



Town of Camp Verde Vision Statement

"Camp Verde is welcoming, a safe community, a vibrant economy, thoughtfully growing, and offering an exceptional quality of life."

**AGENDA
TOWN OF CAMP VERDE
SPECIAL SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, MAY 14, 2025 at 5:00 P.M.**

ZOOM MEETING LINK:

<https://us02web.zoom.us/j/88995602394?pwd=Yx6fZxlaMoHKVDmj6Z5by2CklPFHYa.1>

one Tap Mobile: 1-253-215-8782 or 1-346-248-7799

Meeting ID: 889 9560 2394

Passcode: 630886

Note: Council member(s) may attend Council Sessions either in person, by telephone, or internet/video conferencing.

- 1. Call to Order**
- 2. Roll Call.** Council Members Brian Bolton, Robert Foreman, Robin Godwin, Jessie Murdock, Vice Mayor Wendy Escoffier and Mayor Marie Moore.
- 3. Pledge of Allegiance**
- 4. Discussion, consideration, and possible direction regarding contracting with Sustainability Partners for funding Capital Improvement Projects.** Staff Resource: Town Manager Miranda Fisher, Finance Director Michael Showers and Utilities Director Jeff Low. Pg. 5
- 5. Discussion, consideration, and possible approval of Resolution 2025-1181, approving the refinancing of the \$1,200,000 Water Infrastructure Finance Authority of Arizona loan 710191-21 for the design and engineering of the sewer system along State Route 260 and entering into a new loan agreement with payment over an approximately 15-year period to refinance this debt obligation.** Staff Resource: Finance Director Michael Showers and Utilities Director Jeff Low. Pg. 13
- 6. Discussion, consideration and possible direction regarding a potential increase to the bed tax.** Staff Resource: Town Manager Miranda Fisher and Finance Director Michael Showers. Pg. 17
- 7. Discussion, consideration and possible direction regarding budgeting in FY26 CIP for an impact fee study.** Staff Resource: Town Manager Miranda Fisher. Pg. 21
- 8. An executive session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) for discussion or consultation for legal advice with the Town Attorney and to**

consider its position in pending litigation. The purpose of the executive session is for the Town Attorney to update Council regarding the status of pending notices of claims and litigation matters commenced against the Town. Staff Resource: Town Manager Miranda Fisher.

- 9. An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding abatement of public nuisances. Staff Resource: Town Manager Miranda Fisher.**
- 10. An executive session pursuant to A.R.S. § 38-431.03(A)(3), (A)(4), and (A)(7) for discussion or consultation with the Town Attorney for legal advice, and possible instruction to the Town Attorney regarding the Town-owned property located at 50 E Toy Rd. Staff Resource: Town Manager Miranda Fisher.**
- 11. An executive session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) for discussion or consultation with the Town Attorney for legal advice and to consider its position and instruct the Town Attorney regarding the Town's position regarding a contract with Camp Verde Arena Association. Staff Resource: Town Manager Miranda Fisher.**
- 12. An executive session pursuant to A.R.S. § 38-431.03(A)(1) and (A)(4) to discuss appointment of a Town Attorney and consider its position regarding contract negotiations for Town Attorney services. Staff Resource: Town Manager Miranda Fisher.**

13. Adjournment

Note: Upon a public majority vote of a quorum of the Town Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the purpose of discussion or consultation for legal advice with the Town Attorney as permitted by A.R.S. § 38-431.03(A)(3). Any other executive sessions will be separately included on the agenda above if an executive session will be held at the meeting.

Pursuant to A.R.S. §38-431.01 Meetings shall be open to the public - All meetings of any public body shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. All legal action of public bodies shall occur during a public meeting. Pursuant to Town Code, Section 2-3-7.1 the Mayor shall call for a vote of the Council to allow the meeting to continue past the deadline of 10:00 p.m. The Town of Camp Verde Council Chambers is accessible to persons with disabilities. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk at 928-554-0021.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the Town of Camp Verde and Bashes on 05-09-2025 at 12:00 p.m. in accordance with the statement filed by the Camp Verde Town Council with the Town Clerk

Leah Rhodes

Leah Rhodes, Town Clerk

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**Meeting Date:** May 14, 2025**Agenda Item Type:**

- | | | |
|---|---|---|
| ☐ Consent Agenda | ☐ Informational Presentation | ☒ Discussion Item |
| ☐ Action/Decision Item | ☐ Executive Session Request | ☐ Other: |

Requesting Department: Town Manager & Finance**Staff Resource:** Town Manager Miranda Fisher, Finance Director Michael Showers & Utilities Director Jeff Low**Agenda Title:** Discussion, consideration, and possible direction regarding contracting with Sustainability Partners for funding Capital Improvement Projects**Attached Documents:**

- Sustainability Partners Background
- Sustainability Partners Suite of Services
- Sustainability Partners Customer Timeline

Estimated Presentation Time: 15 minutes**Estimated Discussion Time:** 30 minutes**Reviewed By:**

- | | | | | |
|--|--------------------------------|--|----------------------------------|---------------------------------|
| ☒ Town Manager | ☐ Legal | ☐ Risk Management | ☐ Finance | ☐ Other: |
|--|--------------------------------|--|----------------------------------|---------------------------------|

Financial Review (if applicable): N/A

- | | | | | |
|---------------------------------------|------------------------------|-----------------------------|---|---------------------------------|
| • Funding Source / GL Account Number: | | | | |
| • Approved in the FY25 Budget? | ☐ Yes | ☐ No | ☒ N/A | ☐ Other: |
| • Is this an approved CIP Project? | ☐ Yes | ☐ No | ☒ N/A | ☐ Other: |

Background Information:

Town staff have been in ongoing discussions with Sustainability Partners for over a year, exploring opportunities for their organization to assist with funding potential Capital Improvement Projects. Through these conversations, staff believe a viable path forward has been identified to finance both the Watermain Replacement and the Black Bridge Sewer Main Extension in partnership with Sustainability Partners. Representatives from the organization will be present at the meeting to introduce their organizational philosophy and funding model, and to present a financial proposal for the two projects.

About Sustainability Partners (SP)

Sustainability Partners (SP) is a Public Benefit Company that partners with public agencies, educational institutions, and nonprofit entities to modernize and manage essential infrastructure. Through our unique model—Infrastructure as a Service®—SP delivers fully funded, engineered, and maintained infrastructure without requiring any upfront capital from customers. Instead of debt or ownership, SP structures projects as month-to-month service agreements, similar to utility billing.



Town Council Agenda Information Memorandum

Our approach replaces outdated and unreliable infrastructure with modern solutions supported by advanced technology and proactive maintenance. Customers benefit from lower operational costs, enhanced reliability, and built-in environmental sustainability, while retaining flexibility and avoiding long-term financial commitments.

SP works across diverse asset classes such as water and wastewater systems, lighting, HVAC, EV charging stations, broadband, and more, providing scalable, vendor-agnostic solutions. We align with public procurement regulations and can also match or supplement federal and state grants to enable broader infrastructure improvements.

By transforming infrastructure into a utility-like service, SP makes it easy for towns like Camp Verde to ensure the long-term performance and sustainability of their assets.

Connection to the [FY25-FY30 Strategic Plan](#)

This agenda item aligns with the Strategic Plan by supporting the Town's goal of expanding infrastructure to meet the needs of a growing community and economy. Evaluating public-private partnerships as a funding mechanism directly advances efforts to enhance infrastructure in a fiscally responsible and sustainable way.

Question(s) before the Council:

- Does the Council have any questions for Sustainability Partners?
- Is the Council interested in further exploring financing the Watermain Replacement and/or Black Bridge Sewer Main Extension with Sustainability Partners?

While this is not an "Action/Decision Item", Town staff are seeking direction on whether the Council would like to pursue working with Sustainability Partners on funding the Watermain Replacement and/or Black Bridge Sewer Main Extension.

SUSTAINABILITY PARTNERS LLC BACKGROUNDER



OVERVIEW

Sustainability Partners LLC (“SP”) is a Public Benefit Company that enables sustainable infrastructure for state agencies, municipalities, universities, schools, hospitals, ports, HOAs and other durable entities. SP can pay 100% or be a match to federal and state grants to facilitate the necessary funding, project deployment, and ongoing care to keep infrastructure reliable, safe and improving – forever.

Sustainability Partners’ core business is sustainability. The company reduces the environmental impact and general inefficiencies of old, inefficient, and costly infrastructure by replacing it with newer, cleaner, more efficient, and longer lasting solutions. SP converts infrastructure to a monthly usage-based utility-like service, Infrastructure as a Service®, and keeps the infrastructure maintained and upgraded with embedded long-term support.

HISTORY

Founded in Silicon Valley in 2016 by sustainability venture capitalists to solve two major problems impacting public entities across the nation: continuous deferred maintenance and lack of innovation adoption in the infrastructure market.

The partnership between east coast infrastructure finance and west coast entrepreneurs was instrumental in developing SP’s “as a Service” solution. Renowned firms, Kleiner Perkins and BlackRock, played pivotal roles and in 2018, Founder and CEO, Thomas Cain purchased all institutional interest in SP to become a privately held Public Benefit Company.

SP primarily serves public entities offering a variety of solutions including microgrids, smart utility meters, clean water and wastewater systems, athletic fields, HVACs, boilers, pumps, lighting, EVs (buses, trucks, cars, tractors), charging stations, and more.

CONCLUSION

Sustainability Partners forms reliable and enduring partnerships with public entities for the advancement of their essential infrastructure. SP chooses to procure robustly engineered solutions for longest useful life of assets at lowest total cost of ownership for the benefit of its customers.

The company is committed to long-term partnerships providing outstanding experiences and ultimately improving the resilience, health, and safety of communities across America through innovation and best industry practices.

MISSION & VISION

Our mission is to convert essential infrastructure into a sustainable utility.

Our vision is permanently reliable and sustainable essential infrastructure for communities across America.

SERVICES

Infrastructure as a Service®
Capital Recovery Service™
Debt Recovery Service™
Emergency Recovery Service™
Electric Vehicles as a Service™

REGISTERED TRADEMARKS

Sustainability Partners®
Infrastructure as a Service®
Sustainability as a Service®
Infrastructure as a Utility®
P3 As A Utility®
P3U®

A PUBLIC BENEFIT COMPANY

Sustainability Partners, LLC • 3133 W. Frye Road, Ste. 101 • Chandler, Arizona 85226
www.s.partners • info@s.partners

RELIABLE, SAFE, & IMPROVING INFRASTRUCTURE



Transforming public finance and infrastructure with innovative funding, procurement, installation, and ongoing care

We are your long-term infrastructure partners providing services to benefit municipalities, universities, schools, hospitals, districts, ports, HOAs, and other durable entities. We partner with these important institutions to replace unreliable, unsafe, and costly infrastructure with modern solutions, robustly engineered with embedded long-term support and improvement.

Sustainability Partners ("SP") is a **Public Benefit Company** providing a usage-based model requiring zero upfront capital. We assume ownership responsibilities of infrastructure without interfering with your use.

Our funds are GASB qualified as NOT debt, unsecured, and based on related usage with only a month-to-month term. We can also bridge a gap, providing a required match to state or federal funds, or be a 100% source paying for the design, engineering, materials, installation, monitoring and maintenance.

When essential infrastructure assets age they become costly and unreliable. SP's robustly engineered design requirements, direct procurement, and uncompromising maintenance yield real total cost savings and lower monthly cash out.

SP is proven, fast, and we make infrastructure easy. Let us help you meet your reliability, deployment, and sustainability goals. We solve your needs for infrastructure and partner with you to keep it reliable, safe, and improving forever!

SP is a clear alternative to traditional approaches to infrastructure improvements (i.e., financing, bonding, PPPs, renting, EPCs, and Shared Savings arrangements).

- Month-to-month, public agency friendly contracts
- No termination penalties
- Asset use is entirely in your control
- Anytime option to take ownership of assets
- Fully compliant procurement options
- Usage-based billing aligned with your revenue sources
- Open book accounting of contracts, warranties, designs, documentation
- 24/7 monitoring + real-time alerts to deliver reliability and performance
- Focus on maintenance and upgrades

OUR SUITE OF SERVICES

RELIABLE
SAFE
IMPROVING

INFRASTRUCTURE AS A SERVICE®

We make your infrastructure reliable forever in a manner that protects institutions, the assets, and taxpayers.

SP converts infrastructure into a monthly usage-based utility-like service with zero upfront capital required. We fund, deploy, and maintain essential infrastructure all without debt and then once in use, bill monthly for usage.

Utilities — like gas, electric, and water — are essential and easy to engage and easy to terminate. SP's services deliver continuously and reliably 24/7 x 365 days, safely and efficiently, year after year.

SP protects you from unexpected repairs, the perpetual run-to-fail cycle of asset deterioration, as well as inadequate ongoing maintenance.

✓ YOUR EASY BUTTON
FOR INFRASTRUCTURE

CAPITAL RECOVERY SERVICE™

When capital constraints impair your choices and pursuit of mission critical initiatives, quickly recover the funds previously spent on your essential infrastructure with SP's CRS.

Using GASB 87 as a non-collateralized service in which SP owns assets, or with GASB 60, you retain complete ownership of assets.

Option 1: Infrastructure Utility Service

SP pays to convert currently owned infrastructure assets into a utility service. Select infrastructure for collaboration then SP will underwrite, delivering economic and execution options for your approval.

Using GASB 87, SP assumes ownership and keeps infrastructure reliable, safe, and improving with embedded long-term care. You simply receive monthly bill for usage.

Option 2: Funding with Revenue Share

SP provides a cash rights fee to customers, for use at their discretion, which SP is compensated via a percentage of a 3rd party revenue stream.

Using GASB 60, SP's CRS is a Service Concession Arrangement in which the rights fee SP pays is a deferred revenue transaction that is prorated as the customer performs the right-to-use obligation. Customers maintain ownership of assets while recuperating much needed funds.

✓ CASH IN HAND

DEBT RECOVERY SERVICE™

Eliminate unnecessary bank and legal fees, reporting, audits, cash lockups, restrictive liens, credit rating challenges, bank permissions, financial covenants, and collateral filings.

SP will convert your infrastructure debt to a bond free and self-improving infrastructure utility service — all at a lower monthly cost than your current debt payment and without the extra restraints.

Removing this debt immediately improves your financials and credit ratings, while also injecting reliability into your infrastructure (currently installed and/or new) as it is maintained and upgraded with a month-to-month, usage-based service agreement.

Remove debt from your balance sheet and keep infrastructure reliable, safe, and improving.

✓ ELIMINATE DEBT

EMERGENCY RECOVERY SERVICE™

When reserves and emergency funds are needed elsewhere, solve unexpected catastrophic failures of essential infrastructure with SP.

SP will quickly pay to have failed assets replaced and converted to a monthly utility service.

- 1 Execute SP's 10-page Master Utility Service Agreement with ERS addendum for design, engineering, sourcing, and vendor contracting for modern, reliable, and robust replacement.
- 2 SP funds and facilitates agreed upon work. When completed and approved by your staff, the ERS monthly retainer defined in the ERS addendum begins.
- 3 Upon asset failure, notify SP to implement an expedited replacement. Quickly a mutual plan is agreed to and your staff executes an SP generated Notice-to-Proceed.
- 4 Once replacement is approved and available for use, you receive monthly usage-based bill and the retainer is terminated.

✓ EMERGENCY RESPONSE PLAN



**SUSTAINABILITY
PARTNERS**



COLLABORATE

Identify infrastructure for collaboration



FACILITATE

Work together to develop solution and deliver economic + execution options for approval



FUND

Funding and project facilitation + ongoing maintenance and modernization



MONITOR

Infrastructure monitored continuously for reliability, performance, environmental impact



MONTHLY

Customer receives monthly utility bill for usage, capacity, and availability



MAINTAIN

SP keeps infrastructure reliable, safe, and improving

ELIGIBLE PARTNERS

- Airports, Ports, Train, Rail Stations
- Arenas & Stadiums
- Convention Centers
- Correctional Facilities
- Defense Housing & Facilities
- Federal Agencies
- Large HOAs
- Hospitals (Public & Private)
- Judicial Buildings
- K-12 Schools, Colleges, Universities
- Large Multi-Family Complexes
- Municipalities, Parishes, Counties, Towns
- Parks, Libraries & Museums
- Parking Garages
- Police & Fire Stations
- State Agencies
- Utilities (MOU & IOU)
- Wastewater & Water Treatment

ESSENTIAL SERVICES



Facility & Exterior Lighting



Boilers, Chillers, Cooling Towers, Air Handlers



HVAC, Building Envelope, Energy Efficiency



Plumbing – Controls, Conditioners, Pumps, Manifolds, Fixtures



Irrigation Systems – Controllers, Pipes, Pumps, Valves, Emitters



Roofs, Windows, Elevators, Escalators, People Movers, Kitchens



Sports Field Turf & Lighting



Electrical Distribution, Storage, Optimization & Generation



Micro Grids, Transformers Frequency Regulation



Rolling Stock (EVs, AVs, subway, buses), Charging Stations, Fuel Depots, Maintenance Facilities



Inter-modals, Rail, Switching Stations, Runways, & Taxiways



Controls, Sensors, Switches & Monitoring



Central Station to Operator Networks Security & Hardening Systems



Clean & Wastewater Systems

- Distribution
- Waste Treatment
- Water Purification
- Smart Meters
- Monitoring
- Desalinization



Customer Timeline

Your Step-by-Step Guide to Reliable, Safe, & Improving Infrastructure



1 Financial Statements & Budget

SP's team reviews at least three years of the Customer's most recent audited financial statements and current budget to determine viability of project.

2 Initial Estimate Letter

Our team will provide you with a high-level monthly cost estimate to help you decide next steps.

3 Master Utility Service Agreement Executed

This initiates a contractual relationship between SP and our Customer. The Master Utility Service Agreement ("M-USA") provides the general terms and conditions for any project. The M-USA is a straightforward ten-page agreement that describes the framework by which SP works with each Customer, regardless of the project type.

The M-USA is the primary controlling document and is followed by a separate "Service Addendum" which covers specifics of each project.

4 Service Addendum Executed

The Service Addendum sets forth estimated details of the Customer's project, infrastructure ("Units") involved, and estimated cost(s). This Service Addendum is to confirm alignment on the project scope and general costs. There is no financial obligation or cost to the Customer when signing the Service Addendum.

5 Gathering Information

SP's team gathers necessary documentation and conducts a utilization and credit analysis. For the analysis, SP reviews documentation related to any bond/debt covenants that could impact the Customer's ability to make the SP monthly usage payment ("USA Payment"), in addition to historical data related to the preferred usage metric in order to determine the usage rate.

As part of SP's cost-plus approach, we ensure the Units and the project as a whole are properly insured. This entails property and general liability coverage for the Units either through the Customer's existing insurance policies or SP will obtain a policy on behalf of the Customer. SP also verifies that vendors meet the necessary insurance requirements specified in the Master Goods and Services Agreement ("MGSA") to cover the project for design, engineering, installation, and ongoing maintenance.

Town Council Special Session

6 Vendor Contracts & Pricing Finalized

Concurrent with gathering information, SP engages the appropriate vendor(s) for the project. Every vendor must execute the MGSA. Once it is signed, SP puts together a Project Addendum to the MGSA detailing the scope of work for the project, project cost, installation and procurement schedules, maintenance schedules, insurance requirements, and services provided.

7 Notice to Proceed & Service Addendum Executed

The Notice to Proceed ("NtP") is the document that sets the project commencement date. Once fully executed, the project can officially begin.

The NtP is accompanied by the applicable Service Addendum that identifies the infrastructure Units, usage rates, Minor Maintenance and Care ("MMC"), Major Maintenance / Renewal ("MMR") if applicable, and other project specific information for which the NtP is authorizing to proceed.

Fully executing the NtP creates a binding financial agreement for the specific project. It is not until this point that the Customer is financially obligated to pay the USA Payment when the Units are installed.

8 Equipment Purchase & Vendor Install Work Begins

Following execution of the NtP, purchase orders are issued, and design, engineering, procurement, and installation begins. SP meets frequently with both the Customer and the approved vendor(s) to maintain full transparency on the status of the project, and continually communicates progress from project inception to completion and thereafter.

9 Certificate of Acceptance Executed

The Certificate of Acceptance ("CoA") is signed by the Customer to accept delivery, installation, and performance of the Units provided in the Service Addendum. The CoA verifies that the Units have been fully and properly installed, tested, are fully operational and ready for use, as well as any training or receipt documentation required for operation. For some projects, there may only be one CoA while others may have several CoA's as the project proceeds and Units become available for use.

10 Customer Makes 1st Monthly Usage Payment

30 days after Units are available for use, SP sends Customer the first monthly invoice. SP continues to monitor and communicate with you and approved vendors to keep infrastructure reliable, safe, and improving for as long as our agreement is in place.

May 14, 2025

**Meeting Date:** May 14, 2025**Agenda Item Type:**

- | | | |
|--|---|--|
| ☐ Consent Agenda | ☐ Informational Presentation | ☐ Discussion Item |
| ☒ Action/Decision Item | ☐ Executive Session Request | ☐ Other: |

Requesting Department: Finance**Staff Resource:** Finance Director Mike Showers & Utilities Director Jeff Low

Agenda Title: Discussion, consideration, and possible approval of Resolution 2025-1181, approving the refinancing of the \$1,200,000 Water Infrastructure Finance Authority of Arizona loan 710191-21 for the design and engineering of the sewer system along State Route 260 and entering into a new loan agreement with payment over an approximately 15-year period to refinance this debt obligation.

Attached Documents:

- Resolution 2025-1181
- WIFA Draft Loan Document (will be provided at the meeting) (will be provided at the meeting)

Estimated Presentation Time: 5 mins**Estimated Discussion Time:** 10 mins**Reviewed By:**

- | | | | | |
|--|---|--|---|--|
| ☒ Town Manager | ☒ Legal | ☐ Risk Management | ☒ Finance | ☐ Other: Dept Heads |
|--|---|--|---|--|

Financial Review (if applicable): N/A

- Funding Source / GL Account Number: N/A
- Approved in the FY25 Budget? ☐ Yes ☐ No ☒ N/A ☐ Other:
- Is this an approved CIP Project? ☐ Yes ☐ No ☒ N/A ☐ Other:

Background Information:

The Town entered into WIFA loan 710191-21 on January 29, 2021 for \$1,200,000.00. The Town has drawn down \$1,078,676.02 of that loan. The engineering loan was originally meant to be repaid by rolling over into a construction loan secured through an improvement district created to repay the note. It was later discovered that this would be an extremely difficult task under a rather unfortunate change to the improvement district process. The Town has been unable to find an affordable funding alternative to date, and the engineering loan balloon payment is coming due on July 1st, 2025. Staff is proposing to convert the engineering loan into a permanent loan with WIFA to repay the balance due and looks to the possibility that it could be converted into a construction loan somewhere down the road if and when an affordable funding option becomes available.

On January 29, 2021, the Town of Camp Verde entered into a Water Infrastructure Finance Authority (WIFA) loan agreement (Loan No. 710191-21) in the amount of \$1,200,000 to fund the design and engineering of major wastewater infrastructure improvements along State Route 260. To date, the Town has drawn \$1,078,676.02 from this loan.



Town Council Agenda Information Memorandum

The original intention was to roll the engineering loan into a construction loan, with repayment to be secured through an improvement district. However, due to changes in the improvement district process, this approach has become infeasible. Since then, the Town has not identified an affordable alternative funding mechanism.

The balloon payment for this loan is due on July 1, 2025. In light of this, staff recommends converting the existing engineering loan into a permanent loan with WIFA, structured for repayment over a 15-year term. This approach provides financial stability and flexibility, while leaving open the option of converting the loan to a construction loan should affordable funding become available in the future.

Project Scope (Originally Funded by the Engineering Loan):

- ~7 miles of gravity sewer main line
- ~2.6 miles of sewer force main
- 4–5 miles of smaller sewer collection mains
- 1–2 major sewer lift stations
- Several hundred tap and sewer stub stations

Connection to the [FY25-FY30 Strategic Plan](#) :

Refinancing this loan supports continued planning and infrastructure development in the SR-260 corridor, a key growth area for the Town, and ensures financial responsibility in managing long-term debt obligations.

Question(s) before the Council:

- Does Council have any questions for staff regarding refinancing the current WIFA loan to make the required principle payment?

Proposed Motion:

I move to **APPROVE** Resolution 2025-1181, approving the refinancing of the \$1,200,000 Water Infrastructure Finance Authority of Arizona loan 710191-21 for the design and engineering of the sewer system along State Route 260 and entering into a new loan agreement with payment over an approximately 15-year period to refinance this debt obligation.

I move to **DENY** Resolution 2025-1181.



RESOLUTION NO. 2025-1181

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA ALONG WITH CERTAIN OTHER MATTERS NECESSARY FOR THE TRANSACTION; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE MANAGER AND THE FINANCE DIRECTOR OF THE TOWN; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH AGREEMENT AND THIS RESOLUTION.

WHEREAS, the Mayor and Common Council of the Town of Camp Verde, Arizona (the “Town”), applied to the Water Infrastructure Finance Authority of Arizona (the “Authority”) for financial assistance in the form of a loan to assist in the design and engineering of approximately 7 miles of gravity sewer main line, 2.6 miles of sewer force main, 4 to 5 miles of smaller sewer collection mains, 1 to 2 major sewer lift stations, several hundred tap and sewer stub stations, all located along the State Route 260 (the “Project”); and

WHEREAS, the Authority is authorized to issue loans to eligible entities for water supply development projects upon terms and conditions set forth in loan agreements; and

WHEREAS, the Authority approved a loan to the Town in the amount of one million two hundred thousand dollars (\$1,200,000.00) for the Town’s Project identified as CW No. 710191-21; and

WHEREAS, the terms and conditions through which the loan were made, and the obligations of the Town were set forth in a loan agreement dated January 29, 2021, which was executed by the Town and the Authority to govern the funding; and

WHEREAS, the principle of the loan is coming due, and the Town and the Authority have discussed refinancing of the loan for this engineering work to allow the Town additional time to identify a funding structure and allow for construction work; and

WHEREAS, the Town Council hereby desires to enter into a new loan agreement with payment over an approximately 15-year period to refinance this debt obligation (the new “Loan Agreement”); and

WHEREAS, there has been placed on file with the Clerk of the Town and presented at the meeting at which this Resolution was adopted the proposed form of the Loan Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, THAT:

Section 1. The form, terms, and provisions of the Loan Agreement, as presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, omissions and changes, not inconsistent with the application of the Town to the Authority or the requirements of the federal government or the Authority, as shall be approved by the Manager and/or the Finance Director of the Town.

Section 2. The Manager, Finance Director, and Clerk of the Town are authorized to execute the Loan Agreement and directed to take all such actions necessary and appropriate to consummate the transactions contemplated by this Resolution.

Section 3. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution.

Section 4. All actions of the officers and agents of the Town including the Mayor and Common Council of the Town which conform to the purposes and intent of this Resolution and which further the execution and delivery of the Loan Agreement as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved.

Section 5. All acts and conditions necessary to be performed by the Town or to have been met precedent to and in the execution and delivery of the Loan Agreement in order to make it a legal, valid and binding obligation of the Town will at the time of delivery have been performed and have been met, in regular and due form as required by law.

Section 6. All formal actions of the Mayor and Common Council of the Town concerning and relating to the passage of this Resolution were taken in an open meeting of the Mayor and Common Council of the Town, and all deliberations of the Mayor and Common Council of the Town and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, THIS 14TH DAY OF MAY 2025.

.....
Marie Moore, Mayor

ATTEST:

.....
Leah Rhodes, Town Clerk

APPROVED AS TO FORM:

.....
Trish Stuhan, Town Attorney
Pierce Coleman, PLLC



Town Council

Agenda Information Memorandum

Meeting Date: May 14, 2025

Agenda Item Type:

- ☐ Consent Agenda ☐ Informational Presentation ☒ Discussion Item
☐ Action/Decision Item ☐ Executive Session Request ☐ Other:

Requesting Department: Town Council

Staff Resource: Town Manager Miranda Fisher & Finance Director Michael Showers

Agenda Title: Discussion, consideration and possible direction regarding a potential increase to the bed tax

Attached Documents: N/A

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 15 minutes

Reviewed By:

- ☒ Town Manager ☒ Legal ☐ Risk Management ☐ Finance ☐ Other:

Financial Review (if applicable): N/A

- Funding Source / GL Account Number:
- Approved in the FY25 Budget? ☐ Yes ☐ No ☐ N/A ☐ Other:
- Is this an approved CIP Project? ☐ Yes ☐ No ☐ N/A ☐ Other:

Background Information:

At the April 23, 2025, meeting, staff reviewed with Council how the Town could increase the “Additional Hotel/Motel Tax” (also known as a bed tax). Under A.R.S. § 9-500.23, any increase to a municipal bed tax must be adopted by ordinance and is not subject to approval by a public vote unless otherwise required by the municipality's charter or local code. The Town does not have such a provision; therefore, an increase can be approved via an adopted ordinance.

Current Tax Rates in Camp Verde:

- General TPT Rate:** 3.65%
- Additional Hotel/Motel Tax:** 3.00%

These rates contribute to a combined sales tax rate of 13.0% in Camp Verde for short term lodging, which includes the state rate of 5.6% and Yavapai County rate of 0.75%.

The Council expressed interest in understanding what the Town’s projected revenue would be if the Town increased the bed tax by 0.5%, 1% and 1.5%. Below are the figures:

- 0.5% increase (total bed tax rate of 3.5%) = \$37,000
- 1% increase (total bed tax rate of 4%) = \$74,000
- 1.5% increase (total bed tax rate of 4.5%) = \$111,000



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Should Council wish to consider a bed tax increase, staff will work with legal to prepare a proposed ordinance for consideration and possible adoption at a future meeting.

Revenue Limitations

The statute outlines certain limitations on how revenues from the bed tax may be used, particularly for communities with populations of less than 75,000. For towns like Camp Verde, revenue from any increase in the bed tax must be used primarily for tourism promotion and tourism-related attraction development. The specific categories include:

- Direct expenditures by the city or town to promote tourism, including but not limited to sporting events or cultural exhibits.
- Contracts between the city or town and nonprofit organizations or associations for the promotion of tourism by the nonprofit organization or association.
- Expenditures by the city or town to develop, improve or operate tourism related attractions or facilities or to assist in the planning and promotion of such attractions and facilities.

Increased Amount

The Town cannot increase the fees by an amount that exceeds the amount of any increase in the consumer price index compared to the average of the last five years of consumer price indexes.

As of April 2025, the most recent Consumer Price Index (CPI) data from the Bureau of Labor Statistics for our area indicates a 1.8% increase over the 12 months ending in February 2025.

- February 2025: +1.8%
- August 2023: +3.7%
- August 2022: +13.0%
- August 2021: +7.1%
- August 2020: +1.3%

5-Year Average CPI Increase: 5.38%

The current 12-month CPI increase of 1.8% is significantly below the five-year average of 5.38%.

9-500.06. Hospitality industry; discrimination prohibited; use of tax proceeds; exemption; definitions

A. A city or town shall not discriminate against hospitality industry businesses in the collection of fees. For the purposes of this subsection:

1. "Discriminate" means any increase of fees on hospitality industry businesses by any dollar amount without a corresponding equal dollar amount of increase in the privilege license fees or other fees imposed on all other businesses in the city or town or increasing or imposing the fees on hospitality industry businesses where no similar fees are established and imposed on other businesses.
2. "Fees on hospitality industry businesses" means annual liquor license taxes or fees or annual renewal or reissuance fees for municipal business privilege licenses, however denominated.



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B. A city or town shall not increase the fees on hospitality businesses in any year by an amount that exceeds the amount of any increase in the consumer price index compared to the average of the last five years of consumer price indexes.

C. On or after the effective date of this amendment to this section, if a city or town, by passing an ordinance or charter amendment by its governing council or by a public vote, establishes a discriminatory transaction privilege tax or increases its existing discriminatory transaction privilege tax on hospitality industry businesses greater than any increase imposed on other types of businesses in the city or town, the proceeds of the established discriminatory transaction privilege tax, except as provided in subsection D, and the proceeds of any increase above the existing discriminatory transaction privilege tax shall be used exclusively by the city or town for the promotion of tourism. For the purposes of this section a tax which is in effect on April 1, 1990 and is subsequently renewed by a majority of qualified electors voting at an election to approve the renewal is not considered a tax increase.

D. For the purposes of subsection C, expenditures by a city or town for the promotion of tourism include:

1. Direct expenditures by the city or town to promote tourism, including but not limited to sporting events or cultural exhibits.
2. Contracts between the city or town and nonprofit organizations or associations for the promotion of tourism by the nonprofit organization or association.
3. Expenditures by the city or town to develop, improve or operate tourism related attractions or facilities or to assist in the planning and promotion of such attractions and facilities.

E. If a city or town has not imposed a discriminatory transaction privilege tax up to a two per cent tax level on hospitality industry businesses as of April 1, 1990 and thereafter imposes or increases such a discriminatory transaction privilege tax, the first two percentage rate portion of the discriminatory transaction privilege tax is not subject to the provisions of subsection C.

F. The collection by a city or town of a fee or tax prohibited by this section shall be void and unlawful. For a five year period following the unlawful collection of the fee, the city or town shall reimburse the hospitality business for any reasonable expense incurred in collecting from the city or town any fees or tax unlawfully collected.

G. For the purposes of this section:

1. "Discriminatory transaction privilege tax" means any transaction privilege tax rate imposed by a city or town on hospitality industry businesses that is above the transaction privilege tax rate imposed by a city or town equally on all businesses subject to a transaction privilege tax.

2. "Hospitality industry businesses" means:

(a) A restaurant, bar, hotel, motel, liquor store, grocery store, convenience store or recreational vehicle park.

(b) A motor vehicle rental agency in a county stadium district which has imposed the car rental surcharge pursuant to section 48-4234.

Next Steps



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Should Council wish to consider a bed tax increase, staff will work with legal to prepare a proposed ordinance. It is important to note that there are public notice requirements for tax/fee increases. Below are links to Wickenburg's agenda when they were considering bed tax increases to show Council how the notices would be set up:

- Meeting 1: Consider Approving a Notice of Intent to Increase one or more Transaction Privilege Tax Categories [Agenda - View Meetings](#)
- Meeting 2: Additional information about the Tax Increase Options and Possible Option to Increase the TPT [Agenda - View Meetings](#)
- Meeting 3: Approving Ordinance No. 1217 Increasing the Transaction Privilege Tax for Construction and Retail [Agenda - View Meetings](#)

Question(s) before the Council:

- Does the Council want to pursue an increase to the bed tax?
 - If so, what percentage increase would the Council like to include in the ordinance?

While this is not an "Action/Decision Item", Town staff are seeking direction on whether the Council would like Town staff and legal to draft an ordinance to increase the bed tax and if so, at what percentage increase.



Meeting Date: May 14, 2025

Agenda Item Type:

- | | | |
|---|---|---|
| ☐ Consent Agenda | ☐ Informational Presentation | ☒ Discussion Item |
| ☐ Action/Decision Item | ☐ Executive Session Request | ☐ Other: |

Requesting Department: Town Council

Staff Resource: Town Manager Miranda Fisher

Agenda Title: Discussion, consideration and possible direction regarding budgeting in FY26 CIP for an impact fee study.

Attached Documents: N/A

Estimated Presentation Time: 15 minutes

Estimated Discussion Time: 30 minutes

Reviewed By:

- | | | | | |
|--|--------------------------------|--|----------------------------------|---------------------------------|
| ☒ Town Manager | ☐ Legal | ☐ Risk Management | ☐ Finance | ☐ Other: |
|--|--------------------------------|--|----------------------------------|---------------------------------|

Financial Review (if applicable): N/A

- Funding Source / GL Account Number:
- Approved in the FY25 Budget? ☐ Yes ☐ No ☐ N/A ☐ Other:
- Is this an approved CIP Project? ☐ Yes ☐ No ☐ N/A ☐ Other:

Background Information:

At the April 23, 2025, Council meeting, staff provided an overview of the process for establishing development impact fees, including a summary of how neighboring jurisdictions implement such fees. Following this discussion, Council directed staff to release a Request for Proposals (RFP) for a development impact fee study to better understand the associated costs.

Due to timing constraints related to the upcoming tentative budget deadline, there is not sufficient time to issue a full RFP and receive submissions. As an alternative, staff solicited preliminary bids from qualified firms to help inform potential budget planning. Should the Council decide to move forward with a development impact fee study, a formal RFP will be issued prior to awarding any contract.

When conducting a development impact fee study, the Town can choose to include the following categories:

- Land Use Impact Fees
- Water and Wastewater Financial Impact Fees
- Police, Parks and Administration (ie: Library) Impact Fees
- Roadway Impact Fees
 - *Note: Consultants have advised that roadway impact fees are often the most controversial. This is largely due to the complexity of accurately attributing traffic impacts to specific developments, the legal challenges that can arise from disputes over*



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proportionality, and concerns from the development community about the potential cost burden. If any component is to be excluded from the study, it is recommended that roadway impact fees be considered for removal first.

Estimates were received from the following firms. It is important note that these numbers are highly preliminary and subject to potentially significant revision based on the actual scope of services.

- **TischlerBise, Inc.: \$60,000 - \$70,000 for all studies**
 - No breakdown by scope was provided by TischlerBise, Inc.; however, for reference, here are their fees for various studies with the City of Glendale:
 - Library Facilities: \$11,130
 - Street Facilities: \$22,260
 - Water Facilities: \$13,913
 - Wastewater Facilities: \$13,913
 - Police Facilities: \$16,695
 - Parks & Recreation Facilities: \$16,695
- **Willdan: \$150,000 - \$200,000**
 - Land Use: \$50,000
 - Water & Wastewater Financial Impact Fee: \$25,000
 - Police, Parks and Administration Impact Fee: \$25,000
 - Roadway Impact Fee: \$50,000

Given these estimates, it is recommended that the Council consider budgeting \$100,000 for a development impact fee study.

What Are Development Impact Fees?

Development impact fees are one-time charges imposed by local governments on new developments to fund infrastructure and public services necessitated by growth. These fees ensure that the costs of expanding services like roads, water, sewer, parks, and police are borne proportionally by new developments. In Arizona, the authority to assess and collect these fees is granted under Arizona Revised Statutes (ARS) §9-463.05 for municipalities.

Development Impact Fees in Neighboring Jurisdictions

- **Yavapai County:** As of December 1, 2020, Yavapai County repealed its development impact fees per Ordinance 2020-1. Therefore, the county no longer assesses these fees for new developments. [Permit Information - Yavapai, AZ](#)
- **Cottonwood:** The City of Cottonwood imposes development impact fees for water and sewer. The fee amount is reviewed annually when Town staff present the annual report. [Title 13 - PUBLIC SERVICES | Code of Ordinances | Cottonwood, AZ | Municode Library](#)
- **Clarkdale:** The Town of Clarkdale collected fees from 2012 to 2020; however, no longer collects development impact fees on new developments. [Art. 20-1 Development Impact Fees | Clarkdale Town Code](#)
- **Sedona:** As of March 31, 2025, Sedona implemented updated fees following the completion of their “Land Use Assumptions, Infrastructure Improvements Plan, and Development Fee Report”. [Fees | City of Sedona](#)



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- **Jerome:** The Town of Jerome does not currently impose development impact fees.
- **City of Prescott:** Prescott imposes development impact fees for fire, police, streets based on square footage of a development as well as the meter size for water and sewer. [Permit Fees - City of Prescott AZ](#)
- **Town of Prescott Valley:** Prescott Valley updated its development impact fees effective May 15, 2023, following the adoption of new Land Use Assumptions and Infrastructure Improvement Plans. [Prescott Valley, AZ](#)

History of Development Impact Fees in Camp Verde

In 2007, Camp Verde voters approved a measure authorizing the Town to collect development impact fees on new construction to help fund infrastructure improvements. However, on October 26, 2011, the Town Council suspended the collection of these fees in response to Arizona Senate Bill 1525. This legislation required municipalities that collect impact fees to complete a new fee study by August 2014 or forfeit their ability to impose such fees. Additionally, the law mandated that municipalities update their existing infrastructure plans to align with the new regulations and imposed stricter limitations on how collected fees could be spent.

Next Steps

Should the Council want to pursue development impact fees, outlined below are next steps:

1. **Preparation of Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP)**
 - The Town must develop a LUA projecting at least 10 years of growth, detailing anticipated land uses and densities. An IIP is then prepared, outlining the necessary public services required to accommodate the projected growth. This includes cost estimates and service areas.
2. **Public Notification and Hearing for LUA and IIP**
 - The Town must provide at least 60 days' notice before a public hearing on the proposed LUA and IIP. The LUA and IIP documents must be made publicly available, including posting on the municipality's website. A public hearing is held to discuss and receive feedback on the LUA and IIP.
3. **Adoption of LUA and IIP**
 - Following the public hearing, the Council may adopt the LUA and IIP. This adoption must occur at least 30 days before the public hearing on the proposed development fees.
4. **Preparation of Development Fee Report**
 - Based on the adopted LUA and IIP, a development fee report is prepared, detailing the methodology and calculations for the proposed fees.
5. **Public Notification and Hearing for Development Fees**



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- At least 30 days before adopting the development fees, the Town must provide public notice and make the fee report available. A public hearing is held to discuss the proposed fees, allowing for public input.

6. Adoption of Development Fees

- The Council may adopt the development fees following the public hearing. The adopted fees do not take effect until 75 days after formal adoption.

7. Establishment of Advisory Committee or Biennial Audit

- The municipality must either appoint an advisory committee, comprising members from the real estate, development, or building industries, to review and advise on the IIP and fees, or conduct a biennial certified audit of the IIP and fees.

8. Annual Reporting

- Each municipality that assesses development fees must submit an annual report accounting for the collection and use of the fees for each service area.

Summary Timeline

- **Day 0:** Release of LUA and IIP for public review.
- **Day 60:** Public hearing on LUA and IIP.
- **Day 90:** Adoption of LUA and IIP.
- **Day 120:** Public hearing on proposed development fees.
- **Day 150:** Adoption of development fees.
- **Day 225:** Development fees become effective (75 days post-adoption)

It is expected that the LUA and IIP will take approximately 6-9 months to complete. Therefore, with the noticing requirements outlined above, it will take approximately 18 months to complete the required steps to implement development impact fees.

Connection to the [FY25-FY30 Strategic Plan](#)

Development impact fees are tied to the Town's Community Infrastructure goal as it relates to expanding Town infrastructure to support community and economic development.

Question(s) before the Council:

- Does the Council want to pursue a development impact fee study?
 - If so, is doing so a priority for the FY26 CIP budget at approximately \$100,000 or would the Town like to budget for the necessary study in future fiscal years?

While this is not an "Action/Decision Item", Town staff are seeking direction on whether the Council would like Town staff to factor into the FY26 CIP budget a development impact fee study at a budget of \$100,000.