

**MINUTES
TOWN OF CAMP VERDE
SPECIAL "BUDGET" WORK SESSION
(COUNCIL BUDGET PRESENTATIONS DAY 2)
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, APRIL 10, 2019 AT 5:30 P.M.**

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

1. Call to Order

Mayor German called the meeting to order at 5:30 p.m.

- 2. Roll Call.** Council Members Buck Buchanan, Joe Butner, Bill LeBeau, Robin Whatley; Vice Mayor Dee Jenkins; and Mayor Charles German were present. Councilor Jessie Murdock joined the meeting at 6:11 p.m.

Also Present:

Town Manager Russ Martin, Town Clerk Judy Morgan, Finance Director Mike Showers, Public Works Director Ron Long, Deputy Public Works Director Troy Odell, Public Works Analyst Dorie Blair, Community Development Director Carmen Howard, Public Works Maintenance Supervisor Mike Dumas, Public Works Streets Supervisor Stacy Perry, Parks and Recreation Director Mike Marshall, Recording Secretary Marie Moore.

3. Pledge of Allegiance

Mayor German led the Pledge of Allegiance.

- 4. Special Work Session for FY2019-20 Budget Deliberation – Day 2 Council Budget Presentations.** No legal action to be taken. Council deliberation and possible direction on modifying Preliminary Budget content.

4.1. Discussion between Council and Staff regarding Departmental Budget Presentations for Fiscal Year 2020 Budget. [Staff Resource: Michael Showers]

Finance Director Mike Showers opened the meeting for discussion on any questions related to the previous day's meeting. Council proceeded with the following department reviews:

Community Development:

Community Development Director Carmen Howard indicated that her department is operating well and wishes to maintain as it currently is. Councilor Whatley commented on the increase in revenue from permits issued. Carmen Howard indicated that the increase in building revenues are doing well and expects the projection to remain strong in the coming year.

Mayor German asked if there is any feedback from the public regarding this department. Carmen Howard said the common complaint is planning fees are high, however, in other areas the Town's fees are lower than the surrounding municipalities. Overall the response regarding the department processes is positive.

Finance Director Mike Showers provided an update to the Marshal's Office numbers. Part Time employees should reflect 0 rather than 2 and the Non-sworn numbers on fiscal year 2020 should state 13 rather than 14.

Public Works Engineering:

Director of Public Works Ron Long indicated that the Town Manager's recommendations are the same as department requests other than a need for tires on a department vehicle. Finance Director Mike Showers explained how the different employees/staff time is determined and split within departments.

Public Works Storm Water:

Public Works Director Ron Long and Deputy Public Works Director Troy Odell addressed Council, indicating that the Town Manager's recommendations are consistent with department requests. Troy Odell explained that there have been several requests to the Town for CIP projects that haven't been funded at this point and are necessary needs of the town. Councilor Butner questioned a drainage problem in Pioneer Acres. Both Ron Long and Troy Odell indicated that they have included that particular issue into the CIP requests and explained what needs to be done to fix the issue.

HURF:

Public Works Director Ron Long indicated that he is requesting another full-time employee under the HURF budget. Mr. Long feels an additional full time staff member is needed for flagging road work, rather than as a temporary part-time employee, which is what they currently use. Storm water issues are impacted by the lack of employees also. Ron Long explained the challenge of upkeep and maintenance on equipment due to the lack of money in the budget.

Finance Director Mike Showers explained that the reserve funds in HURF is down to its minimum amount. If that account is down to minimum balance, Town funds will have to be transferred so that the \$300,000 minimum balance is maintained. Showers indicated that there has been recent discussion to increase HURF funding, but at this time does not have specific details for Council to make any impacting decisions.

Councilor Jessie Murdock joined the meeting at 6:11 pm.

Councilor Butner indicated that he hopes to not ever see a \$100,000 change-order on a project. Ron Long acknowledged Councilor Butner's concerns regarding the situation.

Streets Supervisor Stacy Perry explained to Council that the crew is only proactive 20% of the time, with remaining time spent managing emergency street issues, which is why another full-time employee would be helpful.

Maintenance:

Public Works Director Ron Long and Maintenance Supervisor Mike Dumas indicated that the department is in agreement with the Town Manager recommendations, but requests consideration for a merit wage increase of 1

employee and the addition of two new employees to accommodate the new Sports Complex. Russ Martin explained to Council the increased costs associated with the new sports complex. Councilor LeBeau asked if there is a total amount known for the equipment needs of the park. Mike Dumas explained he is currently working on a list for necessary equipment and needs. Russ Martin indicated that those costs are included within the monies borrowed for the park construction.

Parks & Recreation:

Parks & Recreation Director Mike Marshall indicated that the only difference in the department proposal and the Manager's recommendations are requests for merit increases. Mike Marshall explained that his department is subject to the state minimum wage rules for part-time/ temporary employees such as for the pool, etc. Mike Marshall spoke of the department needs for adequately hosting special town events and how current staff wages were shuffled so that another employee could be added to the department. Councilor Jenkins questioned how Parks and Recreation and Economic Development are working together regarding operations etc. Mike Marshall explained that Economic Development is very productive in spearheading projects and receiving grants. Marshall praised the Economic Development Department for their willingness and ability to help cross promote with his department for the overall benefit of the Town.

Finance Director Mike Showers reviewed the General-Fund Revenues with Council, including sales tax, waste water admin fees, franchise fees and intergovernmental revenues. Showers spoke of a projected 8 % increase in revenue due to the incoming RV Park.

Councilor Jenkins questioned if budget would meet the \$4,550,000 and what the cost of the Hwy. 260 development was. Russ Martin indicated that there is \$200,000 in revenue to resurface to the town from the Hwy 260 project. Council discussed the projected economy and the consequences of using reserve funds and projected fees. The Town can operate for a full year to two years with the reserve funds even if the economy sees a downturn according to Finance Director Mike Showers. Council discussed changing the reserve fund amount.

Councilor LeBeau questioned how many new staff are being requested in total by all departments. Town Manager Russ Martin clarified for Councilor LeBeau and Council in general that his request for additional employees would be 3 ½ for the new budget year; staff's recommendation was 6 employees.

Russ Martin spoke of the large increase in revenue that the town will see in August from the projected 30% occupancy at the new RV Park as well as the construction revenue increase potential.

Russ Martin spoke of the Capital Improvement plan (CIP) projects that are one-time projects that will be itemized differently for Council to review from other projects. Russ indicated that information will be available May 8th for further discussion and Council will need to review the reserve funds policy regarding using funding for projects.

Russ Martin indicated the importance of Council following up with Department

Heads for any questions they need clarification on before the May 8th meeting as well as the importance of clarification to the public regarding how reserve funds are spent.

Councilor Jenkins questioned if the monies Council allocated to the current fiscal year projects was used accordingly. Russ indicated that the money has been allocated and those projects are under way.

Russ Martin indicated that a COLA (cost of living) increase would cost approximately \$125,000; merit increases are approximately \$65,000; wage adjustments would be roughly \$200,000.

In conclusion, Mike Showers indicated that he would not be surprised if the local tax revenues reach \$5 million, which is what is projected for next year to the following year. Showers spoke of the strategic plan and what the Council feels are the goals and priorities of the Council for the upcoming year.

Councilor Jenkins spoke of the fixed payroll costs and Council discussed the operational costs associated.

Councilor Butner questioned the status of the Camp Verde Water Company purchase. Russ Martin indicated that there has to be an agreement that they approve and then it goes before the voters. Russ Martin explained that any discussion must be done in general when Council is talking about the purchase of the water company.

Councilor LeBeau left at 7:33 pm.

5. Adjournment

The meeting adjourned at 7:34 pm.



Mayor Charles German

Attest:


Judy Morgan, CMC, Town Clerk

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 Council Special Budget Work Session of the Town Council of Camp Verde, Arizona, held on April 10, 2019. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 7th day of May, 2019.



Judy Morgan, CMC, Town Clerk