



**AGENDA
TOWN OF CAMP VERDE
SPECIAL "BUDGET" SESSION
MAYOR AND COUNCIL
REVIEW WITH TOWN MANAGER & FINANCE DIRECTOR
473 S MAIN STREET, SUITE 106
WEDNESDAY, MAY 8, 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.

2. Roll Call. Council Members Buck Buchanan, Joe Butner, Bill LeBeau, Jessie Murdock, Robin Whatley; Vice Mayor Dee Jenkins; and Mayor Charles German.

3. Pledge of Allegiance

4. Special Session for FY2019-20 Budget Deliberation – Council Review with Town Manager and Finance Director. No legal action to be taken. Council deliberation and direction to modify Preliminary Budget Content.

4.1. Discussion between Council, Town Manager and Finance Director of Fiscal Year 2020 Budget [Staff Resource: Michael Showers]

5. Adjournment

Posted by: _____

Date/Time: _____

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. 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

Agenda items may be taken out of order.

Pursuant to A.R.S. §38-431.01 Meetings shall be open to the public - A. 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 A.R.S. §38-431.03(A)(2) and (A)(3), the Council may vote to go into Executive Session for the purpose of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

Camp Verde Council Meetings are recorded and may be viewed on the Camp Verde website. Pursuant to A.R.S. §1-602(A)(9), parents and legal guardians have the right to consent before the Town of Camp Verde makes a video or voice recording of a minor child. If you permit your child to participate in the Council Meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate or by submitting your request in advance to the Town Clerk that your child not be recorded.

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Memorandum

To: Mayor and Council
From: Russ Martin, Town Manager
Date: May 1, 2019
Cc: Department Heads
Re: Potential Adjustments to 2019/20 Budget for consideration.

The following is intended to cover changes to previous version used during presentations, hopefully we covered all changes, please let us know if we are missing any or you are not able to understand these so we can be truly ready for next Wednesday:

General Fund adjustments

- o Some reduction in cost in Risk Management related to lower premium cost (net -13K)
- o Change to full-time Marshal Deputy – 50/50 in Court and CVMO (net + 55K)

Current NET based on Town Manager recommendations: +\$136,737

(positive unallocated projected revenue over projected expenses)

Approximate cost of a COLA for all existing employees:

at 2.8% - \$158,000
at 2.5% - \$140,000
at 2% - \$110,000

Approximate cost of Merit requests made by department heads including department heads
-\$120,000

Additionally, the preliminary costs associated with full 100% of average salary survey result (adjusting current wages/salaries to market) is in excess of \$200,000 for full implementation. This is significantly more than I can suggest is feasible at this time in our revenue projections.

CIP

- o Suggesting 500k as a budgetary placeholder (all reserve, excess revenue not accounted for in 2020 projections)
 - Smaller one-time items suggested (for example, not exhaustive, to be prioritized/finalized/final scope after budget approval)
 - New Website
 - Rezzonico Park \$ 14,000

- Hallett Plaza \$ 5,000
- Entry Beautification \$ 6,000
- Roundabout Monuments \$ 30,000 (Signage only)

- Larger Items per CIP priority based discussion (for example, not exhaustive, to be prioritized/finalized/final scope after budget approval)

- Chip Seal \$400,000
- Verde Lakes Drive rehab \$100,000
- Rodeo Arena \$250,000
- Demo Circle K \$ 75,000
- Misc Drainage \$100,000

Please let us know if you would like additional detail in any area as possible so we can come prepared to answer your questions.

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ADDITIONAL INFORMATION

Russ Martin: the following is a reply collectively to the email request from Councilor Dee Jenkins: Answers in **BOLD**.

1. Revenue forecast Manager recommendation is \$8,721,274 this is an increase of \$223,590 compared to the Financial Department's proposed forecast.

Please provide assumption detail for the \$223,590 variance.

Based on last year's the past few years have been increasing above inflation. Last year at 2.8 so a 5% is actually about a 2% increase for first half of year, pretty conservative. Then we've been getting another 2-3% above that in the final half so I projected 8% on this half of last year's projected sales taxes. Construction is expected to be down but it does not appear to me it will be down as days pass and other projects keep coming forward. Also this is based on increase from this year's budgeted amount which again appears to be projected short of what we will actually receive but pretty close either way.

2. Please provide list of Departmental requested increase to FTE:

Existing part time employees - by department - requested increase in hours & projected cost

New Hires by department, job title, projected hours, begin date and projected cost

In your response, please note if the FTE increase was included in the Manager's proposed budget expense (total \$8,142,136).

Approximate Cost

Wages	Total	Directors asked for:	Russ Recommend:
	1.53	8 new FT	5 New FTE
		EE's	EE's
99850	152800	3 FT - Parks/Maintenance - Grounds Maintenance	3 FT - Parks Employees - (6 months)
43500	66600	1 FT - CVMO - Officer 1	1 FT - CVMO - Officer 1 (12 months)
27650	42400	1 FT - Parks - Rec Leader	1 FT - Parks - Rec Leader (11 months)
32200	49300	1 FT - Streets/HURF - Equipment Operator	1 FT - Streets/HURF - Equipment Operator
79000	120900	1 FT - Library - Library Specialist	1 FT - Library - Library Specialist
		1 FT - Library - PT to FT Cataloger	1 FT - Library - PT to FT Cataloger

30000	45900	Wastewater OT	Wastewater OT
		<u>2 new PT (20hrs) EE</u>	<u>2 new PT (20hrs) EE</u>
13500	20700	1 PT - Court Security Officer	1 PT - Court Security Officer (Shared with CVMO now)
		<u>9 increased PT Hours EE</u>	<u>9 increased PT Hours EE</u>
6200	9500	3 PT - VC Ambassadors	3 PT - VC Ambassadors
		<u>11 increased PT hours</u>	<u>11 increased PT hours</u>
1300	2000	1 PT - Parks - Rec Leader	1 PT - Parks - Rec Leader
3500	5400	2 hrs for Econ Dev	2 hrs for Econ Dev
		<u>123 hours total for year for special events</u>	<u>123 hours total for year for special events</u>
11700	18000		
		<u>Misc for rounding, etc.</u>	Misc for rounding, etc.
10000	15300		
358400	548800	For a total cost increase of:	234600

3. Could you list the significant items that account for the variance between Dept's expense forecast of \$8,582,491 and Manager's recommended \$8,142,136, difference of \$440,355.

Wages account for the largest portion as shown above the remainder are small changes here and there but the major ones are as follows: ED – Marketing and Projects 30K, IT/HR - Website/Software 30K, Code Enforcement - Dangerous Building/Abatement 7500, Court – Revenues 25K, CVMO – Auto Repair 11K, CVMO – Patrol/Investigation Equip. 13.5K.

4. Any planned change in pay class designation for current employees?

No. To institute any was over 200K, not feasible given the tight budget at this point.

5. Is any of the following information available - if so please forward:

Economic impact of Sports Complex

Not built yet so none expected this next FY Budget also we did not do a study but this will rely on future outside scheduling that will be dependent on final field availability etc. At this point this analysis would be premature.

Economic impact of Rodeo Arena

The study is scheduled for next weeks council meeting.

Future sales tax revenue projection for RV park at I17 & 260 (Yr 2020/21)

Simply at 30% occupancy 120 spaces/units (overnights vs 30 night plus which would be in addition to) at \$50/night average. Both expected to be conservative it would generate approximately \$12,000 per month in bed and sales taxes(a little over half the total 3.65 vs 3 or 6.65 total) not including impact of other onsite sales and additional offsite sales. The impact is pretty conservatively estimated at about 200K.

Economic impact of new Simonton Business Park

We do not have enough detail to estimate what will happen next year or in the future yet but sales taxes will not generally be directly benefitting from this as I understand the potential.

Opportunity Zone Designation - what does this mean in terms of growth and development, infrastructure requirements and future revenues?

This is a significant discussion and one that if we want to discuss is a good future work session. Initially it is going to sewer where we have done a design study already and applied for a future grant for \$8 million. Additional infrastructure will be built as development occurs generally at developments expense, this also is a highly variable situation depending on how quickly development occurs and whether it is sales tax producing or job development based. Absolutely a future revenue but forecasting that to any degree of accuracy or certainty is not feasible at this time.

Economic Department's growth and development projection for years 2020 & 2021

This is more than what could be produced in the time, however is generally within the statements already made. We do have significant projects in the works but timetable and impact to sales tax/jobs has not been specifically studied.

6. With the establishment of a Chamber of Commerce, have you received any funding requests?

We have not.

Please reply prior to Wednesday's meeting, May 8th and copy to all council.

Thanks, Dee

5/6/2019