low income. He supports hiring a Human Resource Advisor and would support spending \$2500 for education on legal policies and procedures. He asked why wages were not uniform across the board. He stated that a \$10,000 investigation would be an unwise way to spend money.

Walter Miller stated that Council is talking about increasing taxes at the same time as spending \$10,000 on Attorneys, giving the public the impression that all their tax money will be wasted. Council needs to understand the rules and human mistakes, and work it out.

Vivian Raines called the complaint a "farce" and the proposed resolutions the "equivalent of a Salem witch hunt." She recommended that the departments start working with each other and stop "bickering," so that the Town government can get back to governing.

Ms. Grover, spoke briefly on behalf of her brother Russell Grover, accusing Staff of not being able to speak the truth.

Mrs. Kessel-Grover stated that she does not agree with spending \$10,000 to investigate Council members who want to listen to the people and investigate the truth. She stated that the Town Manager and Marshal are teaming up against the Town and that she is willing to take a polygraph on the matter and pay for it.

Councilor Whatley responded that she respects, trusts, and feels supported by the Town Manager and Marshal. She stated that she takes offense to such accusations, and asked the public to keep their comments civil.

Cheri Wischmeyer stated that she was the person named in the complaint. She received calls and visits from current and past employees of the Marshal's office, describing things going on in the Marshal's department that caused her concern. She claimed her right as a citizen to be concerned for Camp Verde employees and requested public records to investigate the claims. Her research was not intended to target certain individuals, but to find out the truth. She took the matter to Russ Martin more than once, but finding no resolution, went to Vice Mayor Baker and Councilor German, who referred her to the Mayor, who referred her to the Town Attorney, who pointed her back to Russ Martin. She stated that the Town needs a Human Resource Advisor, as the Town Manager cannot wear two hats and accomplish what is required in this situation. She stated that some had expressed a loss of trust in the Town Manager and felt they had no Staff advocate to whom they could turn in case of a grievance. She asked Council to consider all sides of the story, which include past employees of the Marshal's Office and those who did not sign the complaint.

Discussion:

Mayor German explained that Cheri's concern involved the possible violation of federal law. He thought the Agenda Item concerned issues with more recent events involving Town Council procedure, rather than to the July 30, 2014 complaint addressed to Russ Martin, titled "Employee Complaint and Town Council Concerns" from the Marshal's Office. He thanked Cheri for stepping up and meeting with the attorney and expressed appreciation for the public's comments. He stated that being an elected official is not as easy as it appears, and that Council must take any possible matters of litigation very seriously.

Vice Mayor Baker thanked the public for their honesty. She explained that some issues needed to be

investigated beyond the complaint, and that Council needed to address possible changes to policy.

Bruce George made a Point of Order to clarify that the Public Hearing was not yet closed.

Jim Ash stated that Council made a mistake by approving an investigation, as neighborhood roads and the Senior Center need repair. He stated that anything spent on attorneys is a total waste of money.

Discussion:

Councilor German thanked the public for their comments and their time.

Councilor Gordon stated that Council tried to fix the issue with the Manager without success. There was no initial explanation as to why the public requests were being made, which led to suspicions about the intent of the requests, and caused much suspicion and speculation within departments beyond the Marshal's Office. He stated that the time spent on trying to understand and resolve the issues has probably already cost the Town thousands of dollars, and that he would like to get to the bottom of it.

Mayor German and Councilor German expressed that it is best for Council to show courtesy to one another by asking questions and trying to resolve matters internally first, before involving outside parties.

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

Warren Harris suggested charging a fee for library cards to help generate revenue.

11. **Council Informational Reports.**

There were no reports.

12. **Manager/Staff Report**

There was no report.

13. **Adjournment**

On a motion by Baker, seconded by Whatley, Council voted unanimously to adjourn the meeting at 8:22 p.m.



Charles German, Mayor



Saepyol Choe, 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 September 3, 2014. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 23 day of September, 2014.



Debbie Barber, Town Clerk