

**MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, JUNE 4, 2014 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

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

2. Roll Call

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

Also Present

Town Manager Russell Martin, Marshal Nancy Gardner, Community Development Director Mike Jenkins, Assistant Planner Jenna Owens, Finance Director Mike Showers, Library Director Kathy Hellman, Town Clerk Deborah Barber, and Recording Secretary Saepyo Choe.

3. Pledge of Allegiance

Vice Mayor Baker 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 – May 21, 2014
- 2) Work Session – May 14, 2014
- 3) Work Session – May 9, 2014
- 4) Work Session – May 2, 2014

b) Set Next Meeting, Date and Time:

- 1) June 11, 2014 at 5:30 p.m. – Work Session
- 2) June 18, 2014 at 6:30 p.m. – Regular Session
- 3) June 25, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 4) July 2, 2014 at 6:30 p.m. – Regular Session
- 5) July 9, 2014 at 5:30 p.m. – Work Session
- 6) July 16, 2014 at 6:30 p.m. – Regular Session
- 7) July 23, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters

c) Possible approval of the Annual Unified Emergency Management Intergovernmental Agreement with Yavapai County for emergency management services, appointing Marshal Gardner as Emergency Management Coordinator, and authorizing payment in the amount of \$4,675.00. Staff Resource: Marshal Gardner

d) Possible approval of Resolution 2014-923, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, calling for greater communication, participation, and collaboration between Verde Valley communities and the Yavapai College District concerning future planning and decision-making. Staff Resource: Councilor German

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

5. Special Announcements and presentations:

- **Presentation and request for funding in the amount of \$7581.50 by Verde Natural Resource Conservation District Ed Center Director Lynda Zanolli for a “Kids Conserve” water educational program for grades Kindergarten through 4th Grade.** Staff Resource: Russ Martin

Council took no action on this item. Presentation is attached and becomes a part of the public record.

Russ Martin asked that Council keep this presentation in mind for upcoming budget sessions. Lynda Zanolli introduced Jodi Allen and Laura Cox, then gave Council an interactive demonstration, illustrating ground, atmospheric, and surface water.

Schools do not have a budget for this program, and Zanolli has applied for a SRP learning grant, though the grant funds are not enough to cover kindergarten through 4th grade. Cottonwood and Clarkdale are current sponsors of the program. The request is for purchasing a two-year curriculum in order to qualify for a bulk discount. Schools will absorb the cost of the newsletter, and the Town would not be billed for the total amount up front, but on a monthly basis.

Zanolli explained that Project Wet is the name of a curriculum, and that Project Wet Splash is a one-day application taken from that curriculum that includes a two-hour trip with four activities at Dead Horse funded through Yavapai County.

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

There was no public input.

7. Discussion, consideration, and possible approval of Ordinance 2014-A397, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona amending Town Code, Chapter 6 Animal Control. Staff Resource: Marshal Gardner

On a motion by George, seconded by Whatley, Council voted unanimously to approve Ordinance 2014-A397, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona amending Town Code, Chapter 6 Animal Control, which limits the total number of dogs and cats privately owned to 6, with the exception of 501c3 non-profits and licensed businesses that work with animals.

Marshal Gardner and Animal Control Officer Caldwell were available to answer questions. Caldwell explained that the ordinance would minimize animal noise and waste in communities. Current residents with more than 6 pets are grandfathered in, but may not replace animals once they pass. The ordinance does not address the Ferrell cat issue. Anyone with more than 6 dogs/cats must have a business license or 501c3 non-profit status and show justification for exceeding the limit.

Public Hearing:

Rita Mather, delegate to the American Kettle Club with 45 years' experience working with pets, shared that research shows that limits on cats and dogs are unenforceable and do not solve the problems Council thinks the Town has. Agricultural livestock pose more of a smell issue than pets. Rules addressing sanitation issues and leash laws are necessary, but this ordinance is unwarranted.

Cheri Wischmeyer stated that she is against Town employees invading privacy and checking on the number of animals in people's homes. The ordinance is too specific and unenforceable due to the Town's limited resources. She has spoken to many other residents who express this same concern and believes there should be more opportunity for public response before making a decision.

Public Hearing closed.

Animal Control Officer Caldwell explained that Prescott has a 4-animal limit, and that enforcement is strictly based on complaints about noise or smell. He assured there would be no unsolicited searching of properties; that enforcement would only be reactive, rather than proactive. The ordinance is not intended to take away pets, but to address sanitation and noise issues in the event of a complaint. Town Manager Russell Martin explained that specifics are necessary to facilitate enforceability and that the issue of noise will be on next week's agenda.

Councilor Whatley stated that there has been ample opportunity for the public to respond to this issue, and that it is the owners' responsibility to provide an adequate living environment for their pets.

Councilor Jones addressed the specifics of Rita Mather's letter to Council, clarifying that she may own more than 6 animals for her work, as long as she obtains a business license or 501c3 status. Jones explained that the Town Code addresses livestock at large.

Councilor George thanked the Marshal's office and Staff for their work on this issue.

8. **Discussion, consideration, and possible direction to staff relative to a possible tax on food.** Staff Resource: Russ Martin and Mike Showers

Council took no action on this item.

Town Manager Martin explained that this was an opportunity for Council and the public to voice questions and concerns about this issue.

Public Hearing:

Leslie Braden stated that taxes are already horrible, that raising taxes hurts the elderly and business owners, and is a recipe for killing the Town. People will go where taxes are cheaper. She said she heard the food tax was going to be for the new library and inquired of its truth. Martin replied that Staff is limited in responding during the public hearing in order to prevent debate, and that all questions would be answered at the end.

Jim Ash asked if the food tax was open-ended or if there would be a cap. He recommended a cap of 1% and asked what the revenue would be used for. He stated that the funding for the library was decided long before this item ever came about, and that the tax should not be used in any way toward the library.

Steve Goetting stated that revenues are going down because businesses are going down. With the elderly and young families in mind, a 0% to 3% jump is too drastic. Consider an incremental raise instead. Everything is cheaper in Cottonwood, and Bashas is the last reason to stay in Camp Verde.

Cheri Wischmeyer stated that personal income has gone down, the economy is low, and people are living within their budgets so the Town should do the same. When people are struggling is not the time to raise taxes.

Tom Pitts stated that he has paid attention to the economics of the Verde Valley for almost a decade. Tax raises are quickly publicized with a negative effect that immediately hurts cash flow and businesses, and sets a precedent for continual raises. Sales tax revenues are going up for everyone else in the Valley except Camp Verde. The way to keep the Town alive is not by burdening the people who are already supporting the Town. There are other more productive ways to generate revenue and he is willing to volunteer to help find solutions.

Warren Harris stated that once you start down that road, taxes will keep increasing. He asked for a budget that is open to the public, and for more public input before making any decisions on raising taxes.

Byron Phillips, a new resident who now owns a home in Camp Verde, stated he has always lived in small towns. Residents shop local until they are driven out by higher taxes. A food tax will drive people to shop elsewhere.

Public Hearing closed.

Councilor Whatley explained that the Town does not have a property tax, and that sales tax is the only avenue for providing services for this community. The people who ask for parks and ball fields need to be willing to pitch in. A food tax would impact the Council as well, and she is willing to pay. The Town's belt has been cinched to the max for a decade; so much so that the economic downturn had less impact on the Town as it was accustomed to a shoestring budget. She would like to hear more about other income streams and is interested in Tom Pitts' proposal. People would still save at Bashas with a food tax, by saving on the gas it takes to drive to Cottonwood.

Without more revenue, the Town can only afford to offer bare minimum services, such as keeping the Marshal's office and swimming pool open.

Councilor George explained that over 60 towns in AZ have a food tax; that the Town has numerous open budget meetings, that he has been through every line of the budget, and that the budget is as tight as it can be. He would like to consider a 1% food tax, rather than 3%. He asks for consideration of a sunset clause, such as a 3-year limit on the food tax. He expects that economic growth in the next few years will make it no longer necessary to have a food tax.

Councilor Gordon stated that though he is not personally opposed to paying a 3% food tax, raising taxes should be approved by referendum only.

Manager Martin stated that a 3% food tax would do no further damage to Camp Verde' reputation within the Verde Valley. The Town needs to develop its areas and infrastructure, but how the revenues are allocated will depend on Council and public input. The Town can only afford to make small-scale capital improvements under six figures, such as in the gym. Significant improvements in the area of parks, drainage, or protecting the gym roof--all necessary or long overdue--require significantly more revenue. Squeezing even \$50,000 out of the current budget will not accomplish much toward improving infrastructure. A 3% food tax puts only a dent in the list of projects the Town needs to do. He will find out if a referendum is legally possible. Sedona supplements their HURF with general tax revenue. HURF is no longer able to finance fixing the required 7 miles of road a year. The current budget is doable without a food tax. However, storm water issues, even with grants, will require digging into reserves. Economic growth alone will not be able to address the severe drainage issues that would cost millions of dollars to fix. The food tax is not about the library. The current budget includes the construction of the new library, though only the 1st floor to completion. The second floor will be incomplete and the quality may not match the original plans, but there will be a new library regardless of food tax. Some food tax revenue could possibly help with completing the 2nd story, if the Council and public so decide. The food tax is about a whole capital improvement list, for which there is a huge deficit. The public is welcome to debunk the manager's theory, as it is his job to respond to citizens' feedback. Please email the manager your concerns and do not hesitate to call for more information.

Councilor Jones stated that there has been no improvement on Camp Verde's ball fields for 30 years. Meanwhile, Cottonwood has expanded from 4 to 8 ball fields, expanded their library, built a recreation center, dog park, and a skate park. Residents are asking for a dog park now more than ever with the new leash law; HURF cannot cover all the flooding issues; the Town cannot support the Chamber, barely supports the Senior Center, relies on Cottonwood to feed its citizens; and was just asked to consider a \$7000+ conservation program for K-4th grade. The Town's median income is \$36K, and 30% of residents live below the poverty level. She is willing to pay the food tax for the sake of her kids. Residents acknowledge the lack of infrastructure, and the Town needs to invest in drainage and sewer systems to improve the community. She asks for the chance to prove to the Town that the Council will be honorable and diligent stewards of the food tax revenue.

Vice Mayor Baker relayed that the Mayor suggested a 5-year sunset clause. She verified the honest stewardship of past Councils, and asked that Council keep in mind the elderly and those who are living below the poverty level. She is in favor of bringing in businesses and offering incentives to increase revenue.

Councilor Whatley verified with Staff that it would cost about \$30,000 to bring the vote to the people, and that such a vote would not be possible until 2016. She believes the greater public would be in favor of a food tax.

Councilor Jones stated that Camp Verde receives \$20 million in groceries revenue, so that a 3% tax would bring in \$300,000 - \$400,000. Meanwhile, Cottonwood earns \$120 million in taxable groceries, and collects \$3.5 million dollars in food tax revenue alone.

Council took a short recess at 8:07 p.m. and resumed at 8:19 p.m.

9. **Presentation, discussion, consideration, and possible direction to staff relative to the proposed FY 14/15 Fee Schedule for Town Services.** Staff Resource: Mike Showers
Council took no action on this item.

Finance Director Mike Showers explained that the fee increases are reasonable and that nothing should cause alarm. He remembered that the fee schedule was a carefully discussed topic last year and wanted to give the Council and public the opportunity for questions and discussion before having to make a decision.

Councilor Gordon stated that he does not mind the small increase in rates, but that they should not get any higher. Fees are extremely high in Phoenix in comparison--\$900 per page of engineering review, \$250,000 for inspection fees. He would like to keep the Town's fees attractive to investors.

Public Hearing:

Steve Goetting suggested a 6-month incentive period during which people could obtain business licenses for free. The cost of the Town's fees is of little concern. The median income of Camp Verde, however, is 30% lower than the AZ state average.

Tom Pitts stated that the Town is on the cusp of economic boom. He wants to bring in business and generate more revenue. This should be the emphasis, as cutting expenses, even in half, does not solve the problem. He posed the question if raising the fees, would cover all the Town's costs. Camp Verde is the entrance to the Verde Valley, and he hopes to facilitate economic growth.

Public hearing closed.

Vice Mayor Baker and Russ Martin thanked Kendall for all her work in updating the fee schedule. Baker stated that they need to do more beyond raising taxes, and that she is not in favor of raising any fees or taxes until she has more information.

Councilor Jones asked if it is possible to waive fees as an incentive for developers. Martin explained that such a possibility could be included in the "development agreement," and that waiving fees for some and not for others would not be a favorable practice.

Mike Showers explained that fees are not a significant source of Town revenue, but that they offset operational costs in areas such as, community development, the Town Clerk and Marshal's Offices. The item will be brought back on the June 18, 2014 agenda for final approval.

Building Official and Town Safety Officer Robert Foreman explained that building codes are a matter of safety, that they prevent injuries, and that the fees cover the cost of completing proper plan reviews. Businesses are very concerned with the safety of their buildings for their customers. The Verde Valley Medical Center (VVMC) and Library are the tipping point for construction exploding in Camp Verde. The Town needs to be ahead of the curve. The staff is exhausted from trying to keep up with the load of the last 6 years, and needs another building inspector.

Councilor Gordon stated that VVMC is a \$10 million project and that developers will not bat an eyelash on the fees. Fees are a part of the cost of doing business for those who want to come to the Town to make a profit.

Councilor George explained that these fees are for services the Town provides and that they should not be seen as a tax.

Community Development Director Mike Showers reminded Council that they have already been proactive in providing incentives to businesses by removing the impact fees and the design review requirement.

Vice Mayor Baker thanked Planning & Zoning and Community Development for all their work, sharing that there

has been much positive feedback from the public for their accomplishments.

10. **Discussion, consideration, and possible direction to staff relative to increasing the Use Tax from 2% to 3%. Staff Resource: Mike Showers**

Council directed staff to add the Use Tax increase to the June 18, 2014 Consent Agenda.

Showers stated that this tax should have increased when taxes were raised the last time. The Use Tax gives the opportunity for outside vendors to be taxed the same as local vendors on internet purchases of equipment and machinery for production use within Town boundaries. This, however, is difficult to enforce, and is more a matter of housekeeping. The increase from 2% to 3% will also facilitate honesty and accuracy when businesses file taxes. Businesses are accustomed to paying a Use Tax; it is not going to make an impact; and it makes sense for the Use Tax to match the Sales Tax.

Martin explained that agenda items involving cost increases are agendaized for discussion to allow ample opportunity for public input and Council consideration before decision-making, since cost increases draw more attention than other types of items. This shows transparency and is part of educating the public.

11. **Discussion, consideration, and possible appointment of Council members as Town representatives and alternates to various boards, committees, and organizations. Staff Resource: Debbie Barber**

This item was rescheduled to June 11, 2014 for consideration with a full Council.

Mayor German requested items 12 & 13:

12. **Discussion, consideration, and possible direction to staff relative to signing on as a sponsor for the City of Sedona's proposed League Resolution urging the authorization of expenditure and full appropriations through the reenactment of repealed ARS §41-501, 503, and 504 to restore the Arizona State Park Heritage Funds.**

Council directed staff to sign on as a sponsor for the City of Sedona's proposed League Resolution urging the authorization of expenditure and full appropriations through the reenactment of repealed ARS §41-501, 503, and 504 to restore the Arizona State Park Heritage Funds.

13. **Discussion, consideration, and possible direction to staff relative to signing on as a sponsor for the City of Kingman's proposed League Resolution urging the Legislature to find a sustainable revenue collection system that will increase revenue into the Highway User Revenue Fund. The purpose of this resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options, and make recommendations for an up-to-date alternative revenue collection system necessary to expand and maintain Arizona's transportation network now and into the future.**

Council directed staff to sign on as a sponsor for the City of Kingman's proposed League Resolution urging the Legislature to find a sustainable revenue collection system that will increase revenue into the Highway User Revenue Fund.

Public Hearing:

Tim Pitts stated that HURF is stealing the Town's money: they collect revenues and return a disproportionately minimal amount. The same thing happens with the parks. It is time to get the Town's money back.

Public Hearing closed.

14. **Call to the Public for items not on the agenda**
Warren Harris requested making the full agenda packet accessible to the public in a way that does not require a computer.

Tom Pitts suggested printing out a couple of copies for the public to pass around for reference during meetings, rather than providing a copy for every individual.

Town Clerk Debbie Barber informed the public that a copy of the agenda packet is available upon request to any citizen.

15. **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.

Whatley attended the Library's summer kick-off event, which included interactive presentations from Parks & Recreation, Out of Africa, and the Marshal's Office.

George attended the Verde Valley River Basin Partnership and Verde Valley Transportation Coordination Committee meetings. Greyhound may open an office in Camp Verde.

16. **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 invited Council to attend the interviewing of 9 judges on Friday, June 6, 2014 from 9:30 a.m. - 3:00 p.m. Judges Harry Cipriano and Michael Bluff will be on the panel. Please arrive by 9:00 a.m. at the Parks & Recreation office. June 11, 2014 will be the work session about the Library and will prepare the Council for budget decision-making.

17. **Adjournment**
Meeting was adjourned at 9:09 p.m.



Charles German, Mayor


Saepyo Warren, 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 June 4, 2014. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 19 day of June, 2014.



Debbie Barber, Town Clerk