

**MINUTES  
WORK SESSION  
MAYOR AND COMMON COUNCIL  
Of the TOWN OF CAMP VERDE  
COUNCIL CHAMBERS · 473 S. MAIN STREET ROOM 106  
WEDNESDAY, SEPTEMBER 10, 2014 at 5:30 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 5:30 p.m.
  
2. **Roll Call**  
Mayor Charlie German, Vice Mayor Jackie Baker, Councilors Bruce George, Brad Gordon, and Jessie Jones were present. Councilors Carol German and Robin Whatley were absent.  
  
**Also Present**  
Town Manager Russ Martin, Economic Development Director Steve Ayres, Town Clerk Deborah Barber, and Recording Secretary Lynn Riordan.
  
3. **Pledge of Allegiance**  
Mayor German led the pledge
  
4. **Discussion, consideration, and possible direction to staff relative to potential revenue sources, including but not limited to food tax, sales tax, voter approved property tax, CIP fees and improvement district, etc.**

Russ Martin presented the Council with a handout, explaining the hand out is part of his goal to give the Council information and engage in conversation regarding possible revenue sources and allocation of how revenue would be spent. Currently the Town has a balanced operational budget with a good average surplus for emergencies in the reserve fund. The Town of Camp Verde is the 13<sup>th</sup> largest municipality by square miles in the State and needs a comprehensive plan with respect to completion of infrastructure. The Council needs to determine what is needed, and what is wanted, with respect to services like recreation, libraries, water, sewer and fire protection, and at what level the Town want to provide these services, and then determine a source of revenue to fund these services and infrastructure.

Vice Mayor Baker question the property tax rates vs. the square miles involved in the Town limits. Russ Martin advised the square miles involved in the Town limits were irrelevant to the tax rates, the size and square miles of the Town limits only matters with respect to evaluation of the property and the need to provide services to all areas in the Town limits. If the Town's goal is to generate \$400,000 to \$500,000 for services and infrastructure, an assessment of \$50 - \$150 per year per property would be necessary, and imposing a property tax to generate this revenue requires a public vote. Additionally, property tax revenue would fluctuate as property values increase or decrease.

Mayor German stated the Town currently has the highest property tax rate in Yavapai County. Mayor German stated he would support investing in the Town and business, and new business would help relieve some of the cost for CIP and some of the burden of property tax payers, stating any new taxes should be for CIP not maintenance and operations. Mayor German stated he did not oppose a small bed or food tax with a "sundown" clause (a tax that is set for a specific number of years), where everyone pays a proportionately equal amount and generates immediate revenue.

Councilor George stated support for a 1% food tax initially, with revenues being generated to complete maintenance projects, stating the Town just put a new floor in the gym, but now the gym needs a roof, which is a substantial maintenance expense, but without a new roof the Town runs a risk of ruining, or losing, the current investment of the new floor. Councilor George stated support for completing projects already started, and maintaining and protecting the assets the Town already has.

Councilor Jones stated support for generating revenue, and using the revenue to provide services that all residents can benefit from like parks, libraries, water/sewer, but does not support new revenue for more government. Councilor

Jones stated there will always be pros and cons for establishment of any taxes, and agrees with the Mayor in support of a small bed tax or food tax with a "sundown" clause might be the most appropriate and equitable source of revenue. Councilor Gordon stated he believed that sales tax is the most equitable tax, but that the Town needs to consider an alternate tax if the economy falls again, and for long range goals, stating a property tax may be a desirable solution. Councilor Gordon stated that currently the Town may fall short of the desired infrastructure, but if development booms on the 260 corridor, it will place the Town staff in a bind trying to provide services to keep up with demand.

Russ Martin stated having a CIP district will help with improvements and infrastructure, or a special sales tax would help put the investment improvements and infrastructure in place, and suggested that the issues of Revenue Sources and Improvement Districts be placed on the Council's Agenda at a future meeting or work session, specifically referring to the Hwy 260 corridor and Finney Flats. Many new businesses and potential new investments want the infrastructure available up front, and are not willing to wait for the Town to put it into place at a later date.

Mayor German advised that historically investors look at Towns that have a population of 20,000 or more, Camp Verde currently has a population of 11,000 – 17,000.

Councilor George suggested that the Town have more than one source of revenue, a 1-2% food tax with a "sunset" clause initially, until the residents have an opportunity to vote on a property tax.

Russ Martin stated that food tax creates immediate and stable revenue and can have a true "sunset" clause, and can be repealed when the revenue is no longer needed or the Town has met the revenue goal. New businesses/investments will help with an increase of sales tax, and the sales tax has stayed consistent regardless of the economy in the past few years which has kept the Town's operational budget balanced, but does not generate CIP funds. Mr. Martin stated the residents of Camp Verde need to know that if no revenue sources are created the Town cannot provide the infrastructure needed for new businesses/investments, and services like parks and libraries cannot be realized.

Vice Mayor Baker stated support for establishment of a property tax, stating it is fair and equitable, and the most reliable source of revenue. The Town departments and staff have done without many things they need and want for many years, now the Town needs funding for CIP, like a roof on the gym, and completion of park projects that have already been started, and the residents want, and deserve, to see these things completed.

Councilor George requests that CIP improvements and a CIP updated plan be presented at the next work session.

**Call to Public:**

Leah Robbins stated opposition to imposing a food tax, and suggested establishment of fees to be paid by organizations that use the Town's facilities, like parks, etc.

Sherry Wishmeyer requested clarification regarding the possibility of repealing property taxes if imposed, and repealing sales taxes if imposed.

Robb Witt stated he had a Petition he will be bringing forward to the Council, and stated support for attracting new business and investments, specifically along I-17 and Hwy 260, and stated support for the Town selling Town owned property that is not currently benefiting the Town or creating revenue for the Town.

Tom Pitts stated support for marketing to attract new investment and new business, and encouraging continuing, and new business, in Town, not just on I-17 and Hwy 260.

Russ Martin addressed the public comment concerns, assuring the public that the Council would not be voting on any tax issues tonight, and more conversation regarding taxes and revenue would be forthcoming. Currently the Town does have a sales tax, but food is exempt, and any new tax would require an Ordinance and realistically would not take effect for approximately 90 days from the date the Town makes the decision. The Town can consider a luxury tax, additional sales tax, "junk" food tax, or food tax. Mr. Martin stated that having organizations pay fees for use of public parks would generate only a small amount of revenue, and most of the organizations are non-profit.

Councilor George opposes having fees for use of parks and other amenities as it could price residents out of using the Town's amenities, although he stated he does not oppose soliciting sponsorships for recreation.

**Public Comment:** An out of order conversation took place involving Logan Robbins, stating support for sponsorships for recreation, Russ Martin advising the Town previously had grants and sponsors for recreation but the funds dried up as the economy failed, Tom Pitts stating a desire to increase business and residents and have more people paying taxes not more taxes for the people already paying, and Robb Witt stating displeasure with the Town purchasing property and not utilizing it as originally intended stating a desire to have the Town sell real property that is not benefiting the Town.

Councilor Gordon concurred that the Town should research the possibility of selling Town owned real property that is not benefiting the Town.

Russ Martin stated the Town could look into re-zoning and selling the property at Oasis and 260.

Mayor German stated that based on the valuation of the property it may require the residents vote on whether or not to sell.

Councilor Jones stated the perception of the community is very important, any decision that is made regarding taxes affects her and her family too as she is also a tax payer, and that the Council needs to make a decision regarding revenue and expenditures based on what is best for the residents of the Town and move forward.

Mayor German concurred that any decision made by the Council with respect to creating revenue also affects each of them as they too are resident and tax payers and they want an improved quality of life for all Camp Verde Residents. All Council meetings are open to the public and the Council is trying to be as transparent as possible, and trying to address all of the residents' concerns.

Councilor George stated that few people have shown up for Council Meetings when the issue of creating revenue and possible taxes or tax increases are on the table.

Vice Mayor Baker and Councilor Jones both concur that the Town should consider selling the property at 260 and Oasis but that another source of income is needed.

**Public Comment:** An out of order conversation took place involving Tom Pitts and Robb Witt regarding CIP needs and expenses.

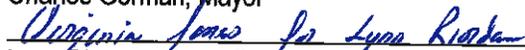
Russ Martin stated that the Council could not vote on any of these issues tonight, and that these issues would be placed on the Council Agenda. The public does not always see progress so it is very important that the residents of Camp Verde are advised of why revenue is needed, what it will be spent on, and what the Town has already accomplished.

**Discussion, consideration and possible direction to staff relative to CIP project needs.** Russ Martin advised many of these items have been discussed earlier this evening. The Town need to look at the needs for infrastructure, streets, street maintenance and repair, storm water, and maintenance. All of these matters are expensive and more discussion regarding revenue sources will be necessary at a later work session

**Adjournment:** Mayor German adjourned the work session at 7:38 p.m.



Charles German, Mayor



Lynn Riordan, 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 Budget Work Session of the Town Council of Camp Verde, Arizona, held on September 10, 2014. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 7 day of October, 2014.



Debbie Barber, Town Clerk