

**MINUTES
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, DECEMBER 7, 2016 at 6:30 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 6:30 pm.

2. **Roll Call**

Mayor Charlie German, Vice Mayor Jessie Murdock, Councilors Jackie Baker, Buck Buchanan, Dee Jenkins, Brad Gordon and Robin Whatley.

Also Present: Town Manager Russ Martin, Town Clerk Virginia Jones, Marshal Nancy Gardner, Finance Director Mike Showers, Library Director Kathy Hellman, Community Development Director Carmen Howard and Recording Secretary Marie Moore.

3. **Pledge of Allegiance**

Mayor German led the Pledge of Allegiance.

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) Regular Session – November 16, 2016
- 2) Executive Session – November 16, 2016 (recorded)
- 3) Council Retreat-November 18, 2016

b) Set Next Meeting, Date and Time:

- 1) Wednesday, December 14, 2016 at 5:30 p.m. – Work Session
- 2) Wednesday, December 21, 2016 at 6:30 p.m. – Regular Session –Planning & Zoning Combined
- 3) Wednesday, December 28, 2016 at 6:30 p.m. – Council Hears Planning & Zoning Matters - Cancelled

c) Possible approval of Resolution 2016-969 a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona prescribing standards of Financial Disclosure for local elected officials, superseding Resolution 87-02. Staff Resource: Virginia Jones

On a motion by Councilor Baker, seconded by Councilor Gordon, Council unanimously approved the consent agenda.

Councilor Gordon requested the Town Clerk, Virginia Jones, explain 4C of the Consent Agenda. Mrs. Jones explained the League of Arizona Cities and Towns recommended an update to the resolution to reflect the new laws, regarding Financial Disclosure Statements, which will be distributed to Council members after the first of the year.

5. **Special Announcements and presentations:**

- There are no Special Announcements

6. **Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.)**

Sheila Stubler represented the Fort Verde State Park presented the Town of Camp Verde, Mayor and Council

with a Christmas Wreath, extending their Thank You for the Town's continued support. Ms. Stubler outlined upcoming events at the Ft. Verde State Park, which include candle light tours on Friday, December 9th and Saturday, December 10th from 5:30 to 8:30 pm as well as a special visit from Santa and Mrs. Clause on Friday evening. Hot chocolate and cookies will be served and due to the sponsorship from Camp Verde Promotions, the event is free to the public. Ms. Stubler asked a trivia question to the audience: "Who was the Brigadier General in charge of Ft. Verde in 1870?" Ron Posten answered correctly with "George Crook" and won an entrance pass to any Arizona State Park.

Bruce George presented the Mayor with a new gavel and explained that the gavel is handmade by local wood joined together just as the Mayor will join the community together.

Russell Moore, Vice President of the Verde Lakes Recreation Corporation explained the group is a non-profit organization and cannot afford to maintain the property where the two lakes are located and there is a current water shortage as well which creates a mosquito problem. Currently the property is in disarray with falling down fences and increased criminal activity. The local citizens have indicated they would like to see the area fixed up and opened to the public. Mr. Moore requested the Council take into consideration the possibility of the Town taking over the upkeep of the ponds and put the matter on an upcoming agenda.

7. **Discussion, consideration and possible approval of Ordinance 2016-A419, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Transaction License Privilege and Use Tax; amending the tax code of the Town of Camp Verde, Arizona by adding local Option exemption R under Section 8-465. Staff Resource: Mike Showers.**

On a motion by Councilor Baker, seconded by Vice Mayor Jones , with a 6 to 1 vote, Council approved Ordinance 2016-A419, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Transaction License Privilege and Use Tax; amending the tax code of the Town of Camp Verde, Arizona by removing Model Option No. 10, thereby changing the language of the existing exemption R under Sections 8-465 and 8-660 with the language in section 1. Councilor Whatley opposes.

Discussion:

Finance Director, Mike Showers, indicated that he previously had given some incorrect information and he wanted to correct those statements. Currently, 25 cities in the State, most of which are large rural communities, including Chino Valley, have removed this Model option. This exemption allows people that are engaged in ranching and farming to be excluded from sales tax on 3 groups of items: Seed and chemical sprays for the seed as well as fertilizer; feed for their animals and the purchase of animals for slaughter. Mr. Showers did explain that there could be a slight benefit for businesses growing marijuana. It is unintentional, but does fall under the realm of fertilizer and seed treatment on their growth. The main benefit is for the local ranchers and farmers to gain benefit from not having to pay tax on items they purchase for operation and managing their product. Mr. Showers stated there will be a small impact if any on the town, but will be a decent impact for ranchers and farmers. Mr. Showers indicated that this matter has the support of himself and the Town manager.

Councilor Gordon requested figures on the impact that the Town would face regarding loss of revenue. Mr. Showers indicated that regrettably he does not and will not be able to get figures for review until new reporting is filed to see how many deductions are taken. Councilor Gordon stated that historically the agricultural is a low tax industry and therefore, the Town probably will not see a considerable loss. Mr. Showers explained that the only revenue loss the Town will see is from vendors selling to local farmers who are actually paying the tax on the sales. Mr. Showers indicated that there could be vendors who aren't diligent about charging and or paying the tax because the general understanding is that these items are not taxable. This matter was brought forward for review due to the Department of Revenue "cracking down" on collecting tax and informing Mr. Showers that the Town of Camp Verde removed the tax exemption and should be collecting sales tax on these items.

Councilor Whatley indicated she would like to make a decision based on figures not feelings. Mr. Showers explained that there are no figures to see at this time, but in 6 months to a year there will be, due to the deductions being taken, Councilor Whatley expressed that she fully supports the agricultural industry but feels the Town **needs** to think of today and the future. Councilor Whatley questioned if this deduction is given, will there be more people looking for tax breaks for items related to agriculture and how will this impact everyone involved?

Mr. Showers explained that this is a proposal from the town; therefore, others cannot try to take advantage of other tax breaks out the realm. This is a tax break on items that are put into their product that is sold, not pens and paper to maintain their business.

Vice Mayor Murdock expressed that she thinks of the community as predominantly a ranching and farming community, but in reality, this exemption is only going to benefit around five businesses that she could think of in the area. The exemption does not benefit the individual with a hobbyhorse or cow, it is meant for commercial operation that has a market product. Jones indicated that she does not feel that the Town is currently receiving very much revenue from the sales tax collected off these sales and therefore, will not pose a significant issue. Vice Mayor Jones indicated her full support of the exemption.

Mr. Showers expressed that Chino Valley currently has the exemption in place and could sell the product necessary for operation, which would drive sales out of Camp Verde due to their close proximity.

Councilor Baker stated the taxes regarding agriculture are broad and complex and there are many products that are not taxable at all and feels that this would have a minimal impact on Camp Verde.

Councilor Jenkins questioned if this is the same exempt for companies that purchase raw materials and the tax is collected at a later time. Mr. Showers stated that he agreed with the concept and indicated he had used the same analogy when discussing the matter with the Department of Revenue, but he was told they are considered two different industries and advised not to make such a comparison.

8. **Discussion, consideration and possible approval of the Town of Camp Verde Facilities Use Agreement between the Town of Camp Verde and Camp Verde Adult Reading Program.** Staff Resource: Kathy Hellman

On a motion by Councilor Whatley, seconded by Councilor Baker, Council unanimously approved the Town of Camp Verde Facilities Use Agreement between the Town of Camp Verde and Camp Verde Adult Reading Program.

Discussion:

Library Director, Kathy Hellman introduced Doug Watson, with Adult reading program. Ms. Hellman indicated the library and Adult reading program have come to an agreement and are excited about the partnership. Ms. Hellman indicated she feels it will bring new patrons into library and it will provide more open hours to offer and can help get materials to read to support further education. Ms. Hellman indicated the Adult Reading Program will pay a minimal fee to library of \$150 a month which will help pay for the high speed internet cost that has come with the new library.

Councilor Whatley feels this is a win win situation for both the Town and the Adult Reading Program. This will open up another room for the Town to utilize as well.

Ms. Hellman expressed that this agreement is in line with the Library's mission to help further education and also allows the Town to become a model for other libraries in the state to offer the same opportunity.

9. **Discussion, consideration and possible approval of Resolution 2016-971, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving and adopting an amendment to Final Plat 20160328 for the purpose of changing the form of assurances for developing the 'Castle Heights' subdivision, which is a twelve (12) lot, residential subdivision, located on parcel 404-18-181E, near the intersection of North Arena Del Loma Road and Montezuma Castle Highway, that consists of approximately 20.92 acres. Staff Resource: Carmen Howard**

On a motion by Councilor Baker, seconded by Councilor Gordon, Council unanimously approved Resolution 2016-971; a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving and adopting an amendment to Final Plat 20160328 for the purpose of changing the form of assurances for developing the 'Castle Heights' subdivision, which is a twelve (12) lot, residential subdivision, located on parcel 404-18-181E, near the intersection of North Arena Del Loma Road and Montezuma Castle Highway, that consists of approximately 20.92 acres.

Discussion:

Community Development Director, Carmen Howard, explained to Council that developers are required to provide financial assurance to the Town, which has been provided by Chase Bank for the Castle Heights subdivision. Mr. Bassous, the developer, has requested that the Town allow the financial assurance to be modified from the letter of credit to a bond. Ms. Howard indicated that the Staff recommends the approval, as it conforms to the Town code.

Mayor German commended Ms. Howard on the clarity of paperwork and the preparation and support documents were presented well. Mayor German stated he is in support of seeing the matter move forward.

Councilor Gordon indicated that usually the dedication does not require information on the source of the bond and questioned why the information was so detailed. Ms. Howard indicated that the matter was handled prior to her, by the Town Attorney and her predecessor, therefore, she cannot answer that question, but that will be considered in the future.

10. **Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)**

None.

11. **Council Informational Reports.**
Councilor Baker: No report given.

Councilor Gordon: Attended farewell Kendall party, Intergovernmental meeting in Clarkdale, met with Yavapai Apache Nation and took a tour of the Library.

Vice Mayor Jones-Murdock: Attended Intergovernmental meeting, attended the dinner hosted for Yavapai Apache Nation last Saturday and reminded everyone of the Parade of lights this Saturday at 6pm.

Mayor German: Attended the dinner for the Yavapai Apache Nation, indicated that Councilor Buchanan cooked burgers and Vice Mayor Jones-Murdock brought desert. Mayor German indicated he felt the Yavapai Apache Nation was pleased with the Town support and indicated they have a new Council seated as well as a new Chair and Vice Chair. Mayor German attended the Intergovernmental meeting where reclamation was discussed, attended an APS 101 meeting with Economic Development Director Steve Ayers, an overview of APS and key energy topics were covered and felt it was interesting how APS is presenting solar energy.

Councilor Jenkins: Attended the Victorian Ornament making event at Ft. Verde last Saturday.

Councilor Buchanan: Attended the Intergovernmental meeting regarding remediating the soil out of the ground, attended the dinner with the Yavapai Apache Nation with approximately 30-35 people in attendance and was pleased to speak with their new board members.

Councilor Whatley: Attended the Intergovernmental meeting.

12. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Town Manager, Russ Martin, indicated that the City of Sedona is going to host opportunity with legislators, but there are no details at this time. Reminded Council that the next Council meeting is the last of the year is significant and asked Council members to notify him if they are not able to attend. Vice Mayor Jones-Murdock questioned if the December 21 meeting had been cancelled, as it was just approved on the Consent Agenda. Mr. Martin indicated that at this time it is still scheduled but could be cancelled.

13. **Adjournment**

The meeting adjourned at 7:17 pm.


Charles German, Mayor


Marie Moore, 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 Council Meeting of the Town of Camp Verde, Arizona, held on December 7, 2016. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 5th day of January, 2017.


Virginia Jones, Town Clerk