DRAFT MINUTES
WORK SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS - 473 S. MAIN STREET, ROOM #106
WEDNESDAY, APRIL 29, 2015 AT 4:00 P.M.

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

NOTE: The 2015-16 Proposed Budget with each department's requests and the Town Manager's recommendations is available in the office of the Town Clerk, with each departments supporting documentation for their budget requests.

1. **Call to Order**
   Mayor German called the meeting to order at 4:00 p.m.

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

   Also Present
   Town Manager Russ Martin, Finance Director Mike Showers, Community Development Director Steve Ayres, Risk Management Carol Brown, Town Magistrate Paul Schlegel, Marshall Nancy Gardner, Commander Bruce Girnt, Public Works: Ron Long, Mike Dumas, Mike Marshall and Stacy Parry, Sewer District/Wastewater Jan Croghan and Troy O'Dell, Town Clerk Virginia Jones and Recording Secretary Lynn Riordan.

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

4. **Discussion, consideration and possible Discussion, consideration, and possible direction to staff relative to the Draft FY 2015-2016 Tentative Budget.**

Town Manager Russ Martin advised that the departments of budget discussion tonight are (in no particular order) are Revenues, Municipal Court, Risk Management, and Public Works. The department of budget discussion for Friday, May 1, 2015, morning are Marshall's Office, Community Development, Economic Development, Library, Non-Departmental, finance, Town Clerk, and Town Manager (including HR/IT). CIP budget matters will be discussed on Friday, May 8, 2015. A CIP handout will be provided to Council for review prior to the May 8, 2015 budget workshop. The proposed 2015-16 budget will thereafter be prepared for Council consideration at the General Meeting scheduled on May 13, 2015.

Revenues
Town Manager Russ Martin advised the Mayor and Council that sales tax revenues are "flat", the Town revenues are actually lower than projected, and it is anticipated that fiscal 2015-16 revenues will continue to be the same. The Town is currently operating in the "black", however, the lower revenues will cause the budget will be very tight again this year. Each department is being very responsible and accountable, and has down an excellent job staying within their budget and spending less. Mike Showers advised that interest income also is very flat this year and is anticipating a decrease in the interest income as money is spent to complete the Library.

Revenue: Russ Martin and Mike Showers stated they will be drafting a proposed Ordinance for a tiered sales tax for "big ticket" (car/RV/ATV) items, with the sales tax rate being reduced after a set cap. (Example: purchase of a $20,000 vehicle, the standard tax rate applies for the first $5,000 with sales tax being reduced to 1% or 1.5% for any amount of the purchase over $5,000). A tiered sales tax ordinance will create opportunity to attract business with the development of the 260 corridor. This type of tiered sales tax is simple and is very competitive, and will create

revenue for the Town. Currently the Town has no "big ticket" business or sales.

Vice Mayor Baker stated concerns and requested research of this type of tiered sales tax (success/failure) of other communities where this type of sales tax has been implemented. Councilor's German, Gordon and Jones stated support of drafting and considering an Ordinance for tiered sales tax, with appropriate research and public comment, before being considered by the Council, acknowledging that the Town sales tax revenues are "flat" and seeing this proposed Ordinance as a potential opportunity to encourage new business, investment and revenue for the Town.

Public Comment: Suzy Burnside addressed the Mayor and Council in opposition of a tiered sales tax unless it can be accumulative for all businesses, not just "big ticket" items.

Steve Goetting addressed the Mayor and Council in opposition of a tiered sales tax, as all businesses received the same services from the Town and need to pay their proportionate share; sales tax rate should be the same for everyone.

Russ Martin addressed other sources of revenue which are anticipated to stay the same as last year, and noting that the anticipated construction taxes are allocated to pay debt services, not operating expenses.

- **Municipal Court** – Paul Schlegel advised that the Municipal Court wages for 2015-16 have decreased, with the few changes in the proposed budget. There may be a countywide uniform bond schedule imposed which may cost to implement, but will result in an increase in revenue (with no change in the court enhancement fee). New or major improvements, of facilities are a priority to the Court and will be addressed on May 8, 2015 CIP.

- **Risk Management** – Carol Brown stated she has been balancing her responsibilities as Administrative Assistant to the Town Manager and Risk Manager, and is requesting her position become full time as Risk Manager with an Administrative Assistant being hired for the Town Manager, which would be in the Town Manager's budget.

- **Public Works – Maintenance**: Ron Long and Mike Dumas stated the Public Works Department is in desperate need of a new lift truck, stating that purchase of a new lift truck would reduce the line item for equipment rental. Purchase of a new lift truck will be discussed on May 8, 2015 CIP. The Public Works Department also requests additional funds for part-time labor, as there are more and more demands on Public Works as the Town has several special events and Public Works also is called out to support/help with Storm water problems.

- **Streets: Ron Long stated that he concurs with what the Town Manager has proposed for the Streets budget** 2015-16. All other concerns (need of a truck and new tractor/mower) will be addressed on May 8, 2015 CIP. Mr. Long and Stacy Parry advised that the current tractor/mower is costing the Town a lot of money in maintenance and it would be cost effective to purchase a new tractor/mower. Town receives HURF funding, however, the HURF funding is easily over allocated and there is not enough HURF funding to cover all of the needs of Public Works. Additionally the HURF funding has not been restored to the full allocated portion, therefore the Town has received $300,00 +/- less each year in HURF funds, as a large portion of HURF funds are being re-directed to DPS. Mr. Parry recommends the Town adopt a revolving street maintenance program (7 year program) for street maintenance, paving, resurfacing, as it is less expensive overall to maintain the streets than to replace.

  Public Comment:
  Tom Pitts addressed the Mayor and Council in support of a revolving street maintenance program, concurring that it will save the Town money (and complaints) in the long run.

  Parks and Recreation: Mike Marshall stated there are few requested changes in the 2015-16 budget requests

for Parks and Recreation. With increasing demands on staff, Parks and Recreation would like an increase in wages for current staff and needs additional staff, realizing the budget is tight and the Town Manager has recommended against additional staff, perhaps the Council would consider approving part-time or temporary help. The Parks and Recreation Department plans to continue its programs, with some minor modifications.

- **Sewer/Wastewater:** Jan Crogan and Troy O'Dell stated they are requesting additional staff (drafting technician) to complete the improvement projects that have been approved and funded by WIFA – ADEQ wants these projects completed, and if not completed, the Town may lose the funding. Wages might be able to be allocated from the WIFA funding, and it is less expensive to hire a drafting technician than to contract out. Additionally the quotes to complete filtration and UV were lower than anticipated therefore the additional money will be utilized in other Sewer/Wastewater project and/or need. Mr. O'Dell advised that ADEQ is requiring that the old lagoon closure and reclamation be completed this year so that the Town and Sewer District is not in violation of ADEQ requirements. The Sewer District has $25,000 allocated from 2014-15 for this project and need $25,000 allocated in 2015-16 to complete. The Town Manager and Council addressed the electric bill and requested staff to immediately look into solutions, alternate supplier or solar, to reduce this extraordinary expense, without increasing the budget expenditures. Staff will research the possibility of using of WIFA funding, as the Sewer District/Town is beyond the time limit to receive WIFA funds and need to acquire and spend the funds before losing this resource. Russ Martin advised the Town is the fiduciary for the Sewer District.

  Public Comment: Suzy Burnside would like the Council to have a Public Hearing regarding the pending lawsuit and when/if it will ever settle, and when/if the Town will receive any benefit or funds. Ms. Burnside also requested clarification on the sanitary district lease.

  Russ Martin stated the Town needed to eliminate the contract for the lease, and this item is under Non-Department to be addressed on May 1, 2015.

- **Storm Water Management:** Ron Long and Troy O'Dell stated they are requesting additional staff, drafting technician, for the Storm water Department to eliminate outside consulting and contracting. Hiring of a technician is cost effective and would be beneficial to the Department. The current projects, primarily the diversion on Verde Lakes Drive and culverts on Clear Creek to control flooding need to have the studies done as soon as possible to control flooding and for safety purposes. The Storm water Management Department is proposing upgrades of roads, crossings and culverts. Additionally, the studies will include tributaries from forest service and state lands that may allow the Town to investigate the possibility of applying for funding from Yavapai County Flood District, forest service and the state. Vice Mayor Baker and the Council acknowledged that this area has serious problems with chronic flooding/storm water that the Town inherited from the County, and acknowledged that this area needs improvements. The Town previously contact the Army Corps of Engineers and FEMA in an attempt to get funding to no avail. Russ Martin advised that although the requests from Storm water Management are valid, the fact is there is not enough money to fund their requests, and it does not appear that the Town will receive any money from Yavapai County Flood District, as all funds have been swept. Councilor German inquired if there were additional funds in reserves that could be used to help alleviate some of the major storm water problems. Mike Showers advised that although there are funds in reserve, if all funds are expired in one sweep, it would leave the Town extremely vulnerable in all other operating and CIP areas. Councilor Jones stated the storm water problems on 260, Clear Creek and Verde lakes is very dangerous to motorists as well as residents, and the Manager and Council need to seek a solution. The Mayor stated that a lot of the flooding is coming from forest service land tributaries, and requests staff research the possibility of funding of storm water projects from the forest service, even though it is apparent that the forest service priority if fire, not flood. Ron Long advised that studies would need to be conducted to pursue financial assistance from the forest service and/or state. With respect to flooding on Finney Flat Road, Ron Long requested the line item for contracting to have the culverts and bar ditches cleaned be approved as the culverts are too small for any equipment and therefore the culverts will need to be

cleaned out by hand. Additionally, the Town's tractor/mower cannot get into the bar ditches, and these culverts/bar ditches need to be cleaned out to prevent flooding across Finney Flat Road. With respect to Engineering, Ron Long stated he concurs with the Manager's recommendations in proposed 2015-16 Budget. All major improvements will be addressed on May 8, 2015 CIP.

Public Comment:
Tom Pitts addressed the Mayor and Council advising that the State has taken funding from the Counties, and the Counties now are recovering their losses (by withholding funding) from the Cities and Towns.

Adjournment
On a **motion** by Vice Mayor Baker, seconded by Councilor Jones, the Council unanimously voted to adjourn the meeting at 6:55 p.m.

_____
Charles German, Mayor

_____
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 Budget Work Session of the Town Council of Camp Verde, Arizona, held on April 29, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2015.

_____
Virginia Jones, Town Clerk