

**MINUTES  
REGULAR SESSION  
MAYOR AND COUNCIL  
473 S MAIN STREET, SUITE 106  
WEDNESDAY, JANUARY 7, 2015 at 6:30 P.M.**

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

**1. Call to Order**

Mayor German called the meeting to order at 6:30 p.m.

**2. Roll Call**

Mayor Charles German, Vice Mayor Jackie Baker, Councilors Robin Whatley, Bruce George, Brad Gordon, Carol German, and Jessie Jones were present.

**Also Present**

Town Manager Russell Martin, Marshal Nancy Gardner, Finance Director Mike Showers, Public Works Director Ron Long, Community Development Director Mike Jenkins, Planning and Zoning Commission Chair BJ Davis, Library Director Kathy Helman, Architect Joel Westervelt, Deputy Clerk Virginia Jones, Administrative Assistant Barbie Bridge, and Recording Secretary Saepyo Choe.

**3. Pledge of Allegiance**

Mayor German led the pledge.

**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 – December 17, 2014
- 2) Special Session – December 10, 2014

**b) Set Next Meeting, Date and Time:**

- 1) Wednesday, January 14, 2015 at 5:30 p.m. – Work Session
- 2) Wednesday, January 21, 2015 at 6:30 p.m. – Regular Session
- 3) Friday, January 23, 2015 at 8:30 a.m. – Work Session Retreat
- 4) Wednesday, January 28, 2015 at 6:30 p.m. – Council Hears Planning & Zoning Matters

**c) Possible approval of the 2015 Policy Statement that authorizes the Mayor, as the Town's Chief Elected Official, to support or oppose legislative bills relative to the protection of groundwater, State Shared Revenue sources, and land use authority if the bill(s) adversely affect the Town's interest and needs an immediate response. Staff Resource: Mayor & Council**

**d) Possible approval of Resolution 2015-934, superseding Resolution 2014-905, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona setting the 2015 Meeting Dates and Times for regular meetings of the Council and all Commissions/ Committees. Staff Resource: Debbie Barber**

On a motion by George, seconded by Vice Mayor, Council voted unanimously to approve the Consent Agenda.

**5. Special Announcements and presentations:** There are no Special Announcements or Presentations.

**6. Call to the Public for Items not on the Agenda.**

Tom Pitts reported that a business association, to be named the "Camp Verde Chamber of Commerce" is in the process of forming, with an encouraging response from the community. He looks forward to working with Council and to their strong support.

Jess Mulcaire stated that he read the portion of the investigative report that pertained to him, and addressed

portions that were untrue. He said that Carol German did not speak to contractors or try to exert any undue influence. He had never met her before. He agreed it was not best to send jobs out of Town and commended Councilor German for investigating matters.

7. **Discussion, consideration, and possible appointment of members to the following boards and commissions (all positions are 3-year terms effective January 2015 through December 31, 2017.)**
  - a. **Two (2) members to the *Board of Adjustments and Appeals*** Note: Doug Stevens is the only applicant.
  - b. **Three (3) members to the *Planning & Zoning Commission*** Note: The applicants are: Dave Freeman, Chip Norton, and Greg Blue

On a motion by German, seconded by Baker, Council voted unanimously to appoint Doug Stevens and Greg Blue to the Board of Adjustments and Appeals.

On a motion by George, seconded by Whatley, Council voted unanimously to appoint Dave Freeman, Chip Norton, and Greg Blue to the Planning & Zoning Commission.

Mike Jenkins explained that Doug Stevens could not be in attendance due to a prior engagement in Phoenix.

Councilor Gordon commended the veteran Commissioners and thanked them for continuing to serve.

8. **Discussion, consideration, and possible award of bid #14-108 to BWC Enterprises, Inc. dba Woodruff Construction in the amount of \$4,100,000 for the construction of the library at 130 N. Black Bridge Road, to include authorization for the Mayor to execute all agreements/documents relative to construction of the project. Staff Resource: Ron Long/ Kathy Hellman**

On a motion by George, seconded by German, Council voted unanimously to award the bid #14-108 to BWC Enterprises, Inc. dba Woodruff Construction up to the amount of \$4,100,000 for the construction of the library at 130 N. Black Bridge Road, to include authorization for the Mayor to execute all agreements/documents relative to construction of the project.

Russ Martin explained that Woodruff's bid is for \$3.7 million, but that he asks Council to approve up to \$4.1 million to leave room for contingencies and allow for flexibility. In fact, conversations with Woodruff over the next few weeks may even result in a bid lower than \$3.7. Staff affirmed that Woodruff's is the lowest, all-inclusive bid.

He does not anticipate many significant changes in the drawings, and state requirements will require them to stay within budget. However, drawings are never perfect and adjustments usually need to be made, so approving up to \$4.1 million gives the manager authority to address issues along the way, without delaying the process by having to come back to Council if the project needs to go even one penny over the approved amount. He explained that the base bid of \$3.7 million may be awarded to Woodruff, but that the alternates, such as: 1) demolition of the old library, 2) solar system, and 3) landscaping--may be awarded to local contractors, opened up for community involvement, or if prudent, added to Woodruff's contract. The current bid process allows for this flexibility, for which he is a proponent, as opposed to an all-out construction option.

This was the most competitive bid process he has ever seen in his career, with 13 bids, and some of the most detailed drawings ever submitted. He has great confidence in the Woodruff team, and appreciates that they have a very tight budget within which to meet the expectations of the design, as well as of the public that hopes to enjoy the broadening of the Library's use.

The architect Joel Westervelt, Library Director Kathy Hellman, and Public Works Director Ron Long were present to answer questions.

German asked about the amount of Town Revenues; and Staff explained that the financial report in the Agenda Item's Cover Page under Fiscal Impact, represented accurate numbers. Martin stated that some items, such as the furnishings, have an unknown cost, but that such things can be considered over future budgets. This is an efficient way to do it: build the new library, and generate enthusiasm for potential and committed donors to help with additional needs.

Whatley agreed that allowing for contingencies and approving an amount above the bid, is the wise option, if building a private home is any indication as to how many adjustments will need to be made along the way.

Mayor German inquired if it was cost-effective to salvage and recycle the old library. Martin replied "No," according to Contractors' assessments. However, some within the community may think otherwise, and may be invited to salvage its recyclable value.

#### **Public Hearing.**

David White asked if the base bid of \$3.7 million included both parking lots, moving power lines, and addressing the drainage problem on Black Bridge.

Ron Long replied that in the Woodruff's bid, both parking lots and the drainage issue are included. Architect Joel Westervelt explained that they are required to keep some water on site for a certain amount of time and that drainage requirements are part of the bid.

Bob Johnson announced that he would like to donate money to the Library, but that he is waiting to see progress underway.

Tom Pitts said he is extremely pleased with the cost and congratulated Council for taking advantage of this opportunity under such favorable fiscal conditions.

Linda Harkness of CCCVL reported that they have raised \$374,000, which they are prepared to commit toward the new library, at any point in the process, as needed.

BJ Davis asked how much the Town saved in re-bidding the project and how much construction engineering the Town would be responsible for. He emphasized that there will be adjustments that will need to be made along the way, and that Council is accountable to the budget.

Martin replied that there is no number bid for contingency, as this is not a contingency project; and that the current bid is estimated to be \$200,000 higher than the previous bid. Westervelt explained that though they eliminated LEED, changed finishes, and made some significant reductions, it is difficult to explain why these adjustments did not lead to a reduction in the bid amount. He anticipated a much greater cost reduction, and it is not easy to decipher why that is not the case. It was explained that the new library would still contain LEED certified plumbing and lighting fixtures.

Charlie Wagner, the HVAC contractor, explained that there was a \$20,000 - \$30,000 increase in the HVAC estimate due to adding a superior "Building Management System" that is completely automated, and installed by an out-of-town service.

John Bassous asked Council and residents to count the costs by looking at the bigger picture. \$400,000 has already been spent on the new library project so far. The Furniture, Fixtures, and Equipment (FFE) will add to the expense; there will be surprises; low voltage, security systems, and an on-site architect to direct operations and hold contractors accountable—all factor into the total cost, beyond what is being immediately presented. A legacy of higher taxes, more taxes, more debt, fewer cash registers, and larger government—are also part of the total cost.

#### **Discussion.**

Bud Woodruff, President of Woodruff Construction said he was very pleased to have the opportunity to build this very special project. Randall Ball introduced himself as the Project Manager.

9. **Discussion, consideration, and possible approval of Ordinance 2015-A403, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona relating to the Transaction License Privilege & Use Tax; amending the Tax Code of the Town of Camp Verde, Arizona by increasing the rate of taxation for Transaction Privilege Tax from three percent (3%) to three point six five percent (3.65%) and increasing the Use Tax rate from two percent (2%) to three point six five percent (3.65%). Staff Resource: Michael Showers**

On a motion by George, seconded by Whatley, Council voted 4-3 to approve Ordinance 2015-A403, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona relating to the Transaction License Privilege & Use Tax; amending the Tax Code of the Town of Camp Verde, Arizona by increasing the rate of taxation for Transaction Privilege Tax from three percent (3%) to three point six five percent (3.65%) and increasing the Use Tax rate from two percent (2%) to three point six five percent (3.65%). Councilors Gordon, Baker, and German voted "No."

Mike Showers reported that the public input on the Food Tax fell into two categories: 1) we support CIP projects, but not through a food tax, and 2) why not just make the sales tax an even 10%. Staff took direction from community input to present this Agenda Item, which seems to be the best fit. He asked that Council abstain from imposing any restrictions on the tax, such as specifying CIP construction or debt resolution, as there are already some restrictions in place from the prior ordinance.

He explained that the Use Tax is a retail tax on businesses for their out-of-town purchases. It would be inconsistent to consider an increase to local merchants, but overlook out-of-town vendors, allowing them a 1% discount. In November 2014, only 3 local vendors paid a Use Tax. Out of 9 businesses, 5 calculated their Use Tax incorrectly--mostly real estate groups. The Use Tax has negligible retail impact on citizens, as the majority does not come from in-town residence. It would apply to out-of-town vendors such as Amazon or Home Depot. Also, if a local business purchases equipment, but then commits it for personal use, then the business should be subject to a 3% sales tax, like everyone else. The Use Tax and Retail Tax are the same thing, but on different people, and should be consistent.

Whatley agreed that it leveled the playing field, rather than encouraging businesses to favor out-of-town vendors.

Mayor German asked if Council should remove the "construction" tax, and Mike Showers affirmed that Council should pull "construction" out of the restrictions, or rather not impose a restriction to begin with.

Martin clarified, "Don't say we want X to go to X." This is not Operations & Maintenance (O&M) for expanding government, but additional revenues, inclusive of construction taxes, that Council directed for additional projects, such as Capital Improvement Plan (CIP) projects.

**Public Hearing.**

Bob Johnson asked if any money came from Cottonwood from the Use Tax. Showers replied "yes," though from a few, and in small amounts.

Steve Goetting stated that the CIP list was a wish list that needed to be more like a strategic business plan, delineating a timeline of results. He said that adding 42 square miles more of sewer, adds to the resources necessary to support and maintain the infrastructure, whether with more lighting or with law enforcement. He agreed that this option is preferable to a Food Tax, but asked that citizens and Council pay attention to how it will be spent. He asked Council to quantify the results of investing in sewer to ensure public confidence in the return on investment. He asked how much growth the Town has seen in tax revenue.

Showers replied that 5 years ago, the Town experienced a loss, but that since then it has increased to 6%;

and that he cannot give a fair answer as to how Camp Verde compares to the rest of the Valley.

Greg Blue asked Council to keep Rental Tax the same. Showers ensured that Rental Tax would remain as is with the current proposal.

BJ Davis stated that he does not like taxes, but agrees with this one. He asked Council to prioritize spending and consider a time limit on the increase. He asked them to revisit the issue in the future, instead of setting a precedent that higher taxes will be a continuing trend.

Bob Witt stated that he would like to see the Town adopt a philosophy of keeping government small and having less taxes. Government is not good at administration, and an expanding government spends more money. The Use Tax makes sense, but cut back on government services to lower taxes as a goal.

Bill Feldmeier said he was opposed to the Food Tax. He said the CIP should be a "needs" list, not a "wish list." He only supports maintaining roads and infrastructure.

#### **Discussion.**

Councilor George cited an example of a mistrial due to having an inadequate trial courtroom. He explained that playground equipment needs maintenance so that the Town can offer basic amenities for families and attract new young families. He said the Town is way behind on road repair and that there is a need for more ball fields so teams do not have to play until 11pm.

Whatley confirmed with Ron Long that 14 miles of road should be repaired annually, and that we have 100 miles of road, though no chip and seal has been performed since 2009-2010. The gym needs a new roof to protect the investment of resurfaced floors and new bleachers. Council has pared down wishes to needs that should have been done yesterday, and has a responsibility to maintain what we have. There is a plan for Rooms 206 and 207 to be remodeled into a proper courtroom.

Carol German said she was encouraged by Tom Pitts' business association report, and looks forward to working with them to increase commercial business. This will bring in tax dollars. We have many needs, but the Town's projected revenues are already down \$100,000 since the first of this year. At the inauguration of the Secretary of State and Governor, it was said that it is not that the people are taxed too little, but that the government does not spend tax money wisely. The more government eats the hungrier it gets. Taxes do not solve anything; we need a different strategy.

Vice Mayor Baker said that she could not vote for the increase. She explained that the decrease in HURF funds also led to the decrease in road maintenance; that we do not use the general budget for roads. We are hurting everywhere, not receiving state and federal funds in addition. She would like to see a moratorium on current construction fees to attract businesses, and provide such incentives as other cities and towns offer. "We do have money in CIP and will do what is most urgent. When you don't have, you do without. You don't ask for more."

10. **Discussion, consideration, and possible direction to staff to continue the allocation of budgeted monies (amount remaining \$5,820) to the regional Water Advisory Committee (WAC) for the Verde Valley to maintain cooperative water monitoring stations by the USGS, to include direction to the Mayor to work with other communities to finalize the 5-year plan and determine the amount necessary for payment this year. Staff Resource: Russ Martin**

On a motion by Whatley, seconded by Baker, Council voted unanimously to approve continuing the allocation of budgeted monies (amount remaining \$5,820) to the regional Water Advisory Committee (WAC) for the Verde Valley to maintain cooperative water monitoring stations by the USGS, to include direction to the Mayor to work with other communities to finalize the 5-year plan and determine the amount necessary for payment this year.

Martin explained that there is remaining money in the county fund needed for first-year funding for WAC, in their account today.

Vice Mayor Baker explained that Council already gave some money to Steve Ayers.

Mayor German asked for permission to continue to participate in the WAC. The County wants to get more involved in projects, not just studies. The county fund is in good shape, and he recommends that we continue to participate.

**Public Hearing.**

No input.

Vice Mayor Baker requested item #11:

11. **Update and discussion of the Cliffs Parkway Drainage Project to include, but not be limited to purpose, costs, and funding source(s).**

Martin explained that the purpose of excavation was not to remove dirt for the building of the new Library. He discussed the project with the Town Engineer today. As you solve the problem, people forget why it was needed in the first place. Rainstorms used to create major problems for the Post Office and Walgreens; now they are projected. Ron Long has continued to find resources to do projects like this. It is one of his top accomplishments to be proud of; and the staff work is commendable; there is just a lack of public understanding.

Ron Long explained that the project started in 2009 - 2010 with an engineering study identifying flooding issues. Bashas' regularly flooded, so they needed to rebuild the channel from The Views and The Cliffs going out to the Verde River. It needed to be redone, because the culverts were too small; there were 90-degree turns coming out of the culverts, which is impossible for channeling drainage. The first \$1 million came from the County Flood Control district. We showed the need and won a competitive grant for a box culvert, all underground. The Outpost and Town Homes have no issues now, and the water stays in the channel. We could not fix all the issues in one fell swoop. We need to be able to detain water and release it slowly over 24 hours. We have seen the results of lowered water in the channel and it has cost \$25,000 so far, not from the general fund. The County Flood District has continued to support us. The dirt that came out was an opportunity. The basin was redone and the dirt was a benefit. The basin is important, as it takes everything draining off of the land, including 13 acres from Bashas'. Now everything is that way it was intended from the start, but we still need to do some fine-tuning. A lot of water ends up in the Bashas' parking lot, which does not have enough drainage features. Everything has cost about \$1.2 million total so far. Some of the funds that came from HURF helped put in a right turn lane, fixing the issues coming out of Chase Bank.

Whatley thanked Ron Long for all his great staff work and for having the foresight to make improvements such as the turn lanes, along the way.

Vice Mayor Baker commended him for great work, stating that flooding has always been an issue, but that now Long has found a great way to address the problem. Long confirmed that Town crews wanted to do the work and construct something to solve the issues. They did the work themselves and saved the Town a lot of money.

Carol German said she has heard only positive responses to this project. She asked if the flooding issues were resolved for the dentist office behind the bank. Long replied that they have been mostly addressed, but that this project would implement some of the fine-tuning needed for a complete resolution.

Long reported that they were close to starting the ADOT sidewalk project, with bidding in March. The project is for colored sidewalks from Cliffs Parkway off of Hwy 260 to Main Street, and from Bashas' to Circle K. This will give Finnie Flat a Main Street look, include street lights, and tie Finnie Flat to Main Street. ADOT

has not given up on us, though they have pulled the plug on others. They are committing \$800,000. ADOT acknowledged that it took them 7 years to get to this project, so they added another \$400,000 into the project. Martin assured that it was to Ron Long's credit that we have ADOT's support and extra funding for this project.

12. **Call to the Public for items not on the agenda.**

Joel Westervelt recognized Ron Long for a great job. He expressed surprise that the previous developer was not charged with addressing all the drainage issues for Bashas', as should be the case. He asked Council to hold future developers accountable to their responsibilities to prevent this from happening.

13. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Vice Mayor Baker and Councilor German attended the Secretary of State and Governor's inauguration, and wished everyone a "Happy New Year."

Mayor German reported that the WAC's United States Geological Survey (USGS) meeting will be January 15<sup>th</sup>.

14. **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.

Martin asked Council to look over the schedule for the next 2 months of meetings, explaining that the Proposed Agendas are not yet comprehensive. He asked Council improve the Agenda Items and notify Staff 10 days in advance to ensure maximum productivity. He announced that Virginia Jones accepted the Town Clerk position as of Monday, and that Debbie Barber would be leaving tomorrow, on her 25<sup>th</sup> anniversary. He thanked Virginia Jones and recommended that Council visit Debbie Barber at her new place of business.

15. **Adjournment**

On a motion by German, seconded by Baker, Council voted unanimously to adjourn the meeting at 8:30 p.m.



Charles German, Mayor

  
Saepyoel Choe, 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 of the Town Council of Camp Verde, Arizona, held on January 7, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 29<sup>th</sup> day of January, 2015.

  
Virginia Jones, Town Clerk