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**AGENDA  
REGULAR SESSION  
MAYOR AND COUNCIL  
COUNCIL CHAMBERS · 473 S. Main Street, Room #106  
WEDNESDAY, FEBRUARY 20, 2013  
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**
2. **Roll Call**
3. **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) February 6, 2013 – Regular Session
    - 2) January 30, 2013 – Work Session
  - b) **Set Next Meeting, Date and Time:**
    - 1) February 27, 2013 at 6:30 p.m. – Council Hears Planning & Zoning Matters-Cancelled
    - 2) March 1, 2013 at 9:00 a.m. – Work Session
    - 3) March 6, 2013 at 6:30 p.m. – Regular Session
    - 4) March 20, 2013 at 6:30 p.m. – Regular Session
    - 5) March 27, 2013 at 5:30 p.m. – Work Session PARA Study (Planning Assistance for Rural Areas) for Circle K tri-intersection
    - 6) March 27, 2013 at 6:30 p.m. – Council Hears Planning & Zoning Matters
  - c) **Possible approval of recommendations to move the monies in the LGIP-HURF (#91826) account into the LGIP-General account (#91825) and subsequently close the LGIP-HURF account.** Staff Resource: Mike Showers
  - d) **Possible approval of Resolution 2013-880, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona establishing the Mayor and Council Salary Amount and superseding Resolution 2002-511. The Mayor's salary is set at \$350 per month and the Council Salary is set at \$250 per month beginning July 1, 2013.** Staff Resource: Russ Martin
  - e) **Possible award of contract to Centennial Contractors Enterprises, Inc. (Mohave JOC #9D-CENT-0902) for the renovation of Heritage Swimming Pool and authorizing the Mayor to execute the contract in the amount of \$95,400.70 to resurface the pool.** Staff Resource: Ron Long
  - f) **Possible approval of the budget calendar for FY 2013-14.** Staff Resource: Mike Showers
5. **Special Announcements & Presentations**
  - **Possible approval of a proclamation proclaiming support for the "Prescription Drug Abuse Reduction Initiative."** Staff Resource: Marshal Gardner
  - **Welcome to New Businesses:**
    - ❖ **Copperstate Wall Systems, LLC – Peoria**
    - ❖ **Anasazi Creations Jewelry – Camp Verde**
    - ❖ **Red Rock Masonry, Inc. – Cornville**
    - ❖ **Verde Valley Tile, LLC – Cornville**
    - ❖ **Ledic Management Group LLC – Memphis, TN**
    - ❖ **Time Petefish & Sons Construction – Camp Verde**
    - ❖ **Granite Creek Vineyards, LLC – Chino Valley, Special Event**
    - ❖ **Javelina Leap Winery – Cornville, Special Event**
    - ❖ **Page Springs Cellars – Cornville, Special Event**
    - ❖ **Oak Creek Vineyard & Winery – Cornville, Special Event**
    - ❖ **Kokopelli Winery – Chandler, Special Event**
    - ❖ **Fire Mountain Winery, LLC – Cottonwood, Special Event**

- ❖ Carlson Creek Vineyard, LLC – Willcox, Special Event
- ❖ Caduceus Cellars, LLC – Jerome, Special Event
- ❖ Burning Tree Cellars, LLC – Cottonwood, Special Event
- ❖ Bittercreek Winery – Mesa, Special Event
- ❖ Arizona Stronghold Vineyards – Cottonwood, Special Event
- ❖ Alcantara, LLC – Cottonwood, Special Event
- ❖ Gallifant Cellars – Peoria, Special Event
- ❖ Damage Control Builders, LLC – Mesa
- ❖ Burden Electric, LLC – Globe

6. **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.
7. **Call to the Public for items not on the agenda.**
8. **Discussion, consideration, and possible appointment of a member to the Board of Adjustments and Appeals. The term expires in January 2016. The applicant for the position is former Council Member Alan Buchanan. Staff Resource: Debbie Barber**
9. **Update by Michael Mandell from Marathon Consulting Group regarding Highway 260 projects. Staff Resource Russ Martin**
10. **Presentation, followed by discussion, consideration, and possible acceptance of the FY11-12 Audit. Staff Resource: Mike Showers**
11. **Presentation and possible discussion of the report and update on the activities of the Verde Valley Archaeology Center.**
12. **Discussion, consideration, and possible authorization for the Town to enter into a 5 year Lease/Purchase agreement with US Bank for the purchase of patrol and other department vehicles and equipment up to a total amount of \$770,000.00. Staff Resource: Mike Showers, Nancy Gardner, Ron Long, Russ Martin**
13. **Discussion, consideration, and possible direction to staff relative to updates and requested action(s) concerning proposed legislation that affects the Town. Staff Resource: Russ Martin**

Councilor German requested the following item:

14. **Discussion, consideration, and possible direction to staff to include the Verde Valley Land Preservation Institute on the Council Committee Assignment List, and possible approval of membership fee up to \$100.00.**
15. **Call to the Public for items not on the agenda.**
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.
17. **Adjournment**

Posted by:

*J. Jones*

Date/Time:

*2-14-2013*

*11:00 a.m*

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.

4. a. 1

**DRAFT**  
**AGENDA**  
**REGULAR SESSION**  
**MAYOR AND COUNCIL**  
**COUNCIL CHAMBERS**  
**WEDNESDAY, FEBRUARY 6, 2013**  
**6:30 P.M.**

Minutes are a summary of the actions taken. They are not verbatim.  
Public input is placed after Council motions to facilitate future research.  
Public input, where appropriate, is heard prior to the motion

1. **Call to Order**

The meeting was called to order at 6:30 p.m.

2. **Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, George, Baker, Jones and German were present.

**Also Present:** Town Manager Russ Martin, Town Marshal Nancy Gardner, Finance Director Mike Showers, Library Director Kathy Hellman, Economic Development Director Steve Ayers, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper

3. **Pledge of Allegiance**

The Pledge was led by Hellman.

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) January 23, 2013 – Council Hear Planning & Zoning Matters
- 2) January 16, 2013 – Regular Session

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

- 1) February 20, 2013 at 6:30 p.m. – Regular Session
- 2) February 27, 2013 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 3) March 6, 2013 at 6:30 p.m. – Regular Session
- 4) March 20, 2013 at 6:30 p.m. – Regular Session
- 5) March 27, 2013 at 6:30 p.m. – Council Hears Planning & Zoning Matters

c) **Possible approval of applications for Wine Festival License/Wine Fair License for Alcantara LLC, Arizona Stronghold Vineyards, Bitter Creek & Jerome Winery, Burning Tree Cellar, Caduceus Cellar, Carlson Creek Vineyard, Fire Mountain Wines, Granite Creek Vineyards, Javelina Leap Estate Vineyard, Kokopelli Winery, Oak Creek Vineyard & Winery, Page Springs Cellars, and Gallifant Cellars. The applicants will participate in the Pecan and Wine Festival being held on February 15<sup>th</sup>, 16<sup>th</sup>, and 17<sup>th</sup>, 2013, to be held at 395 S Main Street. Staff Resource: Debbie Barber**

d) **Possible approval of renewal of a Facility Use Agreement between the Town of Camp Verde and Yavapai Community College for use of room 206/207 for dance lessons offered through Yavapai Community College. Staff Resource: Michael Marshall**

e) **Possible approval of recommendations to move the monies in the LGIP-HURF (#91826) account into the LGIP-General account (#91825) and subsequently close the LGIP-HURF account. Staff Resource: Mike Showers**

f) **Possible approval of Resolution 2013-882, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona adopting the Yavapai County Multi-Jurisdictional Hazard Mitigation Plan 2011. Staff Resource: Marshal Gardner**

g) **Possible approval of Resolution 2013-883, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona pertaining to certain exemptions for motor vehicles used by the Marshal's Office and superseding Resolution 2011-841. Staff Resource: Marshal Gardner**

**h) Discussion, consideration, and possible approval of a lease agreement with Verde Lakes Water Corporation for use of the neighborhood park/picnic area located at 2867 E. Verde Lakes Drive.**

Staff Resource: Russ Martin

On a motion by Kovacovich, seconded by Baker, the Consent Agenda was unanimously approved as presented, pulling Items 4.e), g) and h).

Councilor Baker requested that Item 4.e) be pulled; Councilor Whatley requested that Items 4.g) and h) be pulled for quick questions.

**4.e) Possible approval of recommendations to move the monies in the LGIP-HURF (#91826) account into the LGIP-General account (#91825) and subsequently close the LGIP-HURF account.**

On a motion by George, seconded by Baker, the Council **voted 5-2** to direct staff to investigate the issue further with the League or the Attorney, and bring it back at the February 20<sup>th</sup> meeting, with **Whatley and German opposed**.

Baker questioned whether the transfer of funds as requested would amount to co-mingling of funds. Finance Director Showers explained that the Town's accounting system provides for the separation of all cash in several bank accounts, and it is possible to determine how much of that cash consists of HURF funds. The subject HURF account was established for some well-intended reason; however, it has never had a balance of more than approximately \$8,000. Approximately \$500,000 in HURF funds are held in the General Fund cash account, and every day regular HURF expenses are being paid from the General Fund cash account. After further discussion, Showers said that he would double check with the League on the issue of possible co-mingling. He added, however, that during the past several years, three different pairs of auditors have approved the existing system. Even if it were found necessary to separate the HURF monies into another account, the subject LGIP account would not be a good place for the HURF money; if necessary, a new account would have to be opened. Showers for the record pointed out that the quarterly Financial Report lists every single bank account that exists, and shows the cash that the Town has, and the LGIP total. He added that the Town has a "Cadillac" system for keeping track of where everything is and who is owed what.

**4.g) Possible approval of Resolution 2013-883, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona pertaining to certain exemptions for motor vehicles used by the Marshal's Office and superseding Resolution 2011-841.**

**4.h) Discussion, consideration, and possible approval of a lease agreement with Verde Lakes Water Corporation for use of the neighborhood park/picnic area located at 2867 E. Verde Lakes Drive.**

On a motion by Whatley, seconded by George, the Council unanimously approved the Consent Agenda Items 4.g) and 4.h), with it being recognized on 4.h) that the Attorney has reviewed the document.

Whatley questioned why Item 4.g) was just a one-year agreement; Marshal Gardner suggested that the Resolution could be approved at this time; and she will check to see if a longer period of time would be possible. As for Item 4.h), Whatley asked if the agreement had been checked by the Town Attorney; Martin said it was created by the attorney, and the box indicating that will be properly checked.

**5. Special Announcements & Presentations**

Martin introduced Economic Development Director Steve Ayers who spoke briefly to thank the Council members for hiring him for the position and giving him their support. He said he would do everything to live up to their expectations, and looks forward to working with the Town on developing a strategic plan and goals.

**6. Council Informational Reports**

**German** said that she participated in the BeneVet Bowling Tournament, along with others from Town, a very successful event. She also attended the 25-year celebration of the Camp Verde Adult Reading Center.

**George** reminded everyone of the Education Foundation Chili Cook-Off coming up on February 19<sup>th</sup>.

**Baker** said she also attended the BeneVet event, and the Adult Reading anniversary celebration.

**Burnside** reported that, together with Martin and Ayers, he attended the meeting at the Cottonwood Recreation Center, where various civic non-profit and concerned groups came together for the purpose of coordinating plans and making commitments by communities and leaders in the Verde Valley, and keeping the public informed.

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

(Comments from the following individuals are summarized.)

**Adrienne Martin**, from the Yavapai County AmeriCorps project, reported on the recent successful Martin Luther King event that included community services performed by volunteers, and especially thanked Councilors Jones, Whatley, Baker and George for their participation.

**Steve and Barb Goetting** offered a reminder of the upcoming Pecan & Wine Festival scheduled for February 15 through 17; volunteers will be appreciated.

There was no further public input.

8. Discussion and consideration of options and possible approval of the final scope of a new library and authorization to pursue adequate funding for that determined scope. Staff Resource: Kathy Hellman  
On a motion by German, seconded by Baker, the Council unanimously directed staff to pursue Option 1, approval for the Town Manager, Russ Martin and Town Finance Director, Mike Showers to pursue a \$1.8 million 20-year loan from the lending source they deem best for a single phase, 17,000 square foot, 2-story library building project.

Library Director Kathy Hellman opened her Power Point presentation with special recognition of Joel Westervelt and Linda Harkness for their work and dedication to the project; a drawing of the possible appearance of the proposed facility was displayed. Ms. Hellman reviewed in detail examples of how urgently more space is needed for ongoing classes and activities now being conducted in the middle of chaos at times because of the crowded conditions. She said that access to State grants, technology, training and expertise is readily available, but the lack of space is a crucial deterrent. Ms. Hellman cited examples of how a well-designed and efficient library can play a significant role in supporting the cultural, educational and economic growth of the community. In response to a question, Ms. Hellman said she has definitely had an input on the proposed plans and pointed out on the draft rendering some of the features and possibilities she had discussed with the architect.

Joel Westervelt, Architect, reviewed the suggested building design and the process through which it is being refined based on meetings with the library committee. He pointed out that the design uses simple economical forms, reminiscent of early agricultural buildings in the Verde Valley. Some of the design features incorporate Verde River rock and reclaimed wood timbers. Westervelt displayed the site plan showing the proposed building placement that would minimize the water flow from a flood event. He also reviewed discussions with the library staff and fund-raising groups and their consensus that a 10,000 sq. ft. building would be outgrown in about five years. Westervelt said it was agreed that a 17,000 sq. ft. two-story building, keeping the same footprint as the 10,000 sq. ft. building, and with the upper level unfinished, would only cost approximately \$400,000 more. There was some discussion and suggestions regarding the placement of the footprint of the building and the parking options. Burnside discussed with Westervelt

addressing possible access to the existing Park for children's programs, and possibly eliminating Moser Road. Westervelt said that has been discussed with Jenkins and Public Works Director Ron Long.

Linda Harkness reviewed the background of determining the space needs for a new library, the cost-savings between constructing a single-story steel building, which would cost \$21 a sq. ft., and the addition of the second story that would cost \$24 a sq. ft., a 16% increase in cost and 70 percent increase in square feet. Ms. Harkness outlined the significant donations and fund-raising efforts over the past years; the community has raised privately approximately \$1.3 million to support the new library, which shows a huge demand and desire for it. Ms. Harkness said that she is asking that the Council consider the request for the \$1.8 million funding.

#### **PUBLIC INPUT**

(Comments from the following individuals are summarized.)

**Charlie German** said he is excited about the proposal, and pointed out the presence of John Jenkins in the audience, who was on the Library Board during the construction of the first site.

**Bob Johnson** said the library has been very important to him during his 14 years in Camp Verde; it is obvious that the library is too small for this community; a new one is needed.

**Adrienne Martin** said she is a 22-year-old Camp Verde native who has used the library through the years; as a teenager there was no more pull since there has been no niche for them; having that safe haven of learning available to teenagers is important.

**David White** said he would like to see a re-orientation of the building, rather than ending up with the back doors facing everybody on Black Bridge, as well as changes to the parking and roadway plans.

**Karen Heuman**, a former Library Advisory Commission member, and a member of CCCVL and participant in fund-raisers, urged the Council to go for the extra \$400,000 and plan for a second story.

**Linda German** said she has also been involved in CVLE and the book sales; and told how a former Council six or seven years ago had said to go ahead and raise funds for a new library; the money has now been earned and it is time to move forward.

**Gerry Laurito**, a member of the library staff, said that they are aware of the needs of the community and are eager to do something about them, and ask for the tools to do something about it with the 17,000 sq. ft. building.

**Steve Goetting** said the Chamber looks at the library as one of the places to use for shared business services and conference space; a library in many communities is an incubator for small businesses, and is important for economic development.

There was no further public input.

There was further discussion with Westervelt on the issue of the library next to the Park, and possible placement of the building overlooking the Park; he confirmed that the library location is absolutely in the flood plain. Westervelt clarified the estimated time line for the construction of the base structure and then the unfinished second story. The intent is to finish out the lower floor, the 10,000 sq. ft., with the super structure for the second floor that will be sealed off until a Certificate of Occupancy is received. Burnside expressed his concern regarding where the money for the 17,000 sq. ft. building will be coming from, and asked if the value of the two properties not yet sold would be used to support a commitment from the General Fund to help offset the costs of construction, with the proceeds from the sale of the properties then designated back

to the General Fund. And many related costs have not yet been identified. Town Manager Martin then gave a breakdown of the estimated cost, the amount of a loan, the cash and assets on hand, and acknowledged the concern about where the actual cash for the \$2.4 million is coming from to pay the bill on move-in day, and the options requiring financial decisions. Martin said that he and the Financial Director will do whatever the Council is asking them to do from this point forward; how much they should try to borrow, and how the Council views coming up with the cash difference for a \$2.4 million construction bill. Burnside said that in his opinion, surety is absolutely needed, and there absolutely must be consideration for run-overs. Whatley reminded everyone that if this project is approved, donations may be coming in heavier when the construction actually commences. In response to further questions, Martin said that once staff has direction, the loan will be negotiated, including researching the possibility of USDA funding in the coming weeks. Martin added that the process will involve holding neighborhood meetings, finalizing the design, applying for a Use Permit, review by the Planning & Zoning Commission, and then approval by the Council.

**A recess was called at 8:18 p.m.; the meeting was called back to order at 8:28 p.m.**

9. **Discussion, consideration, and possible approval to appropriate monies to the Chamber of Commerce in the amount of \$7,500 to repay fees plus interest that the Chamber paid to assist in the purchase of the Oasis Road property located at the intersection of SR 260 and Oasis Road. Staff Resource: Russ Martin**

On a motion by Burnside, seconded by Kovacovich, the Council **voted 6-1** to follow the recommendation on the high side of the dollar amount, recommended by the Attorney, which is \$5,000; with **Whatley opposed**.

Martin explained that the request follows his recent conversations with the Chamber of Commerce regarding how previous Chamber leadership had discussed the issue with him even more months ago. Martin said he feels that the commitment made by the Town at the time of the purchase of the property is one that both entities and the community would like to keep. It is well documented that use of the property goes to the benefit of the visitors and the economic aspects of the Town. As also suggested by the Attorney, Martin said, for the record, that this property has been and always will be owned by the Town of Camp, until such day as the Town decides to sell it or use it as intended. The Chamber at the time of purchase put in \$2500, and subsequently the Town offered to lease the property to the Chamber for a Visitors Center for \$1 a year, an offer with which the Chamber did not follow through. The Chamber has indicated a need for funds, and Martin said he believes that this is a good time to consider paying a reasonable amount of money back to the Chamber, with clarity. The Attorney has proposed that simple interest is the only real way to be able to suggest some level of pay-back to the Chamber, as a good gesture on the part of both entities. Any amount above that simple pay-back provision needs to qualify for the Gift Clause. The Attorney has suggested that simple interest on the \$2500 would result in a compounded amount of \$4,000-\$5,000. Martin said he would recommend an amount of \$7500. Martin said that he would work with the Chamber to demonstrate in written form the use of those dollars above the \$5,000, and how they should be benefiting the citizens and residents of Camp Verde.

Steve Goetting, Chairman of the Chamber Board, presented the view of the Chamber of Commerce regarding the subject request for funds, saying that he believes that the proposed number is a fair analysis, he looks forward to the Chamber being a good partner. Stephanie Peterson added that the Chamber of Commerce is having questionable budget issues right now, and having the funds available would help the Chamber and the community.

The Council members discussed with Goetting the history of the contribution of the \$2500, which Burnside pointed out that the Town formally accepted at that time as a donation, the offer of the lease back, the expectations of the Chamber as well as the Town, and the request for return of the money, plus simple interest. Burnside said that the records of actions taken through the years consistently show that the funds were a donation, or a commitment, but at no time was the money identified as an investment, or a request

for a percentage of ownership of the property. Burnside suggested that the Chamber research the records, and if it is found that costs have been incurred in connection with the proposed lease, the Town would reimburse the Chamber for those costs, less the \$2500. Burnside added that to come to the Town and use that contribution as a lever and add a value to it, plus an interest rate on it, is difficult for him to contemplate, as an individual. Goetting said the Chamber has needs and issues at this time, and it is time to move on and work in good faith with the community and business leaders, and try to find a simple solution, and clarify the understanding regarding the property. Whatley added that some pay-back would clear the books so the Chamber knows where it stands, that it has no involvement in the property, and the Town knows where it stands. Baker noted that for years the Town has been supporting the Chamber with significant funding. German said she hopes that it is made perfectly clear that the Chamber has never had any legal right to the title to the property, and that the misconception that the Town reneged on a commitment to the Chamber also be totally cleared.

There was some further discussion of the requested \$7500 and the amount above the \$5,000 suggested by the Attorney possibly being subject to the Gift Clause and requiring documentation as a benefit to the public.

10. **Possible approval of Resolution 2013-880, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, establishing Council salary amount (\$250 per month) and superseding Resolution 2002-511.**Note: the salary increase will become effective July 1, 2013. Staff Resource: Russ Martin

On a motion by Whatley, seconded by Baker, the Council **voted 5-2** to direct staff to change the Resolution to include Mayor's salary of \$350, Council at \$250; with **German and George opposed**.

Martin said that this item was previously discussed; however, he explained that there has traditionally always been some added compensation for the responsibilities of the offices of Mayor and Vice Mayor, and now would be the time to address that situation. The Council discussed increasing the compensation for the Mayor, acknowledging the added duties and extra expenses faced while serving in that office, and it was suggested that the amount be set at \$350 to recognize those added responsibilities. Town Clerk Barber said that if staff is directed to make a change as discussed, she will correct the Resolution and bring it back to the next meeting on the Consent Agenda.

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

(Comments from the following individual are summarized.)

**Brad Gordon** referred to the role of Economic Development Director, and asked if a cost-benefit analysis had ever been done in connection with that position; that should be researched at least every couple of years to see what kind of return is received from that investment. Mr. Gordon urged the Council to be more aggressive in publicizing the effort to acquire the Sanitary District and the benefit of doing so. He also commented on the available Cottonwood datum and future engineering projects close to the Town's border, and the proposed donation of survey equipment to the Archaeological Center.

There was no further public input.

12. **Manager/Staff Report**

Martin reported on releasing the current IT consultant and the transition to the new consultant; further details will be reviewed at a subsequent meeting. The incubator report has recommended not moving forward with a project at this time; the report will be made available to the Council in the coming week. Martin gave an update on the creation of the publicity pamphlet that has also been reviewed by the Attorney. Martin suggested considering holding an open house for public participation and education. Martin said he would be attending the ACMA, the Managers Conference in the Village of Oak Creek. He said he will also be in contact with some legislators after an Economic Development in Prescott Valley, and noted that there is little news regarding legislative issues.

13. **Adjournment**

On a motion by Burnside, seconded by Kovacovich, the meeting was adjourned at 9:30 p.m.

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Bob Burnside, Mayor

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Margaret Harper, 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 the 6<sup>th</sup> day of February 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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Debbie Barber, Town Clerk

402

**DRAFT MINUTES  
CIP WORK SESSION  
MAYOR AND COUNCIL  
COUNCIL CHAMBERS · 473 S. Main Street, Room #106  
WEDNESDAY, JANUARY 30, 2013  
4:30 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 Burnside called the meeting to order at 4:30 p.m.

2. **Roll Call**

Mayor Burnside, Vice Mayor Bob Kovacovich, Councilors, Jackie Baker, Robin Whatley, Bruce George, and Carol German were present. Councilor Jessie Jones arrived at 4:32 p.m.

**ALSO PRESENT**

Town Manager Russ Martin, Town Clerk Debbie Barber, Public Works Director Ron Long, Finance Director Mike Showers, Marshal Nancy Gardner and Administrative Assistant Stephanie Sunstrom.

3. **Pledge of Allegiance**

Mayoral candidate Charlie German led the pledge.

4. **Discussion, consideration and possible direction to staff regarding possible changes to the Draft 2013-2018 5-year Capital Improvements Plan and preparing for adoption at a future meeting.** Staff

Resource: Russ Martin

Martin advised that there were many projects on the list. He asked for Council direction and prioritization of the projects listed, as there were more projects than funds. He advised that the final draft would reflect what they want done. He also advised that staff is available to answer any questions they might have. It was suggested that if questions are asked of staff that staff forward the answers to all Council members so that they are all on the same page. There was much discussion about the Equestrian Facility. It was agreed that installing a trailhead and waiting on the Equestrian facility would be a better idea at this time.

Martin noted requests for remodeling from the Clerk's Office for new Council Chambers and records room, the Court for new offices, and the weight room. Martin suggested that a plan should be developed for the best use of all of the campus buildings before investing in more remodeling costs. He said that it was important to look at the long-term uses of the facilities. He suggested putting off these requests for at least two years.

Council members were concerned with the current storage area for the Town's records and some felt that this should be a priority. Martin advised that there was an alternate plan that would suffice for the near term and that Council would see changes in the Admin Office, noting that the lobby area would likely go away.

Council agreed that a new sound system was a priority.

Council agreed that more discussion was needed concerning the Public Works Administration building use and the other proposed remodels.

Council agreed that the Public Transit System should be moved from Fiscal Year 2015/2016 to Fiscal year 2013/2014.

There was much debate about the Parks and Rec projects and the need for planning that involve public participation. It was agreed that the Urban Trails name should be changed to "Trail Systems".

Mayor Burnside suggested developing a Town wide Storm Water Management Plan. Ron Long advised that

this has already been done.

5. **Discussion, consideration and possible direction to staff regarding possible financing options for Capital Improvements.**

Martin advised that it is relatively inexpensive to borrow money right now. He also advised that Council members really look at the list of projected ideas and take into consideration the number of years the Town will be paying for these plans. He encouraged the Council to ask questions of the Staff in these areas to gain a good understanding of everything that is involved in the proposed projects.

6. **Adjournment**

On a motion by Jessie Jones, seconded by Jackie Baker the meeting was adjourned at 6:47 p.m.

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Bob Burnside, Mayor

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Stephanie Sunstrom, 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 Work Session of the Town Council of Camp Verde, Arizona, held on the 30<sup>th</sup> day of January 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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Debbie Barber, Town Clerk

H.C



Town of Camp Verde

**Agenda Item Submission Form – Section I**

**Meeting Date:** February 20, 2013

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation       Special Session

**Requesting Department:** Finance

**Staff Resource/Contact Person:** Mike Showers

**Agenda Title (be exact):** Possible approval of Recommendations to move the monies in the LGIP-HURF (#91826) account into the LGIP-General account (#91825) and subsequently close the LGIP-HURF account .

**List Attached Documents:** None

**Estimated Presentation Time:** N/A

**Estimated Discussion Time:** N/A

**Reviews Completed by:**

- Department Head:                       Town Attorney Comments:

Finance Review:     Budgeted     Unbudgeted     N/A

**Finance Director Comments/Fund:**

**Fiscal Impact:** No fiscal impact.

**Comments:** Both the League of Cities and our attorney has stipulated that we do not have any problems keeping cash in single accounts as long as we account for the funds separately. We are not comingling funds. It can be further stated that we keep the funds together for operational investment efficiencies. We do not use HURF funds to pay for any general fund expenses and interest is allocated based on the respective balances.

**Background Information:** This item was presented to council originally on 2/06/13. Council requested verification of a non-comingling of HURF funds. Verification has been received as per the comments section above. As stated before, the LGIP-HURF account has no purpose at this time. Our software successfully tracks the value of HURF funds in our accounts. The balance at January 31, 2013 was \$8,624.12.

**Recommended Action (Motion):** Approve the closure of the LGIP account number 91826 with all monies transferred into the main LGIP account 91825.

**Instructions to the Clerk:** N/A



**RESOLUTION 2013-880  
SUPERCEDING RESOLUTION 2002-511**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE  
TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,  
ESTABLISHING MAYOR AND COUNCIL SALARY AMOUNT  
AND SUPERCEDING RESOLUTION 2002-511**

**WHEREAS**, ARS §9-232.01 allows for compensation or salary for Mayor and Council members;  
and

**WHEREAS**, Resolution 2002-511 established Council salary at \$50.00 per month in October 2002; and

**WHEREAS**, it is necessary to ensure that Council members receive minimal remuneration for the performance of their duties associated with their positions as the governing body and representatives of the Town of Camp Verde;  
and

**WHEREAS**, it is necessary to ensure that potential Council candidates are not discouraged from running for office due to expenses that might be related to the position;

**NOW THEREFORE**, the Mayor and Common Council of the Town of Camp Verde hereby resolve that the Mayor will receive a salary of three-hundred and fifty dollars (\$350) and Council members will receive a salary of two-hundred and fifty dollars (\$250) per month beginning July 1, 2013.

**ADOPTED AND APPROVED** by a majority vote of the Mayor and Common Council at the regular meeting of February 20, 2013.

\_\_\_\_\_  
Mayor Bob Burnside

Attest:

\_\_\_\_\_  
Town Clerk Deborah Barber

Approved as to form:

  
\_\_\_\_\_  
Town Attorney



Town of Camp Verde

**Agenda Item Submission Form – Section I**

**Meeting Date: February 20, 2013**

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation

**Requesting Department: Public Works/ Maintenance Division**

**Staff Resource/Contact Person: Ron Long**

**Agenda Title (be exact):** Discussion, consideration and possible award of contract to Centennial Contractors Enterprises, Inc (Mohave JOC No. 9D-CENT-0902) for the renovation of Heritage Pool and authorizing the Mayor to execute the contract in the amount of in the amount of \$95,400.70

**List Attached Documents:** Agreement – 17 Pages

**Estimated Presentation Time:** Consent Agenda

**Estimated Discussion Time:** Consent Agenda

**Reviews Completed by:**

**Department Head:** Ron Long       **Town Attorney Comments:** Agreement approved within one year

**Finance Department**

**Fiscal Impact:**

**Budget Code:** 03-420-20-751600      **Amount Remaining:** \$94,000

**Comments:** This project was included and approved in the 2012/2013 CIP Budget. The additional available \$1,400.70 necessary for this project will be available in the CIP account INSULLATION. #03-420-20-751000

**Background Information:** The pool was completed in 1996; other than routine maintenance and cleaning, a new pool cover, and a recent upgrade of the showers, little has been expended to keep the facility updated and the materials preserved. The Heritage Pool is now over 16 years old and has been in need of resurfacing for several years. The pool's plaster surface is worn through in numerous places; exposing the structural concrete underlayment which can cause abrasions and cuts on the swimmers exposed skin. Furthermore there are areas where the reinforcement steel in the concrete is exposed or near the surface and leaving rust deposits. The worn condition of the plaster is exposing the pool's structural shell to corrosive pool chemicals thus compromising the structural integrity of the pool's shell. The worn surface also promotes algae growth by giving it a rough surface to cling to making it very difficult to clean the pool. A new plaster surface will protect the structure, provide a smooth and safer surface for swimmers, help prevent algae from growing, and improve cleaning of the pool.

In addition to resurfacing the pool; handrails, lighting, tile, electrical, and updated safety items (ADA compliance, motor disconnect, the drain grate, and emergency shut-off) need to be installed, replaced or repaired at the same time. Because of the numerous tasks, time sensitive scheduling, monitoring and inspections of the different trades; Staff recommends the utilization of a Job Order Contractor through Mohave. The Job Order Contractor will provide project management and oversight of the subcontractors, labor, materials, and supplies for the resurfacing and needed upgrades to the pool. On behalf of the Town of Camp Verde, the Public Works Director will approve submittals of materials and equipment and receive manufacturer warranties for the completed work.

Utilizing the Mohave contract will free engineering and maintenance staff to complete other projects in our parks, infrastructure and facilities and deliver a quality pool resurfacing project.

***Recommended Action (Motion):*** Move to approve the Agreement with Centennial Contractors in the amount of \$95,400.70 and authorize the Mayor to execute JOC 09 CENT-0902 as presented

***Instructions to the Clerk:*** Obtain signatures from Mayor and Contractor

**Town of Camp Verde**  
**395 S. Main Street, Camp Verde, AZ 86322**



**Public Works Department**  
**Heritage Pool Renovation**

**TOWN OF CAMP VERDE**

**Ron Long, Public Works Director**  
**928-554-0820 Fax: 928-567-1540**  
**[deb.ranney@campverde.az.gov](mailto:deb.ranney@campverde.az.gov)**

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***Town of Camp Verde – Public Works Department***  
*Heritage Pool Renovation*

## **AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_day of \_\_\_\_\_, by and between the Town of Camp Verde, Yavapai County, State of Arizona (herein called the "**Town**") acting herein by the **Mayor, Bob Burnside**, and Common Council, party of the first part, and Contractor, **CENTENNIAL CONTRACTORS ENTERPRISES, INC.** (hereinafter called the "**CONTRACTOR**") party of the second part.

WITNESSETH THAT:

The Town of Camp Verde desires to engage the CONTRACTOR to render construction services for the Heritage Pool Renovation in Camp Verde, Arizona.

**1. Work**

CONTRACTOR shall complete all work as specified in the Delivery Order Proposal and Work Plan and set forth in detail in Exhibit "B" attached and incorporated in this Agreement. CONTRACTOR shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. CONTRACTOR shall be responsible for, and in full control of, the work of all such personnel.

**2. Access to Information**

It is agreed that all information, data reports, records as exist, available and necessary for carrying out of the work outlined in detail in Exhibit "B" have been furnished to the CONTRACTOR by the Town and its agencies. CONTRACTOR hereby acknowledges receipt of same. No charge will be made to the CONTRACTOR for such information and the Town and its agencies will cooperate with the CONTRACTOR in every way possible to facilitate the performance of the work described herein.

**3. Project Manager - Administration**

The Town of Camp Verde has designated the Public Works Director, Ron Long P.E., as Project Administrator; Project Management will be facilitated by Centennial Contractors Enterprises Inc. under Mohave JOC Contract No. 9D-CENT-0902 The Project Manager shall perform all functions as required for management of the project.

**4. Agreement Times**

The work will be completed and ready for final payment within **90** calendar days of the date in the Notice to Proceed.

**5. Compensation**

The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed: Ninety Five Thousand Four Hundred Dollars and seventy cents (\$95,400.70) Originals of the Applications for Payment are to be submitted to:

**The Town of Camp Verde  
Attention: Public Works  
395 S. Main Street  
Camp Verde, AZ 86322**

The Project Administrator shall verify completion of all work as outlined in Exhibits "A and B".

**6. Termination of agreement**

- a. If, for any reason, the CONTRACTOR shall fail to fulfill in a timely and proper manner his/her obligations under this agreement, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this agreement, the Town of Camp Verde shall thereupon have the right to terminate the agreement by giving written notice to the CONTRACTOR of such termination and specifying

the effective date thereof. In such event, all finished or unfinished site or structural improvements as well as all materials or equipment acquired or stored by the CONTRACTOR under this agreement shall, at the option of the TOWN, become Town of Camp Verde's property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the TOWN for damages sustained by the Town of Camp Verde by virtue of any breach of the agreement by the CONTRACTOR, and the Town of Camp Verde may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due the Town of Camp Verde from the CONTRACTOR is determined.

- b. The Town of Camp Verde may terminate this agreement at any time by giving at least ten (10) days' notice in writing to the CONTRACTOR. If the agreement is terminated by the TOWN as provided herein, the CONTRACTOR will be paid as provided in the Addendum for the time expended and expenses incurred up to the termination date. If this agreement is terminated due to the fault of the CONTRACTOR, Paragraph 7.a hereof relative to termination shall apply.
- c. This agreement may be terminated as per A.R.S. §38-511, Conflict of Interest.

**7. Miscellaneous Provisions**

- a. This Agreement shall be construed under and in accordance with the laws of the State of Arizona, and all obligations of the parties created hereunder are performable in Camp Verde, Yavapai County, Arizona.
- b. This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement. In any case one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable said holding shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision and never been contained herein.
- c. Action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court including the appellate court, may adjudge reasonable as attorney fees.
- d. This Agreement represents the entire understanding of the TOWN and CONTRACTOR as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect This Agreement may be amended only by mutual agreement of the parties hereto in writing to be attached to and incorporated into this Agreement.

**8. Project Familiarity and Identification of Conflicts**

In order to induce the Town of Camp Verde to enter into this Agreement, CONTRACTOR makes the following representation:

- a. CONTRACTOR has familiarized himself/herself with the nature and extent of the agreement documents, work, site, locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance, or furnishing of the work.

- b. CONTRACTOR has given the Project Manager a written notice of all conflicts, errors, or discrepancies discovered in the agreement documents and the written resolution thereof by the Project Manager is acceptable to the CONTRACTOR.
- c. CONTRACTOR has examined and carefully studied the agreement documents and other related data identified in the bidding documents.
- d. CONTRACTOR is familiar with the satisfied as to all federal, state and local laws and regulations that may affect cost, progress, performance and furnishing of the work.

## 9. Insurance

The contractor shall procure and maintain, at Contractor's sole expense, until completion of the contract the following insurance coverages:

- a. General Liability: as shall protect the contractor and the Town from claims for bodily injury, personal injury, and property damage which may arise out of the nature of the work or from operations under this contract ***and names the Town of Camp Verde, AZ as an additional insured (with corresponding endorsement relative to the additionally insured indemnification) in connection with the contracting services as provided herein.***

The contractor shall have general liability coverage on a per project basis, per occurrence, and in comprehensive form.

At a minimum, the contractor shall provide general liability and excess general liability coverage in the following amounts:

Contractor shall provide limits of \$1,000,000 per occurrence/**\$2,000,000 per Aggregate**. As appropriate for specific contracts, contractor may have to provide excess coverage in an amount not less than \$2,000,000. For example: coverage may include \$1,000,000 per occurrence and \$2,000,000 aggregate as primary and \$2,000,000 excess.

- a. Workers' Compensation Insurance (Statutory): Contractor shall furnish to the Town with satisfactory proof that he or she has, for the period covered under the Contract, full Workers' Compensation coverage for all persons whom the contractor may employ directly, or through subcontractors, in carrying out the work contemplated under the contract, and shall hold the Town free and harmless for all personal injuries of all persons whom the contractor may employ directly or through subcontractors. Coverage Statutory, plus Coverage A: Each Accident, B: Each Employee and C: Disease, Each \$1,000,000. **Exception:** sign a waiver provided by the Town of Camp Verde relative to being a sole proprietorship without any employees.
- b. Commercial Automobile Liability: If you are driving for the Town – beyond your commute to our facilities, the contractor shall procure, and maintain, at contractor's sole expense, until the completion of the contract, coverage for any auto, including non-owned and hired autos, with a combined single limit of \$1,000,000 per occurrence (each accident) and names the Town of Camp Verde, AZ as an additional insured (with corresponding endorsement relative to the additionally insured indemnification) in connection with the contracting services as provided herein.

- c. **Property Insurance:** The contractor/consultant shall have property insurance for protection from claims or damages because of damage to or destruction of property including loss of use resulting therefrom in an amount not less than \$1,000,000. The Town shall be held harmless for any damage to the contractors/consultant's property and/or equipment during the course of executing the contract.
- d. The Contractor shall keep said policies in force for the duration of the Agreement and for any possible extension thereof. The policy shall not be suspended, voided, canceled or reduced in coverage for the duration of the Agreement and for any possible extension thereof without at least thirty (30) days' notice of cancellation of material change in coverage. Such notice shall be sent directly to Town of Camp Verde, 473 S. Main Street, Ste. 102, Camp Verde, AZ 86322, Attn: Risk Manager.
- e. All carriers shall be approved to write insurance in the State of Arizona and possess an A- or better A.M. Best rating.
- f. With the execution of this Agreement, prior to the Notice To Proceed, Issued, Contractor shall simultaneously furnish to the Town of Camp Verde any original Certificates of Insurance and corresponding endorsement(s) evidencing the required coverage to be in force on the date of this Agreement establishing that the contractor and all subcontractors have complied with insurance requirements previously stated.
- g. Contractor shall furnish to the Town of Camp Verde any renewal Certificates of Insurance and corresponding endorsement(s) evidencing the required coverage (if coverage has an expiration or renewal dates occurring during the term of this Agreement).
- h. The receipt of any Certificate of Insurance and endorsement does not constitute an agreement by the Town of Camp Verde that insurance requirements have been met.
- i. Failure of Contractor to obtain Certificates or other insurance evidence from other Contractors shall not be deemed a waiver by the Town of Camp Verde.
- j. The Contractor's liability under this Agreement is not in any way limited by the insurance required by this Agreement.
- k. Failure to comply with insurance requirements may be regarded as a breach of the Agreement terms.

**12. Indemnity**

CONTRACTOR agrees, to the fullest extent permitted by law, to indemnify, defend, save and hold harmless the Town of Camp Verde, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of CONTRACTOR or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court

decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Agreement, the Contractor agrees to waive all rights of subrogation against the Town of Camp Verde, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the Town of Camp Verde.

**13. Agreement Documents**

The agreement documents which comprise the entire agreement between the Town of Camp Verde and the CONTRACTOR concerning the work consist of the following:

- a. This Agreement including: Terms and Conditions: Exhibit "A"
- b. Delivery Order Proposal and Work Plan: Exhibit "B"
- c. Performance, Payment and other Bonds: The bidder to whom an award is made will be required to execute a Performance and Payment Bond, each in 100 percent of the amount of the bid.
- d. Certificate of Insurance and corresponding endorsements
- e. Notice of Award
- f. Notice to Proceed

IN WITNESSETH HEREOF, the parties have hereunto set their hands and seals.

Town of Camp Verde

\_\_\_\_\_  
*Mayor, Bob Burnside*

*Attest:*

\_\_\_\_\_  
*Town Clerk, Debbie Barber*

*CONTRACTOR: Centennial Contractors Enterprises Inc.*

\_\_\_\_\_  
Name/Title

**Exhibit "A"  
TERMS AND CONDITIONS**

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**1. Changes**

The Town of Camp Verde may request changes in the scope of the services of the AGREEMENT to be performed hereunder. Such changes, including any increase or decrease in the amount of the CONTRACTOR'S compensation, which are mutually agreed upon by and between the Town of Camp Verde and the CONTRACTOR, shall be incorporated in written amendments to this agreement.

**2. Personnel**

- a. The CONTRACTOR represents that he/she has, or will secure at his own expense, all personnel required in performing the services under this agreement.
- b. All of the services required hereunder will be performed by the CONTRACTOR or under his/her supervision and all personnel engaged in the work shall be fully qualified, authorized and permitted for such work under state and local law to perform such services.
- c. None of the work or services covered by this agreement shall be subcontracted without the prior written approval of the Town of Camp Verde. Any work or services subcontracted hereunder shall be specified by written agreement or agreement and shall be subject to each provision of this agreement.

**3. Assign ability**

The CONTRACTOR shall not assign any interest on this contact, and shall not transfer any interest in the same (whether by assignment or notation), without the prior written consent of the Town of Camp Verde thereto: Provided, however, that claims for money by the CONTRACTOR from the Town of Camp Verde under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the Town of Camp Verde.

**4. Payment**

A monthly estimate of work completed and materials delivered to the work site for the preceding month shall be made by the CONTRACTOR to the Town. Payment will be made to the CONTRACTOR, if in the opinion of the Town Project Administrator, the work progress and delivered materials are certified. The submittal estimate shall be deemed certified/approved for payment after seven days from the date of submission unless the Town's Project Manager issues a written finding setting forth any items not approved for payment. The Town shall retain 10% of the amount of each payment request as a guarantee for complete performance of the contract. When the contract is 50% complete the CONTRACTOR may request, and upon approval by the Project Manager, one-half of the retained amount shall be paid to the CONTRACTOR; thereafter 5% shall be retained from any subsequent payment requests providing the CONTRACTOR is making satisfactory progress. The remaining retention funds shall be paid to the CONTRACTOR within sixty days after completion of filing notice of completion of the contract.

**5. Copyright**

No report, plan drawing or other documents produced in whole or in part under this agreement shall be the subject of an application for copyright by or on behalf of the CONTRACTOR.

**6. Compliance with Local Laws**

The CONTRACTOR shall comply with all applicable laws, ordinances and codes of the State and Local and Federal governments, and the CONTRACTOR shall save the Town of Camp Verde harmless with respect to any damages arising from any tort done by the CONTRACTOR or representatives in performing any of the work embraced by this agreement.

**7. Compliance with Federal and State Laws**

CONTRACTOR understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The CONTRACTOR must also comply with A.R.S. § 34-301, as amended, "Employment of Aliens on DEPARTMENT NAME Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirement for Employees".

Under the provisions of A.R.S. §41-4401, CONTRACTOR hereby warrants to the Town that the CONTRACTOR and each of its Subcontractors ("Subcontractors") will comply with, and are agreementually obligated to comply with, all Federal Immigrations laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "CONTRACTOR Immigration Warranty").

A breach of the CONTRACTOR Immigration Warranty shall constitute a material breach of the Agreement and shall subject the CONTRACTOR to penalties up to and including terminations of this Agreement at the sole discretion of the TOWN.

The TOWN retains the legal right to inspect the papers of any CONTRACTOR or Subcontractor employee who works on this Agreement to ensure that the CONTRACTOR or Subcontractor is complying with the CONTRACTOR Immigration Warranty. CONTRACTOR agrees to assist the TOWN in regard to any such inspections.

The TOWN may, at its sole discretion, may conduct random verification of the employment records of the CONTRACTOR and any of the Subcontractors to ensure compliance with the CONTRACTOR Immigration Warranty. CONTRACTOR agrees to assist the TOWN in regard to any random verification performed.

Neither the CONTRACTOR nor any of Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the CONTRACTOR or Subcontractor establishes that is has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

**8. Business Operations in Sudan/Iran.**

In accordance with A.R.S. § 35-397, the Provider certifies that the Provider and its affiliates and subsidiaries do not have scrutinized business operations in Sudan or Iran. If the TOWN determines that the Provider's certification is false, the TOWN may impose all legal and equitable remedies available to it, including but not limited to termination of this Agreement.

**9. Interest of Members of the Town of Camp Verde Governing Body**

No member of the Governing body of the Town of Camp Verde and no other officer, employee, or agent of the Town of Camp Verde who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct, or indirect, in this agreement; and the CONTRACTOR shall take appropriate steps to assure compliance.

**10. Interest of CONTRACTOR and Employees**

The CONTRACTOR covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, which would conflict in any manner or degree with the performance of his/her services hereunder. The CONTRACTOR further covenants that no person having any such interest shall be employed in the performance of this Agreement.8

**Exhibit "B"**  
**Delivery Order Proposal and Work Plan**

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**Centennial**  
contractors enterprises, inc.

**PROPOSAL**  
**Contract: 09D-CENT-0902**

**Date:** 11/13/2012

**CCE#:** 71860-0276

**Title:** Camp Verde, AZ Swimming Pool Renovation

**Location:** Camp Verde, Arizona

**ALTERNATE PRICING METHOD**

**Pricing Summary:**

<u>Item:</u>	<u>Amount:</u>	<u>% of total:</u>
<b>Direct costs:</b>	\$ 59,400.00	62.26%
<b>General Conditions:</b>	\$ 17,819.15	18.68%
<b>Tax (including TERO if required):</b>	\$ 6,013.52	6.30%
<b>Bond:</b>	\$ 731.41	0.77%
<b>CCE Corporate G&amp;A:</b>	\$ 5,714.22	5.99%
<b>Profit:</b>	\$ 5,722.40	6.00%
<b>TOTAL:</b>	<b>\$ 95,400.70</b>	<b>100%</b>

Total performance time required: 90 Calendar days after Notice to Proceed

*Progress payments shall apply to this proposal for work in place and stored materials.*

**CENTENNIAL CONTRACTORS ENTERPRISES, INC.**

  
\_\_\_\_\_  
**Jared Lundy**  
**Project Manager**

*Proposal price is valid for 60 days from date of issuance*

**CENTENNIAL CONTRACTORS ENTERPRISES, INC.**  
JOC CONTRACT NO. 9D-CENT-0902

**DELIVERY ORDER PROPOSAL  
AND  
WORK PLAN**

---

**Project:** Camp Verde Pool Renovation

**Date:** 11/16/2012

**CCE #:** 71860-0276

**Location:** Camp Verde, AZ

**Estimated Construction Duration:** 120 Calendar Days  
(Excluding, Weather)

**Owner Rep:** Town of Camp Verde

**Renovation of Pool**

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**I. Scope of Work:**

**Design & Administration:**

1. Perform site investigations & programming meetings to develop project requirements.
2. Administrate all bidding, preconstruction, construction, & project completion activities.
3. Coordinate all construction scheduling to complete project within contract duration.

**Swimming Pool Demolition (Base Bid):**

1. Demo and Dispose of current pool plaster.
2. Demo and Dispose of current tile separating lanes.
3. Demo and Dispose of existing Handrails acting as entrance/exit to and from pool.
4. Demo and dispose of existing suction line next to existing water slide.

**Swimming Pool Renovation (Base Bid):**

1. Provide and Install Pool signage.
  - a.) Provide and Install Signs for pool depth.
  - b.) Provide and Install No Diving Signs.
  - c.) Provide and Install No Trespassing signs on surrounding fence area for liability issues.
2. Provide and Install new tile to separate pool lanes.
3. Provide and Install Brown Coating for existing Pool Rust Issues.
4. Provide and Install new pool plaster.
5. Provide and Install ADA safety hand rails and entrance/exit ramp to pool.
6. Provide and Install 2 new suction at area of slide per accordance with Virginia Baker Act.
7. Provide and Install electrical work to sub-panel- motor disconnect, and emergency shutoff.

**(Add Option:)**

1. Demo and Dispose of 4 existing pool lights \$2450.00

**(Add Options)**

1. Provide and Install 4 new under water LED pool lights \$5150.00
2. Provide and Install (or if applicable repair existing) surge tank for over fill of pool during on-peak/off-peak hours. \$8500.00
3. Provide and Install (or if applicable repair existing) auto fill valve for pool. \$6300.00
4. Provide and Install means to fix existing leaking gutter. (cannot determined till pool is demolition is complete)
5. Provide means and material to blast existing stainless steel gutter with eco-safe material to remove rust. \$8710.00
6. Provide means and material to thoroughly cleanse existing tile lip of pool where gutters do not cover. Cleanliness shall be aesthetically appealing to the owner's requirements. \$2300.00

**Site Work Seating Area (Add Option):**

1. Demo and Dispose of existing grass in picnic area. \$5750.00

2. Grade, Fill with sand, level and prep site for landscaping pavers. **\$3600.00**
3. Provide and install all necessary Pavers and materials for a fully functioning aesthetically appealing picnic area. **\$15500.00** (Based on 1,000sqft)

**Site Work Retaining Wall (Add Option):**

1. Demo and Dispose of current dirt surrounding pool. **\$3000.00**
2. Grade, Fill, Level, and prep site for retaining wall. **\$4550.00**
3. Provide and install all necessary retaining wall blocks and pavers for a functioning retaining wall lounge area surrounding existing pool. **\$16750.00**

**Assumptions & Clarifications:**

1. This proposal is not valid after 60 days from the date listed above.
2. Construction crews will have full access to Site during normal working hours.
3. All disruptive construction will be performed off-hours.
4. Access to site will be maintained at all times.
5. There are no hazardous substances at the work site.
6. Construction duration does not include design review, permitting or submittal approval.
7. All building materials will be submitted for approval prior to material procurement.
8. All work not clearly defined on the drawings or in this work plan will be considered a change in scope and priced separately.
9. Any additional work over and above the quantities mentioned above or in the attached estimate will be considered additional scope, and treated as a change order to the Owner Town of Camp Verde.
10. Town of Camp Verde personnel are not allowed to climb on, move, or otherwise use any CCE staging, scaffolding, or equipment without a CCE representative present. If Town of Camp Verde or their vendors do so they do so at their own risk.
11. Town of Camp Verde will provide safe, proper storage areas, onsite for tools, equipment, etc.
12. Final layout will be coordinated between the Town of Camp Verde, CCE, and the selected subcontractor.
13. Sufficient water and power will be available at all times.
14. Scheduled work based upon subcontractor availability and sufficient lead-time to mobilize and start.

**Exclusions:**

1. All permits and associated fees.
2. Relocation of existing utilities not specifically listed above including, but not limited to, electrical, plumbing, HVAC, sprinkler, etc.
3. Temporary Power
4. Utility charges and back-charges
5. Temporary Toilets.
6. Electrical power suitable for operation of small tools at 120 volts. Unless indicated otherwise.
7. Water.
8. Temp Lighting (unless indicated otherwise).
9. Unforeseen conditions.
10. Hazardous materials, removal or testing.
11. Roofing, Flashing, waterproofing
12. Stucco Patch or Paint
13. Fire Alarm work of any kind.
14. Inspection's

**II. TECHNICAL PLAN**

1. **Special or long lead-time equipment and materials:** Handicap Lift 4 week lead time.
2. **Interface with existing structure:** None
3. **Possible disruption to building personal and plans to minimize:** All construction activities will be approved by building managers before construction begins.

4. **Outages:** None expected during construction.
5. **Special training/Orientation Requirements:** None
6. **Work to be performed during non-normal hours:** None
7. **Outage Coordination:** All outages will be coordinated with building managers to minimize inconveniences.
8. **Safety Issues:** No one will be permitted in areas under construction.
9. **Special Issues:** None
10. **Special Security Requirements:** None
11. **Significant Milestones:** Notice to Proceed
12. **Hazardous Materials:** None expected, planned for nor priced in this proposal.
13. **Quality Assurance Considerations:** Industry Standard for this type of work All materials, equipment, & workmanship will be approved by submittal process. Manufacture warranties, construction bonds, & CCE project turn over procedures will be provided before owner occupancy.

### III. STAFFING PLAN:

**Project Manager:** Jared Lundy  
**Superintendent:** Ron Patterson  
**Field Engineer:** Zach Eggert  
**Safety & Quality Control:** Cesar Martinez

### IV. CONSTRUCTIBILITY & VALUE ENGINEERING SUGGESTIONS:

None at this time

**Centennial Contractors Enterprises, Inc.**

---

**Submitted By:** Jared Lundy  
Project Manager

**MOHAVE JOC CONTRACT NO. 9D-CENT-0902**

<b>Member</b>	Town of Camp Verde	<b>Date</b>	11/13/2012
<b>Project Title</b>	Camp Verde, AZ Swimming Pool Renovation	<b>CCE#</b>	71860-0276
<b>Project Location</b>	Camp Verde, Arizona	<b>Rate</b>	10.35%
<b>Select Tax Location</b>	Yavapai-Camp Verde	<b>Effective Rate</b>	6.728%

**Direct Project Cost**

Division/Specialty	#	Quote Summary		Selected Quote
		Subcontractor	Quote Amount	
1 - CSI Division (Selected Subcontractor)	1	Commercial Pool Repair	\$59,400.00	\$59,400.00
	2			
	3			
(INCLUDE AS DIRECTED BY OWNER) - Project Contingency	Project Contingency		% of Direct Cost	\$0.00
			0.00%	
<b>Subtotal 1 (Total Direct Project Cost)</b>				<b>\$ 59,400.00</b>
General Conditions (GCs) From Worksheet, Not To Exceed 28%				\$ 17,819.15
<b>Subtotal 2 (Direct Project Cost + GCs)</b>				<b>\$ 77,219.15</b>
General & Administrative Cost (G&A) 7.4% of Subtotal 2				\$ 5,714.22
<b>Subtotal 3 (Subtotal 2 + G&amp;A)</b>				<b>\$ 82,933.37</b>
Profit 6.9% of Subtotal 3				\$ 5,722.40
<b>Subtotal 4 (Subtotal 3 + Profit)</b>				<b>\$ 88,655.77</b>
Bond 0.825% of Subtotal 4 (Minimum \$300 Charge)				\$ 731.41
<b>Subtotal 5 (Subtotal 4 + Bond)</b>				<b>\$ 89,387.18</b>
Effective Tax Rate (65% of Construction Activities)				6.7275%
Tax				\$ 6,013.52
Tero Fee & Tribal Tax Rates				0.00%
Tero Fee & Tribal Tax				\$ -
<b>Grand Total (Subtotal 5 + Tax)</b>				<b>\$ 95,400.70</b>

\* Provide vendor name & explanation if low quote is not selected.

--

Cost Code	Item Description	% Utilization	Quantity	Unit of Measure	Unit Price	Total	Remarks
<b>Program Personnel</b>							
00611	Regional Operations Manager	3.82%	12	MO	\$ 2,785.01	\$ 1,276.65	Auditable program cost to total projected contract volume divided by project cost = volume utilization %
00611	Senior Site Representative	3.82%	12	MO	\$ 3,182.87	\$ 1,459.03	Auditable program cost to total projected contract volume divided by project cost = volume utilization %
00611	Safety Manager	3.82%	12	MO	\$ 1,974.83	\$ 905.26	Auditable program cost to total projected contract volume divided by project cost = volume utilization %
00611	Administrative Assistant	3.82%	12	MO	\$ 1,736.11	\$ 795.83	Auditable program cost to total projected contract volume divided by project cost = volume utilization %
<b>Project Personnel</b>							
00611	Project Manager	100.0%	65	HRS	\$ 50.59	\$ 3,288.22	To be actual direct unit cost (yearly salary) of employee utilized on project x unit quality
00611	Estimator	100.0%	40	HRS	\$ 50.00	\$ 2,000.00	To be actual direct unit cost (yearly salary) of employee utilized on project x unit quality
00611	Senior Superintendent	0.0%	0	HRS	\$ 49.48	\$ -	To be actual direct unit cost (yearly salary) of employee utilized on project x unit quality
00611	Superintendent	0.0%	0	HRS	\$ 44.60	\$ -	To be actual direct unit cost (yearly salary) of employee utilized on project x unit quality
00611	CQC Inspector	0.0%	0	HRS	\$ 39.06	\$ -	To be actual direct unit cost (yearly salary) of employee utilized on project x unit quality
00611	Field Engineer	0.0%	0	HRS	\$ 33.85	\$ -	To be actual direct unit cost (yearly salary) of employee utilized on project x unit quality
<b>Personnel Subtotal</b>						\$ 9,724.99	Total direct salary cost
<b>Personnel Burden @ 28%</b>						\$ 2,723.00	Burden cost at actual auditable % from corporate office burden (benefits paid)
<b>Personnel Total (Subtotal + Burden)</b>						\$ 12,447.99	
<b>Program General Conditions</b>							
00584	Local Office Expenses	3.82%	12	MO	\$ 8,702.14	\$ 3,989.06	Auditable program cost to total projected contract volume divided by project cost = volume utilization %
<b>Project General Conditions (Admin Fee Items)</b>							
00220	Site Visits / Scope Development - Pre Construction Services	0.0%	0	LS (Lump Sum)	\$ 150.00	\$ -	To be cost involved in scope and proposal effort - pre construction services
00320	Initial Surveys / Incidental Design	100.0%	1	LS	\$ 150.00	\$ 150.00	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00360	Permit applications	0.0%	0	LS	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00490	Project Documents Reproductions	0.0%	0	LS	\$ 50.00	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00500	Plans / Specs / Drawings /	0.0%	0	LS	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00501	As Builts/ O&M Manuals - Closeout Documents	0.0%	0	LS	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00503	Construction Photos	0.0%	0	MO	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00510	Badges & Clearances	0.0%	0	MO	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00510	Temporary Electric	0.0%	0	LS	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00511	Electricity Usage	0.0%	0	MO	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00512	Water Usage	0.0%	0	MO	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00513	Temporary Toilet Usage	0.0%	0	MO	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00517	Cellular / Mobile Service	0.0%	0	MO	\$ -	\$ -	To be actual cost or estimated value for project x unit quantity to complete project (if any)

00520	Cleaning Service/Final Clean	0.0%	0	SQFT	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00524	Trash Service - Tonnage	0.0%	0	TON	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00524	Trash Service - Rental	0.0%	0	MO	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00524	Trash Service - Dumps	0.0%	0	DUMP	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00530	Temp. Fences & Barriers	0.0%	0	MO	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00531	Materials	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00554	Small Tools	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00558	Vehicle Fuel & Maintenance	0.0%	0	MO	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00566	Building Permits	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00580	Project ID Signs	0.0%	0	EA	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00584	Field Office Expense	0.0%	0	MO	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00650	Safety Related -(Labor)	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00651	Safety Related -(Materials)	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00000	TBD	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00000	TBD	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00000	TBD	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00000	TBD	0.0%	0	LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
<b>Project General Conditions (Non-Admin Fee Items)</b>									
00562	Mileage Reimbursement	100.0%	540	MILES	\$	0.55	\$	297.00	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00565	Licensing & Permits	0.0%		LS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00570	Travel - Transport - Airfare	0.0%		EA	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00570	Travel - Transport - Car Rental	0.0%		DAYS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00571	Travel - Lodging	0.0%		DAYS	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00573	Travel - Meals	0.0%		EA	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00000	TBD	0.0%		EA	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00000	TBD	0.0%		EA	\$	-	\$	-	To be actual cost or estimated value for project x unit quantity to complete project (if any)
00702	Builders Risk @ .0003 of total	0.0%	0	LS	\$	0.0003	\$	26.73	To be auditable Insurance Cost
00703	General Liability @ .0025 of DC	0.0%	0	LS	\$	0.0025	\$	148.50	To be auditable Insurance Cost
<b>Mohave Admin Fee</b>									
General Conditions Items Subject To Admin Fee							\$	16,587.05	
Direct Construction Cost							\$	59,400.00	
Subtotal							\$	75,987.05	
00704	Mohave Admin Fee 1%					1%	\$	759.87	MOHAVE Fee Adminfeeable items
<b>Total General Conditions For This Project</b>									
<b>Adminfeeable General Conditions Total</b>							\$	<b>16,587.05</b>	

4 f.

**Town of Camp Verde  
Proposed Budget Calendar for FY 2013-14  
as approved by Council on February 20, 2013**

<b>Date</b>	<b>Task to be completed</b>
<b>Feb. 19th (Tues)</b>	Finance Department distributes budget worksheets and instructions to department heads.
<b>Feb. 20th (Wed)</b>	Brief Council and obtain approval of the budget calendar
<b>Mar. 25th (Mon)</b>	Dept. worksheets due to Finance Director
<b>Apr. 1st - 5th (Mon-Fri)</b>	Finance Dept. meets with Department Heads to review/discuss budget proposals.
<b>Apr. 22nd (Mon)</b>	Distribute draft budget with supplementary documentation to Council
<b>Apr 26th &amp; May 10th (Friday's)</b>	Council budget work sessions in Council Chambers. -Meet with Dept. Heads (8:00 a.m. - 11:00 a.m.)
<b>May 17th (Fri)</b>	Council budget review w/Town Mngr & Finance Director (8:00 a.m. - 11:00 a.m.) -Council Chambers
<b>June 19th (Wed)</b>	Council Meeting: Final revisions and Possible Adoption of Tentative Budget
<b>Jun 26th &amp; Jul 3rd (Wed)</b>	Budget advertisement in local newspapers & Website
<b>July 17th (Wed)</b>	Special session to receive public input
<b>July 17th (Wed)</b>	Council Meeting: Adoption of Final Budget

\*Please note that dates may change if necessary due to delayed information.



## PROCLAMATION

### **Prescription Drug Abuse Reduction Initiative Proclamation by the Town of Camp Verde**

**WHEREAS**, citizens of the city/town of Camp Verde: are affected by prescription drug abuse; and

**WHEREAS**, the U.S. Centers for Disease Control declared prescription drug abuse an epidemic with far reaching effects upon the citizens of the city/town of Camp Verde: impacting individuals, families, friends, adults and children alike, and

**WHEREAS**, it is estimated that 40 deaths per day nationwide are due to prescription drugs, exceeding the number of deaths related to heroin and cocaine combined and for the first time in history, drug poisoning deaths are the number one cause of accidental deaths in America.; and

**WHEREAS**, prescription drug abuse is directly associated with crimes against persons and property, physical illness, addiction, accidental death, economic loss, child abuse, destruction of families, driving while impaired and drug-related vehicular collisions; and

**WHEREAS**, the resources and capacity of the courts and detention system, hospital emergency rooms and providers of behavioral health services are severely stretched by the proliferation of prescription drug abuse within the city/town of Camp Verde.; and

**WHEREAS**, Prescription drug abuse as a community problem that is best addressed through a variety of strategies that bring together education, prevention, treatment and criminal justice resources in a coordinated, individualized approach; and

**WHEREAS**, Yavapai County has been selected by the Governor's Office for Children, Youth and Families and the Arizona Criminal Justice Commission to implement the Prescription Drug Reduction Initiative and whereas the city/town of Camp Verde: has united against prescription drug abuse in partnership with MATFORCE.

**WHEREAS**, under the Prescription Drug Abuse Reduction Initiative, Yavapai County and MATFORCE have implemented strategies to reduce prescription drug misuse and the consequences associated with this epidemic to improve the health of our communities and families; and

**NOW THEREFORE**, the Town of Camp Verde: proclaims support for the Prescription Drug Abuse Reduction Initiative.

**Issued this 20th day of February 2013.**

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**Bob Burnside, Mayor**

**Attest:**

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**Deborah Barber, MMC Town Clerk**

02/04/2013 11:14 AM  
LICENSES: 0002 THRU ZZZZZZZZZZ  
PAID STATUS: ALL  
LIC CODES: ALL

B U S I N E S S L I C E N S E L I S T  
SORTED BY: LICENSE NUMBER

ORIGINATI  
EFFECTI  
EXPIRATI

ID	CODE	NAME	MAILING ADDRESS	PROPERTY ADDRESS
2458	CONT	COPPERSTATE WALL SYSTEMS LLC	KIMBERLY MESSICK 8550 N 91ST AVE PEORIA, AZ 85345	
	COMMENTS:	BL060 - [REDACTED]		
2459	SERV	CAMP VERDE MVS LLC	LANA HOLCOMB, DVM PO BOX 4693 CAMP VERDE, AZ 86322	
	COMMENTS:	BL060 - [REDACTED]		
2460	RET	ANASAZI CREATIONS JEWELRY	SUSAN SHATREAU-JANISKY 630 DAKOTA DR CAMP VERDE, AZ 86322	
	COMMENTS:	BL060 - [REDACTED]		
2461	CONT	RED ROCK MASONRY INC	DALE A SPUDE 10990 E CORNVILLE RD STE A CORNVILLE, AZ 86325	
	COMMENTS:	BL060 - [REDACTED]		
2462	CONT	VERDE VALLEY TILE LLC	WAYNE & LAURIE WILSON PO BOX 1016 CORNVILLE, AZ 86325	
	COMMENTS:	BL060 - [REDACTED]		
2463	CONT	LEDIC MANAGEMENT GROUP LLC	SUZY M. CAZORT 2650 THOUSAND OAKS BLVD STE 3100 MEMPHIS, TN 38118	
2464	CONT	TIM PETEFISH&SONS CONSTRUCTIO	TIM PETEFISH 671 S 4TH ST CAMP VERDE, AZ 86322	
	COMMENTS:	BL060 - [REDACTED]		
2465	SPEC-V	GRANITE CREEK VINEYARDS LLC	1145 E GRANIT CREEK LN CHINO VALLEY, AZ 86323	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2466	SPEC-V	JAVELINA LEAP WINERY	1565 N PAGE SPRINGS RD CORNVILLE, AZ 86325	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2467	SPEC-V	PAGE SPRINGS CELLARS	1500 N PAGE SPRINGS RD CORNVILLE, AZ 86325	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2468	SPEC-V	OAK CREEK VINEYARD & WINERY	1555 N PAGE SPRINGS RD CORNVILLE, AZ 86325	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2469	SPEC-V	KOKOPELLI WINERY	35 W BOSTON ST CHANDLER, AZ 85225	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2470	SPEC-V	FIRE MOUNTAIN WINERY LLC	PO BOX 4120 COTTONWOOD, AZ 86326	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		

02/04/2013 11:14 AM  
 LICENSES: 0002 THRU ZZZZZZZZZZ  
 PAID STATUS: ALL  
 LIC CODES: ALL

B U S I N E S S L I C E N S E L I S T  
 SORTED BY: LICENSE NUMBER

ORIGINATI  
 EFFECTI  
 EXPIRATI

ID	CODE	NAME	MAILING ADDRESS	PROPERTY ADDRESS
2471	SPEC-V	CARLSON CREEK VINEYARD LLC	115 RAILVIEW AVE WILLCOX, AZ 85643	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2472	SPEC-V	CADUCEUS CELLARS LLC	PO BOX 905 JEROME, AZ 86331	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2473	SPEC-V	BURNING TREE CELLARS LLC	1040 N MAIN STREET COTTONWOOD, AZ 86326	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2474	SPEC-V	BITTER CREEK WINERY	7235 E HAMPTON #110 MESA, AZ 85209	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2475	SPEC-V	ARIZONA STRONGHOLD VINEYARDS	1019 N MAIN ST STE B COTTONWOOD, AZ 86326	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2476	SPEC-V	ALCANTARA LLC	PO BOX 64 COTTONWOOD, AZ 86326	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
2477	CONT	DAMAGE CONTROL BUILDERS LLC	GRIFFIN GOODMAN 422 S DREW MESA, AZ 85210	
	COMMENTS:	BL060 - [REDACTED]		
2478	CONT	BURDEN ELECTRIC LLC	EVA LOU BURDEN PO BOX 628 GLOBE, AZ 85502	
	COMMENTS:	BL060 - [REDACTED]		
2479	SPEC-V	GALLIANT CELLARS	7173 W WETHERSFELD RD PEORIA, AZ 85381	395 S MAIN ST
	COMMENTS:	BL060 - [REDACTED]		
TOTAL LICENSES:		22		



Town of Camp Verde

**Agenda Item Submission Form – Section I**

**Meeting Date: February 20<sup>th</sup> 2013**

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation

**Requesting Department:** Clerk's Office

**Staff Resource/Contact Person:** Debbie Barber

**Agenda Title (be exact):** Discussion, consideration and possible appointment of a member to the Board of Adjustment and Appeals, the term will expire January 2016.

**List Attached Documents:** Letter of Interest from Alan Buchanan for Board of Adjustments and Appeals

**Estimated Presentation Time:** N/A

**Estimated Discussion Time:** 5 Minutes

**Reviews Completed by:**

- Department Head: Debbie Barber       Town Attorney Comments: N/A
- Finance Department N/A

**Fiscal Impact:**

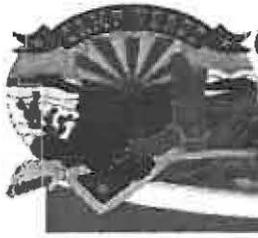
**Budget Code:** \_\_\_\_\_ **Amount Remaining:** \_\_\_\_\_

**Comments:**

**Background Information:** Currently there is one vacancies on the Board of Adjustment and Appeals. Staff has advertised and received one letter of interest from Alan Buchanan.

**Recommended Action (Motion):** Move to appoint Alan Buchanan to the Board of Adjustment & Appeals, for a term to expire January 2016.

**Instructions to the Clerk:** N/A – Oath of Office if necessary.



# Camp Verde, Arizona

## LETTER OF INTEREST

Name: ALAN BUCHANAN Date: 1-31-13

Home Address: 3470-S. HACIENDA LN. CAMP VERDE, AZ. 86322  
 Mailing Address, if different:

Email Address: HOMEINSPECT@COMMSPEED.NET  
 Home Telephone: 567-6551 Work Telephone: CELL 821-0834

Are you a resident of the Town of Camp Verde?  Yes  No  
 Do you own commercial property in the Town of Camp Verde?  Yes  No

Length of residency in the Town of Camp Verde: 12 YRS  
 Do you operate a business in Camp Verde?  Yes  No

Name and address of business (if applicable):

If you are not in business in The Town of Camp Verde, please list your occupation; or if retired, please indicate your former occupation or profession: CONTRACTOR/HOME INSPECTOR

Are you now serving, or have you ever served, on a Town of Camp Verde board or commission?  
 Yes  No If yes, please list names of board/commission and dates served:  
PRZ - TOWN COUNCIL

Board & Commission preference (s): Refer to the last page for a list of Boards & Commissions. List your choices in order of preference:

- |               |    |
|---------------|----|
| 1. <u>BOA</u> | 3. |
| 2.            | 4. |

### Education and Community Service

Schools Attended:	Degree:	Year:
<u>MORINE, ILL HIGH SCHOOL</u>	<u>YES</u>	<u>1965</u>

Civic Activities-Service Organizations	Office Held:	Year Begun:	Year Ended:
<u>V.V. CARE GIVERS</u>	<u>—</u>	<u>2011</u>	<u>PRESENT</u>
<u>HABITAT FOR HUMANITY</u>	<u>—</u>	<u>2012</u>	<u>PRESENT</u>

Please state why you would like to be appointed to a Town Board, Commission, or Committee: TO FURTHER SERVE CAMP VERDE

Have you ever been charged and convicted of a crime?  Yes  No  
 If yes please explain.

What do you believe is the key responsibility of Board, Commission or Committee member to: (a) The Town Council, (b) The citizens of Camp Verde (c) other Board, Commission or Committee members?

(a) RESPECT

(b) UNBIAS DECISIONS

(c) RESPECT

Please state the reasons why you feel you are qualified to serve on a Board, Commission or Committee: SEVERAL YEARS ON PYZ COMMISSION

ELECTED TO TOWN COUNCIL

LIFELONG CONTRACTOR

LICENSED THROUGH ARIZONA STATE BOARD OF

~~TECHNICAL~~ TECHNICAL REGISTRATION AS A HOME

INSPECTOR

Applications are kept on file for two years. During that time, your application will be considered when there is an opening for the Board or Commission for which you have applied. As a candidate to a Board, Commission or Committee, your name, address and telephone number will be available to the media and public.

Please notify the Clerk's Office at (928) 567-6631, extension 105 if you move or no longer wish to be considered for appointment.

If you have a current resume and/or certificate that may be applicable to your Board, Commission or Committee interest, please attach a copy to this application.

Mail or deliver your completed application to: Town of Camp Verde, Attn: Clerk's Office, 473 S. Main Street, Camp Verde, AZ 86322.

If appointed to a Board/Commission/Committee, I understand that Members of boards or commissions may be removed for cause including excessive lack of attendance, absences of three consecutive meetings or more than half of all scheduled meetings in any municipal year, or improper conduct as determined by the Mayor and Council.

Applicant's Signature: Alan Buchanan Date: 1-31-13

	Date:
Date Contacted & Invited to Appear before Council:	
Staff Contacting Individual	
Date Appointed by Council	
Board or Commission appointed to:	



Town of Camp Verde

**Agenda Item Submission Form – Section I**

**Meeting Date:** February 20, 2013

- Consent Agenda    
  Decision Agenda    
  Executive Session Requested  
 Presentation Only    
  Action/Presentation    
  Special Session

**Requesting Department:** Finance

**Staff Resource/Contact Person:** Mike Showers

**Agenda Title (be exact):** Presentation and possible discussion the Town of Camp Verde's FY12 Audit.

- List Attached Documents:** 1) Town of Camp Verde Annual Financial Report - June 30, 2012  
 2) Town of Camp Verde Report on Internal Controls – June 30, 2012

**Estimated Presentation Time:** 10 minutes

**Estimated Discussion Time:** 5 minutes

**Reviews Completed by:**

- Department Head:            
  Town Attorney Comments:

Finance Review:  Budgeted   
 Unbudgeted   
 N/A

Finance Director Comments/Fund:

**Fiscal Impact:** N/A

**Budget Code:** \_\_\_\_\_ **Amount Remaining:** \_\_\_\_\_

**Comments:**

**Background Information:** The annual financial review meets all required components for the Town's annual filing requirements. There are no significant findings in the audit. We received an unqualified opinion. Scott Graff from Colby & Powell, our auditing firm, will present the audit to Council.

**Recommended Action (Motion):** Acceptance of the Town of Camp Verde Annual Financial Report for June 30, 2012 and the Town of Camp Verde Report on Internal Control for June 30, 2012.

**Instructions to the Clerk:** N/A

# **The Town of Camp Verde, Arizona**

**Annual Financial Report  
For The Year Ended  
June 30, 2012**



**“Where the past meets the present.”**

**Issued by: Town of Camp Verde Finance Department**



## TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT .....	i
Required Supplementary Information – Management's Discussion and Analysis .....	iii
Government-wide Statements	
Statement of Net Assets .....	1
Statement of Activities.....	3
Fund Statements	
Balance Sheet.....	5
Reconciliation of the Balance Sheet to the Statement of Net Assets.....	6
Statement of Revenue, Expenditures, and Changes in Fund Balances.....	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	8
Fiduciary Fund Statement	
Statement of Fiduciary Fund Net Assets .....	10
Notes to Financial Statements .....	11
Required Supplementary Information	
Budgetary Comparison Schedules .....	31
Notes to Budgetary Comparison Schedules.....	36
Schedule of Agent Retirement Plans' Funding Progress .....	37
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – All Non-Major governmental Funds by Fund Type .....	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances All Non-Major Governmental Funds by Fund Type .....	40
Combining Balance Sheet Non Major Special Revenue funds .....	42
Combining Statement of Revenues, Expenditures and Changes in Fund balances Non-Major Special Revenue Funds .....	44
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Non-Major Special Revenue Funds .....	46
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Non-Major Debt Service Fund.....	52
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	53
Independent Auditors' Report on Compliance with Requirements Applicable to the Uses of Highway User Revenue Fund Monies in Accordance with ARS Title 28, Chapter 18, Article 2 .....	55

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## INDEPENDENT AUDITORS' REPORT

To the Town Council  
Town of Camp Verde, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Camp Verde, Arizona as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Camp Verde, Arizona's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2013, on our consideration of the Town of Camp Verde, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of agent retirement plans' funding progress on pages iii through xiv, 31 through 36, and 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Camp Verde, Arizona's financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Colby & Powell".

January 31, 2013

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**

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**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

As management of the Town of Camp Verde, Arizona (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2012. Please read it in conjunction with the Town's basic financial statements, which begin on page 1.

**FINANCIAL HIGHLIGHTS**

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2012 as follows:

- The Town's total net assets of governmental activities increased \$623,514 to \$14 million, representing an increase of 5 percent from fiscal year 2010-11.
- General revenues from governmental activities accounted for \$4.3 million in revenue, or 63 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.6 million or 37 percent of total governmental activities revenues.
- The Town had \$6.3 million in expenses related to governmental activities; of which \$2.6 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$4.3 million were more than adequate to cover all remaining costs in these programs.
- Among major governmental funds, the General Fund had \$5.6 million in revenues, which primarily consisted of taxes, licenses and permits, charges for services, fines and forfeitures, and intergovernmental revenues. The total expenditures of the General Fund were \$5.5 million with a net total of \$1.2 million in transfers out to other funds. The General Fund's fund balance decreased by \$1.1 million to \$1.9 million. The HURF Fund had revenues of \$692,435, which consisted primarily of intergovernmental revenues, and expenditures of \$528,244 and net transfers out of \$375,268. The fund balance of the HURF Fund decreased by \$211,077 from the prior year. The fund balance of the Parks Fund decreased by \$12,386 as a result of no revenues collected during the year. The fund balance of the Housing Grant Fund increased by \$3,121. The fund balance of the Capital Improvements Fund increased by \$713,024 due to management's decision to completely fund remaining budgeted projects that were not yet started or finished in fiscal year 2011-12.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

In the government-wide financial statements, the Town's activities are presented in the following category:

- **Governmental activities** – The Town's basic services are included here, such as general government, public safety, public works and streets, health and welfare, culture and recreation, and economic and community development. Sales taxes, intergovernmental, licenses and permits, charges for services, and fines and forfeits revenue finance most of these activities.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

The Town maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, HURF, Parks, Housing Grant and Capital Improvements Funds, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the combining and individual fund financial statements and schedules.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's budget process. The Town adopts an annual budget for all governmental funds. A budgetary comparison schedule has been provided for the General, HURF, Parks, Housing Grant, and the Capital Improvements Funds as required supplementary information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by just under \$14 million as of June 30, 2012.

The largest portion of the Town's net assets (67 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements other than buildings, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, portions of the Town's net assets are restricted for the specified purposes of highways and streets (8 percent), redevelopment and housing (2 percent), and special programs (9 percent). The remaining balance of unrestricted net assets (\$1.9 million, 14 percent) may be used to meet the Town's ongoing obligation to citizens.

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, and the acquisition and disposal of capital assets.

The following tables present a summary of the Town's net assets for the fiscal years ended June 30, 2012 and 2011.

	2012	2011
	Governmental Activities	Governmental Activities
	<u>                    </u>	<u>                    </u>
Current assets	\$ 6,029,753	\$ 5,817,912
Capital assets, net	12,004,193	11,435,059
Other non-current assets	<u>291,745</u>	<u>311,881</u>
<b>Total assets</b>	<u>18,325,691</u>	<u>17,564,852</u>
Current and other liabilities	1,743,810	1,390,961
Long-term liabilities	<u>2,614,698</u>	<u>2,830,222</u>
<b>Total liabilities</b>	<u>4,358,508</u>	<u>4,221,183</u>
Net assets:		
Invested in capital assets, net of related debt	9,300,597	8,422,141
Restricted	2,719,944	2,545,163
Unrestricted	<u>1,946,642</u>	<u>2,376,365</u>
<b>Total net assets</b>	<u>\$ 13,967,183</u>	<u>\$ 13,343,669</u>

The following are significant current year transactions that had a significant impact on the Statement of Net Assets.

- An overall increase in construction in progress projects of \$493,007 due mainly to the Finnie Flat drainage and reconstruction project (\$529,687).
- Paid off three capital leases (\$212,622) including the early payoff of the capital lease for financial software.

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Changes in net assets.** The Town's total revenues for the fiscal year ended June 30, 2012, were \$6.9 million, up 6% from last year. The total cost of all programs and services was \$6.3 million, down 5% from last year. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and 2011.

	2012	2011
	Governmental	Governmental
	Activities	Activities
	<u>                    </u>	<u>                    </u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 611,151	\$ 542,443
Operating grants and contributions	1,012,413	1,490,745
Capital grants and contributions	969,961	-
General revenues:		
Town sales taxes	1,738,752	1,763,488
Franchise taxes	245,501	243,353
State shared revenue	2,325,940	2,441,489
Investment earnings	13,787	12,985
Miscellaneous	11,840	53,507
	<u>6,929,345</u>	<u>6,548,010</u>
 <b>Expenses</b>		
General government	2,125,678	2,407,140
Public safety	2,209,435	2,233,318
Public works and streets	816,853	669,205
Health and welfare	131,300	131,331
Culture and recreation	561,166	630,502
Economic and community development	348,532	460,601
Interest on long-term debt	112,867	100,851
	<u>6,305,831</u>	<u>6,632,948</u>
 <b>Increase/ (decrease) in net assets</b>	623,514	(84,938)
 <b>Net assets, beginning</b>	<u>13,343,669</u>	<u>13,428,607</u>
 <b>Net assets, ending</b>	<u><u>\$ 13,967,183</u></u>	<u><u>\$ 13,343,669</u></u>

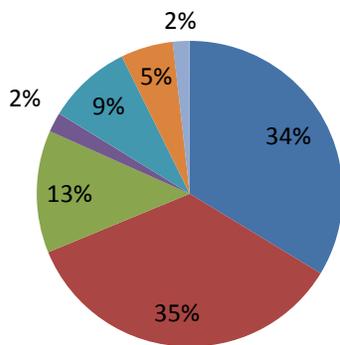
**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

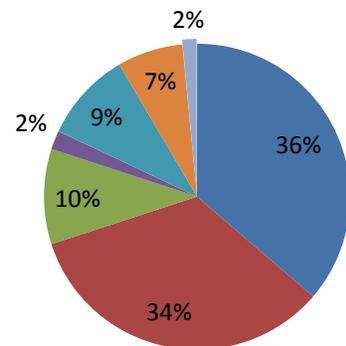
**Governmental activities.** The following table presents the cost of the seven major Town functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State's and Town's taxpayers by each of these functions.

	Year Ended June 30, 2012		Year Ended June 30, 2011	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
<b>Governmental activities</b>				
General government	\$ 2,125,678	\$ (2,079,063)	\$ 2,407,140	\$ (2,099,488)
Public safety	2,209,435	(1,749,610)	2,233,318	(1,906,872)
Public works and streets	816,853	419,095	669,205	212,203
Health and welfare	131,300	(131,300)	131,331	(131,331)
Culture and recreation	561,166	8,235	630,502	(303,516)
Economic and community development	348,532	(66,796)	460,601	(269,905)
Interest on long-term debt	112,867	(112,867)	100,851	(100,851)
<b>Total</b>	<b>\$ 6,305,831</b>	<b>\$ (3,712,306)</b>	<b>\$ 6,632,948</b>	<b>\$ (4,599,760)</b>

**Fiscal Year 2012 Expenses**



**Fiscal Year 2011 Expenses**



- The cost of all governmental activities this year was \$6.3 million.
- Grants and contributions from federal, state, and county governments, charges for services and other local revenues subsidized certain governmental programs with revenues of \$2.6 million.
- The net cost of governmental activities of just over \$3.7 million was financed by general revenues, which are made up primarily of taxes and state shared revenue.

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

The financial performance of the Town as a whole is reflected in its governmental funds. As the Town completed the year, its governmental funds reported combined ending fund balances of \$4.8 million, a decrease of \$213,212. Approximately 19 percent of this total amount (\$906,467) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved, committed or assigned to indicate that it is not available for new spending because it has already been designated/restricted for long term receivables (\$632,000), HURF (\$1,146,087), capital improvements (\$694,215), and special programs (\$1,416,743).

The General Fund is the principal operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$1.9 million. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. Fund balance represents 35 percent of total General Fund expenditures.

The fund balance of the Town's General Fund decreased by \$1.1 million during the fiscal year due to \$1.2 million of funding (Operating Transfer) for the CIP Fund. The fund balance of the HURF Fund decreased as well \$211,077 reducing the HURF surplus of \$1.3 million. The fund balance of the Parks Fund decreased by \$12,386 as there are still no revenues occurring in this fund. The fund balance of the Housing Grant Fund increased by \$3,121 from revolving loan payments received. The fund balance of the Capital Improvements Fund increased by \$713,024 as budgeted monies were transferred in for unfinished projects that will be completed in FY13.

**BUDGETARY HIGHLIGHTS**

Schedules showing the budget amounts compared to the Town's actual financial activity for the General Fund, HURF Fund, Parks Fund, Housing Grant Fund and Capital Improvements Fund are provided in this report as required supplementary information. The significant variances between budget and actual for the General Fund are as follows:

- Revenues in the General Fund were just over \$2 million less than budgeted but a full \$2 million of that amount was due to our budgeting for grants we were unsure of which did not materialize. The remaining general fund revenues were short of budget by only \$41,612, which was only 1/2% of budget.

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**BUDGETARY HIGHLIGHTS (CONTINUED)**

- General Fund expenditures were less than budgeted by \$2,730,153. This as with revenues was due mostly to expected grants that did not materialize (\$2 million) and a Yavapai County flood control grant that was not completed (\$198,694) so expenses were not incurred. \$184,975 was under budget from unused contingency funds. The remaining \$350,484 was spread out across all departments in reduced spending.
- Adjustments to the General Fund budget expenses shifted amounts between several departments, the most notable being the creation of the economic development department from a portion of the budgeted wages of several other departments. The operating transfers budget increased \$13,021 to allow for a correction of monies going to the Library Fund.
- Reductions in HURF capital spending and an overage of revenues account for the HURF funds \$194,961 net budget overage.
- Capital Improvements Fund expenditures were under budget \$713,024. This is mainly due to unfinished budgeted projects that will be completed in fiscal year 2012-13.

**CAPITAL ASSETS**

As of June 30, 2012, the Town had invested \$12 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. Total depreciation expense for the year was \$344,012.

The following schedule presents capital asset balances and accumulated depreciation for the fiscal years ended June 30, 2012 and 2011.

	As of <u>June 30,2012</u>	As of <u>June 30,2011</u>
Land	\$ 5,868,719	\$ 5,868,719
Construction in progress	915,057	422,050
Buildings and improvements	3,628,376	3,596,789
Infrastructure	1,772,554	1,720,671
Machinery and equipment	2,039,612	1,842,969
Improvements other than buildings	883,976	840,150
Accumulated depreciation	<u>(3,104,101)</u>	<u>(2,856,289)</u>
 Total	 <u><u>12,004,193</u></u>	 <u><u>11,435,059</u></u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**CAPITAL ASSETS (CONTINUED)**

Major capital asset events during the current fiscal year included the following:

- Construction in progress increased 117% (\$493,007) due mostly to the Finnie Flat drainage and reconstruction project which has a carrying balance of \$529,687 in construction in progress.
- The increase in machinery and equipment of \$196,643 was significantly impacted by the addition of new accounting software (\$180,688) which had been classified in construction in progress the previous year.

Additional information on the Town's capital assets can be found in Note 7 of this report.

**DEBT ADMINISTRATION**

At year end, the Town had \$3 million in governmental long-term debt outstanding with \$417,923 due within one year. The following table presents a summary of the Town's outstanding long-term debt for the fiscal years ended June 30, 2012 and 2011.

	<u>As of</u> <u>June 30,2012</u>	<u>As of</u> <u>June 30,2011</u>
Compensated absences payable	\$ 329,025	\$ 378,828
Capital leases payable	11,553	224,305
Note payable	5,276	9,665
2005 Revenue bonds payable	1,595,000	1,680,000
2005 Revenue bonds premium	86,767	93,948
2011 Revenue bonds payable	<u>1,005,000</u>	<u>1,005,000</u>
 Total	 <u><u>3,032,621</u></u>	 <u><u>3,391,746</u></u>

Additional information on the Town's long-term debt can be found in Note 8 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Town of Camp Verde's revenue base is funded primarily by Town Sales Tax and Shared Revenues from the State of Arizona. These revenue sources comprise approximately 87 percent of the Town's general purpose revenues. The economy has stabilized somewhat from the previous years and our primary revenue sources have as well. This has allowed the Town to move forward with several capital improvement projects that will be completed in 2012-13. As Town funding has stabilized, the amount of projects and equipment as well as the staffing needs that were put off previously, have been built back up. The Town Council decided to move forward with additional revenue by increasing the TPT 1% on August 1, 2013 to ensure that we do not reduce all reserves and we can begin to catch up for time lost during the economic

**TOWN OF CAMP VERDE, ARIZONA**  
**Management's Discussion and Analysis**  
**June 30, 2012**

downturn. The budget for the 2012-2013 fiscal year projects a combined increase in Town sales tax and shared revenues from the State over actual amounts collected in the 2011-2012 fiscal year of approximately 24 percent.

Since 2007, when the economy began its decline, the Town of Camp Verde has taken a conservative spending approach. This is reflected in the overall savings across all departments this past year. Spending on overdue capital projects and only replacing employees, when a departure occurs, to maintain service levels continues to be the policy of management even with an increase projected from the passage of the additional 1% sales tax. The increase is not reflecting a full year of revenue as passage/adoption/implementation took a few months past the beginning of the 2012-13 fiscal year. In the coming years we are expecting to begin a plan to only spend what we take in and hope to rebuild our reserves through a conservative projection of revenues as well as continued conservative spending by departments. It is important to continue to note that during the time since 2007, 22 positions were vacated to maintain an adequate reserve while accomplishing some outstanding capital projects. With those accomplishments now behind us, we are expecting to expand our service levels and project accomplishments with new revenue.

Management continues to believe that the conservative approach taken in the past few years has led to the success of the Town of Camp Verde in maintaining its service delivery system in a way that necessitates the use of only a moderate amount of the financial resources of the Town. As a better economy continues to be anticipated, but yet to become reality, this approach will be changing to reflect demand for capital projects that were put off during the downturn as well as service levels that were accepted during that same period but with new revenues will come new expectations in both areas.

As a result of the thoughtful leadership of the Town Council and the managerial judgment of the Town's management team, we believe we are poised to manage the financial affairs of the Town of Camp Verde with a high degree of vigilance and discipline. We are confident that we can address and manage the challenges we face and look forward to finding ways to expedite the return of healthier revenues that will allow for higher levels of community services and capital construction and investment.

#### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Town of Camp Verde, Finance Department, 395 South Main Street, Camp Verde, Arizona 86322.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Net Assets**  
**June 30, 2012**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,733,258
Cash - restricted	212,048
Accounts receivable - net	316,719
Due from other governments	767,728
Loan receivable	157,114
Asset held for sale	79,345
Bond issue costs, net	41,364
Deferred charges, net	13,922
Capital assets, not being depreciated	6,783,776
Capital assets, being depreciated, net	<u>5,220,417</u>
<b>Total assets</b>	<u>18,325,691</u>
<b>LIABILITIES</b>	
Accounts payable	762,415
Accrued expenses	98,825
Interest payable	38,600
Deferred revenue	265,421
Court bonds payable	5,626
Claims payable	155,000
Noncurrent liabilities	
Due within 1 year	417,923
Due in more than 1 year	<u>2,614,698</u>
<b>Total liabilities</b>	<u>4,358,508</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	9,300,597
Restricted for:	
Highways and streets	1,146,087
Housing redevelopment	333,135
Special programs	1,240,722
Unrestricted (deficit)	<u>1,946,642</u>
<b>Total net assets</b>	<u>\$ 13,967,183</u>

*The accompanying notes are an integral part of these financial statements*

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**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Activities**  
**Year Ended June 30, 2012**

Functions / Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
Governmental activities					
General government	\$2,125,678	\$ 43,244	\$ 3,371	\$ -	\$ (2,079,063)
Public safety	2,209,435	373,510	86,315	-	(1,749,610)
Public works and streets	816,853	5,942	701,169	528,837	419,095
Health and welfare	131,300	-	-	-	(131,300)
Culture and recreation	561,166	36,957	175,941	356,503	8,235
Economic and community development	348,532	151,498	45,617	84,621	(66,796)
Interest of long-term debt	112,867	-	-	-	(112,867)
<b>Total governmental activities</b>	<b>6,305,831</b>	<b>611,151</b>	<b>1,012,413</b>	<b>969,961</b>	<b>(3,712,306)</b>
<b>General revenue:</b>					
Taxes:					
Sales Taxes					1,738,752
Franchise tax					245,501
State shared revenue					2,325,940
Investment income					13,787
Miscellaneous					11,840
Total general revenue					<u>4,335,820</u>
Change in net assets					623,514
Net assets, July 1, 2011					13,343,669
Net assets, June 30, 2012					<u>\$ 13,967,183</u>

*The accompanying notes are an integral part of these financial statements*

**FUND FINANCIAL STATEMENTS**

**TOWN OF CAMP VERDE, ARIZONA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	General Fund	HURF Fund	Parks Fund	Housing Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,173,113	\$ 1,127,153	\$ 267,515	\$ 106,688	\$ 743,121	\$ 1,315,668	\$ 4,733,258
Cash - restricted	212,048	-	-	-	-	-	212,048
Accounts receivable, net	254,445	-	-	-	-	62,274	316,719
Due from other governments	572,067	70,572	-	70,189	-	54,900	767,728
Loans receivable	-	-	-	157,114	-	-	157,114
Asset held for sale	-	-	-	79,345	-	-	79,345
Due from other funds	669,367	-	-	-	-	-	669,367
<b>Total assets</b>	<b>\$ 2,881,040</b>	<b>\$ 1,197,725</b>	<b>\$ 267,515</b>	<b>\$ 413,336</b>	<b>\$ 743,121</b>	<b>\$ 1,432,842</b>	<b>\$ 6,935,579</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 570,475	\$ 51,638	\$ -	\$ 80,201	\$ 48,906	\$ 11,195	\$ 762,415
Accrued expenses	98,825	-	-	-	-	-	98,825
Court bonds payable	5,626	-	-	-	-	-	5,626
Deferred revenue	134,180	-	-	157,114	-	157,540	448,834
Claims payable	155,000	-	-	-	-	-	155,000
Due to other funds	-	-	632,000	-	-	37,367	669,367
<b>Total liabilities</b>	<b>964,106</b>	<b>51,638</b>	<b>632,000</b>	<b>237,315</b>	<b>48,906</b>	<b>206,102</b>	<b>2,140,067</b>
<b>Fund balances</b>							
Nonspendable	-	-	-	79,345	-	-	79,345
Restricted	-	1,146,087	-	96,676	-	1,240,722	2,483,485
Committed	632,000	-	-	-	694,215	-	1,326,215
Unassigned	1,284,934	-	(364,485)	-	-	(13,982)	906,467
<b>Total fund balances</b>	<b>1,916,934</b>	<b>1,146,087</b>	<b>(364,485)</b>	<b>176,021</b>	<b>694,215</b>	<b>1,226,740</b>	<b>4,795,512</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,881,040</b>	<b>\$ 1,197,725</b>	<b>\$ 267,515</b>	<b>\$ 413,336</b>	<b>\$ 743,121</b>	<b>\$ 1,432,842</b>	<b>\$ 6,935,579</b>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Reconciliation of the Balance Sheet to the Statement of Net Assets**  
**Governmental Funds**  
**June 30, 2012**

Fund balances--total governmental funds		\$ 4,795,512
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Capital assets	15,108,294	
Less accumulated depreciation	<u>(3,104,101)</u>	
		12,004,193
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.</p>		
Revenue bond issuance cost	41,364	
Deferred charges	<u>13,922</u>	
		55,286
<p>Some receivables are not available to pay for current-period expenditures and therefore, are deferred in the funds.</p>		
Reimbursable grant expenditures	26,299	
Loan receivable	<u>157,114</u>	
		183,413
<p>Some liabilities, including notes payable, are not due and payable in the current period and therefore, are not reported in the funds</p>		
Compensated absences	(329,025)	
Revenue bonds payable	(2,600,000)	
Revenue bonds premium	(86,767)	
Capital leases	(11,553)	
Interest payable	(38,600)	
Notes payable	<u>(5,276)</u>	
		<u>(3,071,221)</u>
Net assets of governmental activities		<u><u>\$ 13,967,183</u></u>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2012**

	General Fund	HURF Fund	Parks Fund	Housing Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Fund
<b>Revenue</b>							
Taxes	\$ 1,984,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,984,253
Intergovernmental	3,056,963	688,134	-	82,002	-	211,714	4,038,813
Fines and forfeitures	287,385	-	-	-	-	48,111	335,496
Licenses and permits	123,738	-	-	-	-	-	123,738
Charges for services	83,533	-	-	-	-	3,254	86,787
Contributions	-	-	-	-	-	361,292	361,292
Investment income	5,665	4,006	-	2,191	-	1,925	13,787
Other revenue	19,281	295	2,000	14,194	-	251	36,021
<b>Total revenue</b>	<u>5,560,818</u>	<u>692,435</u>	<u>2,000</u>	<u>98,387</u>	<u>-</u>	<u>626,547</u>	<u>6,980,187</u>
<b>Expenditures</b>							
Current							
General government	1,946,253	-	-	3,248	53,703	61,365	2,064,569
Public safety	2,052,223	-	-	-	-	96,308	2,148,531
Public works and streets	125,979	480,982	-	-	62,566	18,600	688,127
Health and welfare	12,500	-	-	-	-	118,800	131,300
Culture and recreation	497,875	-	8,986	-	-	1,720	508,581
Economic and community development	260,394	-	-	92,018	-	-	352,412
Capital outlay	537,124	45,901	-	-	284,672	45,449	913,146
Debt service							
Principal	29,746	980	-	-	181,932	89,353	302,011
Interest	4,942	381	-	-	13,719	65,680	84,722
<b>Total expenditures</b>	<u>5,467,036</u>	<u>528,244</u>	<u>8,986</u>	<u>95,266</u>	<u>596,592</u>	<u>497,275</u>	<u>7,193,399</u>
Excess (deficiency) of revenue over (under) expenditures	<u>93,782</u>	<u>164,191</u>	<u>(6,986)</u>	<u>3,121</u>	<u>(596,592)</u>	<u>129,272</u>	<u>(213,212)</u>
<b>Other financing sources</b>							
Transfers (out)	<u>(1,182,626)</u>	<u>(375,268)</u>	<u>(5,400)</u>	<u>-</u>	<u>1,309,616</u>	<u>253,678</u>	<u>-</u>
<b>Total other financing sources</b>	<u>(1,182,626)</u>	<u>(375,268)</u>	<u>(5,400)</u>	<u>-</u>	<u>1,309,616</u>	<u>253,678</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(1,088,844)</u>	<u>(211,077)</u>	<u>(12,386)</u>	<u>3,121</u>	<u>713,024</u>	<u>382,950</u>	<u>(213,212)</u>
Fund balances, July 1, 2011	<u>3,005,778</u>	<u>1,357,164</u>	<u>(352,099)</u>	<u>172,900</u>	<u>(18,809)</u>	<u>843,790</u>	<u>5,008,724</u>
<b>Fund balances, June 30, 2012</b>	<u>\$ 1,916,934</u>	<u>\$ 1,146,087</u>	<u>\$ (364,485)</u>	<u>\$ 176,021</u>	<u>\$ 694,215</u>	<u>\$ 1,226,740</u>	<u>\$ 4,795,512</u>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Reconciliation of the Statement of Revenue, Expenditures,**  
**and Changes in Fund Balances to the Statement of Activities**  
**Governmental Funds**  
**Year Ended June 30, 2012**

Net change in fund balances--total governmental funds		\$ (213,212)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	913,146	
Depreciation expense	<u>(344,012)</u>	569,134
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(50,137)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>		
		302,011
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Revenue bond issuance expense	(3,609)	
Deferred charge	(2,331)	
Interest expense	(28,145)	
Change in compensated absences	<u>49,803</u>	<u>15,718</u>
Change in net assets of governmental activities		<u><u>\$ 623,514</u></u>

*The accompanying notes are an integral part of these financial statements*

**FIDUCIARY FUND FINANCIAL STATEMENTS**

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Fiduciary Assets and Liabilities**  
**June 30, 2012**

	<u>Employee Assistance Fund (Agency)</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,892
Accounts receivable	<u>3,205</u>
<b>Total assets</b>	<u>9,097</u>
<b>LIABILITIES</b>	
Deposits held for others	<u>9,097</u>
<b>Total liabilities</b>	<u><u>\$ 9,097</u></u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of the Town of Camp Verde, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below.

**A. Reporting Entity**

The Town is a municipal entity governed by an elected Mayor and six-member council. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The financial reporting entity consists of a primary government and its component units. The Town is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Town. The Town has no component units.

**B. Basis of Presentation**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the Town as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements—provide information about the primary government (the Town). The statements include a statement of net assets and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and each segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Town does not allocate indirect expenses to programs or functions. Program revenues include charges to customers for goods or services, operating grants, capital grants and contributions. Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements—provide information about the Town’s funds. Separate statements are presented for the governmental and proprietary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

The ***General Fund*** is the Town’s primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The ***HURF Fund*** accounts for specific revenue received from the State of Arizona Highway Revenue Fund which is legally restricted to expenditures for street purposes.

The ***Parks Fund*** accounts for all financial resources related to the maintenance of the Town’s parks.

The ***Housing Fund*** accounts for revolving loan funds as well as the revenues and expenditures related to the HOME Grant.

The ***Capital Improvement Fund*** accounts for all financial resources of the Town related to purchasing assets that meet the appropriate threshold for capitalization and take more than one year to make ready for use by the Town.

Additionally, the Town reports the following fund type:

The ***Agency Funds*** are used to account for assets held by the town as an agent for other parties.

**C. Basis of Accounting**

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash and Investments**

The Town considers cash on hand, demand deposits, cash and investments held by the State Treasurer, and highly liquid investments with maturities of three months from the date of acquisition to be cash equivalents.

Cash and investments are generally pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona or any of its counties, cities, towns, school districts, and special districts as specified by statute. The State Board of Deposit provides oversight for the State Treasurer's pool, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares

**E. Allowance for Uncollectible Accounts**

Allowances for uncollectible accounts receivable are estimated by the Town. The amount recorded at June 30, 2012 in the general fund for uncollectible municipal court fines and forfeitures is \$420,000.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**F. Capital Assets**

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life (years)
Land	\$5,000	N/A	-
Construction in progress	5,000	N/A	-
Buildings	5,000	Straight-line	25 - 30
Improvements	5,000	Straight-line	18 - 75
Infrastructure	5,000	Straight-line	15
Furniture, machinery, and equipment	5,000	Straight-line	5 - 10
Vehicles	5,000	Straight-line	5 - 10

**G. Compensated Absences**

Compensated absences consist of vacation leave, compensatory time, and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 320 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused each January 1 are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees.

Employees may accumulate up to 480 hours of sick leave hours. Any sick leave hours in excess of the maximum must be converted at a rate of 50% to vacation time or cash value each December 15. Upon termination of employment, unused sick leave benefits are paid to employees at rates of 10 to 50 percent depending upon years of service.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

The current and long-term liabilities for accrued vacation leave, compensatory time, and sick leave are reported in the government-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year end. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

**H. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**I. Fund Balance Reporting**

The Governmental Accounting Standards Board (GASB) Statement No. 54 requires fund balances to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable* fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact such as fund balance associated with inventories, prepaids, long-term loans and notes receivable (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution provisions or enabling legislation, or external resource providers,
3. *Committed* fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Town's Town Council,
4. *Assigned* fund balances are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. *Unassigned* fund balance is the residual classification for the Town's governmental funds and includes all spendable amounts not contained in other classifications.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

The Town’s policy for committed fund balances is through formal Town resolutions passed through the elected town council. The process of rescinding a committed fund balance requires the same process.

The Town’s policy for assigned fund balances is through motions passed by the elected town council. Assigned fund balances do not require a formal resolution.

When expenditures incur for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, the Town’s policy is to apply the expenditure first to restricted, and then to unrestricted in the following order of committed, assigned, and then unassigned.

**J. Investment Income**

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

**K. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***NOTE 2 – DEPOSITS AND INVESTMENTS***

Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer’s investment pool; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. The statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

*Deposits*—At June 30, 2012, the carrying amount of the Town’s total cash in bank was \$4,945,306, and the bank balance was \$897,257. Of the bank balance, \$347,943 was covered by federal depository insurance and the remaining balance was covered by collateral held by the pledging financial institution in the Town’s name.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 2 – DEPOSITS AND INVESTMENTS - Continued**

Deposits and investments at June 30, 2012 consist of the following:

Deposits	
Cash on hand	\$ 1,460
Cash in bank	878,473
Investments	
State treasurer's investment pool	460,661
U.S. Securities	<u>3,604,712</u>
Total deposits and investments	4,945,306
Less Cash - Restricted	<u>(212,048)</u>
Total cash and cash equivalents	<u><u>\$ 4,733,258</u></u>

*Cash – restricted* consists of cash set aside to meet debt service requirements.

At June 30, 2012, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk %
		Less Than 1	1-5	
U.S. Treasuries	\$ 156,910	\$ 156,910	\$ -	4.35
U.S. Agencies				
Federal Home Loan Mtg Corp.	125,028	-	125,028	3.47
Federal Agric Mtg Corp.	504,760	-	504,760	14.00
Federal Home Loan Bank	501,190	-	501,190	13.90
Federal Farm Credit Bank	107,563	-	107,563	2.98
Federal Home Loan Bank	200,726	-	200,726	5.57
Federal Farm Credit Bank	500,830	-	500,830	13.89
Federal Natl Mtg Assn.	501,860	-	501,860	13.92
Federal Natl Mtg Assn.	501,775	-	501,775	13.92
Federal Natl Mtg Assn.	504,070	-	504,070	13.98
	<u>\$ 3,604,712</u>	<u>\$ 156,910</u>	<u>\$ 3,447,802</u>	<u>100.00</u>

*Interest Rate Risk.* In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the maturities of its investment portfolio according to the needs of the Town. Investments are structured so that they mature concurrent with anticipated cash requirements for ongoing operations of the Town.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 2 – DEPOSITS AND INVESTMENTS - Continued**

*Credit Risk.* The Town’s investment policy allows for investments in obligations guaranteed by the full faith and credit of the United States of America, government sponsored enterprises, government bonds with minimum credit ratings of Aa or AA, commercial paper with a minimum short term rating of P1 or A1, negotiable certificates of deposit, corporate bonds carrying a minimum credit rating of A, and the Local Government Investment Pool. The Towns investment in U.S. Agencies and Money Market Funds were rated no lower than AAA by Standard & Poor’s. The State Treasurer’s Investment Pool is overseen according to Arizona State Statute by the State Board of Deposit. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. The shares are not identified with specific investments and are not subject to custodial credit risk.

*Concentration of Credit Risk.* The Town’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the Town’s total investments. Securities issued by the United States of America or its agencies are exempt from this provision.

**NOTE 3 – ACCOUNTS RECEIVABLE**

As of June 30, 2012, the Town’s receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of \$632,137 in municipal court fines and \$104,582 in other miscellaneous receivables. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of \$420,000.

In connection with receivables, governmental funds reported deferred revenue for amounts not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the deferred revenue consisted of fines receivable of \$192,010, loans receivable of \$157,114, and unexpended grant funds of \$99,710.

**NOTE 4 – DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2012 consisted of the following:

Yavapai County	\$ 373,204
State collected sales tax	104,261
State of Arizona grant revenues	101,704
Town of Prescott Valley	23,385
State shared revenues:	
Highway user revenue fund	70,572
State sales tax	72,152
Vehicle licensing tax	22,450
	<hr/>
	\$ 767,728
	<hr/>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 5 – LOANS RECEIVABLE***

The Town has outstanding loans due from homeowners related to funding through a Community Development Block Grant. Income from the loans are considered program income of the grant. The governmental funds report deferred revenue in connection with the receivables for revenues that are not considered to be available to liquidate liabilities of the current period. However, the government-wide financial statements recognized the revenue when the receivable was recognized. Therefore, the deferred revenue represents a reconciling item between the government-wide and fund financial statements. At June 30, 2012, \$157,114 of the deferred loan receivable recorded in the Housing Grant Fund represents funds that were unavailable.

***NOTE 6 – ASSETS HELD FOR SALE***

A recipient of a Community Development Block Grant loan through the Town returned the home to the Town upon their death. Therefore, the loan was settled, and the home is being carried on the books as an asset held for sale. For reporting purposes, the home was valued at fair market value at the time of transfer of ownership, which was \$79,345.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance <u>July 1, 2011</u>	Increase	Decreases	Balance <u>June 30, 2012</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,868,719	\$ -	\$ -	\$ 5,868,719
Construction in progress	422,050	666,886	(173,879)	915,057
<b>Total capital assets not being depreciated</b>	<u>6,290,769</u>	<u>666,886</u>	<u>(173,879)</u>	<u>6,783,776</u>
Capital assets being depreciated:				
Buildings and improvements	3,596,789	31,587	-	3,628,376
Infrastructure	1,720,671	51,883	-	1,772,554
Machinery and equipment	1,842,969	292,843	(96,200)	2,039,612
Improvements other than buildings	840,150	43,826	-	883,976
<b>Total</b>	<u>8,000,579</u>	<u>420,139</u>	<u>(96,200)</u>	<u>8,324,518</u>
Less accumulated depreciation for:				
Buildings and improvements	(675,655)	(83,189)	-	(758,844)
Infrastructure	(462,091)	(86,033)	-	(548,124)
Machinery and equipment	(1,399,230)	(146,416)	96,200	(1,449,446)
Improvements other than buildings	(319,313)	(28,374)	-	(347,687)
<b>Total</b>	<u>(2,856,289)</u>	<u>(344,012)</u>	<u>96,200</u>	<u>(3,104,101)</u>
<b>Total capital assets being depreciated, net</b>	<u>5,144,290</u>	<u>76,127</u>	<u>-</u>	<u>5,220,417</u>
Governmental activities capital assets, net	<u>\$ 11,435,059</u>	<u>\$ 743,013</u>	<u>\$ (173,879)</u>	<u>\$ 12,004,193</u>

Depreciation expense was charged to each function as follows:

Governmental activities:	
Public works and streets	\$ 121,193
Public safety	110,378
Culture and recreation	55,551
General government	55,375
Economic and community development	<u>1,515</u>
Total governmental activities depreciation expense	<u>\$ 344,012</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 8 – LONG-TERM LIABILITIES**

The following schedule details the Town’s long-term liability and obligation activity for the year ended June 30, 2012.

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due within 1 year
Governmental activities:					
Compensated absences	\$ 378,828	\$ 340,379	\$ 390,182	\$ 329,025	\$ 246,769
Capital leases payable	224,175	-	212,622	11,553	5,324
Notes payable	9,665	-	4,389	5,276	4,849
2005 Revenue bonds payable	1,680,000	-	85,000	1,595,000	90,000
2005 Revenue bonds premium	93,948	-	7,181	86,767	7,181
2011 Revenue bonds payable	1,005,000	-	-	1,005,000	63,800
Governmental activities long-term liabilities	<u>\$ 3,391,616</u>	<u>\$ 340,379</u>	<u>\$ 699,374</u>	<u>\$ 3,032,621</u>	<u>\$ 417,923</u>

**Bonds Payable:**

In February 2005, the Town issued bonds totaling \$2,040,000 to finance the acquisition of land and construction of new Town Marshal facilities. The principal and interest on the bonds are payable solely from and are secured by a pledge of the Town’s unrestricted excise taxes and state shared revenues.

In May 2011, the Town issued bonds totaling \$1,005,000 to finance the purchase of land for use by the Public Works Department. The principal and interest on the bonds are payable from excise tax revenues and State shared revenues.

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal June 30, 2012</u>
Revenue Bonds, Series 2005	\$ 2,040,000	2008-2024	2.75-5.00%	\$ 1,595,000
Revenue Bonds, Series 2011	1,005,000	2012-2023	3.91%	1,005,000
Totals	<u>\$ 3,045,000</u>			<u>\$ 2,600,000</u>

**Notes Payable:**

In July 1998, the Town entered into a mortgage note agreement for the purchase of Butler Park.

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal June 30, 2012</u>
Butler Park Note	\$ 40,000	1998-2014	10%	\$ 5,276

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 8 – LONG-TERM LIABILITIES – Continued**

The following schedule details debt service requirements to maturity for the Town’s bond and notes payable at June 30, 2012.

Year Ending June 30	Governmental Activities					
	Notes Payable		2011 Bond Payable		2005 Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 4,849	\$ 309	\$ 63,800	\$ 38,048	\$ 90,000	\$ 74,950
2014	427	4	70,115	35,430	95,000	70,325
2015	-	-	72,857	32,635	100,000	65,450
2016	-	-	75,705	29,731	105,000	60,325
2017	-	-	78,666	26,713	110,000	54,950
2018-22	-	-	441,942	83,999	635,000	186,900
2023-27	-	-	201,915	7,970	460,000	32,250
Total	<u>\$ 5,276</u>	<u>\$ 313</u>	<u>\$1,005,000</u>	<u>\$ 254,526</u>	<u>\$1,595,000</u>	<u>\$ 545,150</u>

*Capital leases* – The Town has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

	Governmental Activities
Equipment	\$ 26,371
Less: accumulated depreciation	(15,740)
Carrying value	<u>\$ 10,631</u>

The following schedule details debt service requirements to maturity for the Town’s capital leases payable at June 30, 2012.

Year Ending June 30	Governmental Activities
2013	\$ 6,223
2014	4,419
2015	2,004
2016	167
Total minimum lease payments	12,813
Less amount representing interest	(1,260)
Present value of net minimum lease payments	<u>\$ 11,553</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 9 – PLEDGED REVENUES**

The Town has pledged, as security for a lease-purchase agreement entered into by the Camp Verde Sanitary District, a portion of the Town’s sales tax. The lease-purchase agreement, executed by the Sanitary District in FY2007, was amended during FY2010. Per the amendment, the agreement is in the amount of \$2.04 million to provide financing for construction of a new wastewater treatment plant, outfall, and collector sewer lines, and is payable through 2032. The Town has committed to appropriate \$135,000 each year from sales tax revenues and state shared revenues, to cover the principal and interest requirements on the Sanitary District’s debt.

The Sanitary District has pledged, as the sole security for the lease-purchase agreement, the annual appropriations from the Town. Total principal and interest remaining on the District’s debt is \$2.9 million with annual requirements averaging at \$133,736. Sales taxes and state shared revenues, from which the appropriations will be made, have averaged \$4.7 million per year over the last eight years. For the current year, principal and interest paid by the Sanitary District totaled \$118,800. Total sales tax and state shared revenues recognized by the Town totaled \$4.1 million.

**NOTE 10 – INTERFUND BALANCES AND ACTIVITY**

Interfund borrowings - During March 2008, the Town Council approved an agreement to loan \$832,000 to the Parks Fund from General Fund monies. According to the agreement, quarterly payments of \$50,000 are to be made if funds are available until the full amount borrowed has been repaid. However, no payments were made during FY2012 and remaining amount owed from the Parks fund to the General fund is \$632,000. During the year, the Federal Grants Fund had borrowed a total of \$37,367 from the General Fund to pay for unreimbursed expenses that will be paid back from reimbursements from granting agencies.

Interfund transfers – During the year ended June 30, 2012, the Town transferred funds to cover shared expenses and interfund borrowings. Transfers made between funds during the year are as follows:

Transfers from	Transfer to		
	Capital Improvement Fund	Non-Major Governmental Funds	Total
General Fund	\$ 959,616	\$ 223,009	\$ 1,182,625
HURF Fund	350,000	25,268	375,268
Parks Fund	-	5,400	5,400
Total	<u>\$ 1,309,616</u>	<u>\$ 253,677</u>	<u>\$ 1,563,293</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 11 – GOVERNMENTAL FUND BALANCE/NET ASSET COMPONENTS***

The Town’s restrictions on net assets in the government-wide statement of net assets are as follows:

	<u>Governmental Activities</u>
Restricted Net Assets:	
Highway User Revenues	\$ 1,146,087
Housing redevelopment:	
Loans Receivable	157,114
Assets Held for Sale	79,345
Other	96,676
Court Special Revenue:	
Court Enhancement	79,596
Fill the Gap	9,803
Local JCEF	33,705
Yavapai-Apache Gaming Compact:	
Heritage Pool	26,000
Schools and school programs	131,502
Parks and Rec Youth Programs	5,500
Library	500
Senior center	7,000
9-1-1	3,279
Library Endowment	636,025
Impact Fees:	
General government	68,594
Library	46,244
Parks and Recreation	103,068
Police Services	73,854
Donations:	
Animal Shelter	1,787
Camp Verde Marshal's Office	1,000
K-9	1,762
Library	7,201
Parks and Recreation	3,952
Volunteers in Police Services	350
Total Restricted Net Assets	<u><u>\$ 2,719,944</u></u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 11 – GOVERNMENTAL FUND BALANCE/NET ASSET COMPONENTS – Continued**

The components of governmental fund balances are as follows:

	General	HURF	Parks	Housing	Capital Improvements	Non-Major Govt'l Funds	Total Govt'l Funds
<b>Ending Fund balances, June 30, 2012</b>							
<b>Nonspendable for:</b>							
Assets held for sale	\$ -	\$ -	\$ -	\$ 79,345	\$ -	\$ -	\$ 79,345
Total nonspendable	-	-	-	79,345	-	-	79,345
<b>Restricted for:</b>							
Highways and streets	-	1,146,087	-	-	-	-	1,146,087
Housing redevelopment	-	-	-	96,676	-	-	96,676
Court special revenue							
Court enhancement	-	-	-	-	-	79,596	79,596
Fill the gap	-	-	-	-	-	9,803	9,803
Local JCEF	-	-	-	-	-	33,705	33,705
Yavapai-Apache Gaming Compact							
Heritage Pool	-	-	-	-	-	26,000	26,000
Schools and school programs	-	-	-	-	-	131,502	131,502
Parks and rec youth pgm	-	-	-	-	-	5,500	5,500
Library	-	-	-	-	-	500	500
Senior center	-	-	-	-	-	7,000	7,000
9-1-1	-	-	-	-	-	3,279	3,279
Library building	-	-	-	-	-	636,025	636,025
Impact fees							
General government	-	-	-	-	-	68,594	68,594
Library	-	-	-	-	-	46,244	46,244
Parks and recreation	-	-	-	-	-	103,068	103,068
Police services	-	-	-	-	-	73,854	73,854
Donations							
Animal shelter	-	-	-	-	-	1,787	1,787
Camp Verde Marshal's office	-	-	-	-	-	1,000	1,000
K-9	-	-	-	-	-	1,762	1,762
Library	-	-	-	-	-	6,147	6,147
Parks and recreation	-	-	-	-	-	3,952	3,952
Safety fund	-	-	-	-	-	1,054	1,054
Volunteers in police service	-	-	-	-	-	350	350
Total restricted	-	1,146,087	-	96,676	-	1,240,722	2,483,485
<b>Committed for:</b>							
Long-term receivable	632,000	-	-	-	-	-	632,000
Capital improvements	-	-	-	-	694,215	-	694,215
Total committed	632,000	-	-	-	694,215	-	1,326,215
<b>Unassigned:</b>	1,284,934	-	(364,485)	-	-	(13,982)	906,467
Ending Fund Balances	\$ 1,916,934	\$ 1,146,087	\$ (364,485)	\$ 176,021	\$ 694,215	\$ 1,226,740	\$ 4,795,512

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

***NOTE 12 – CONTINGENT LIABILITIES***

*Federal and State grants and loans* – The Town has received a number of grants from both the Federal and State governments. Amounts received or receivable from grantor agencies are subject to audit and adjustment; however, the Town expects no material disallowance of expenditures.

*Lawsuits* – The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

***NOTE 13 – RISK MANAGEMENT***

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all such risks of loss, including workers’ compensation and employees’ health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

***NOTE 14 – CLAIMS PAYABLE***

In the prior year, the Town entered into an agreement with a local business entity to settle a dispute over the use of the business entity’s property. The agreement requires the Town to pay three annual installments of \$25,000. The agreement also calls for the installation of a waterline and hydrant estimated at \$130,000 to be installed or paid for by April 1, 2013. The balance of the settlement payable at June 30, 2012 totaled \$155,000.

***NOTE 15 – RETIREMENT PLANS***

Plan Descriptions—The Town contributes to the two plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan, and a cost-sharing multiple-employer defined benefit health insurance plan, and a cost sharing multiple-employer defined benefit long-term disability plan that covers general employees of the Town. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System* (PSPRS) is an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 15 – RETIREMENT PLANS – Continued**

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

<p>ASRS  3300 N. Central Ave.  Phoenix, AZ 85012-0250  (602) 240-2000</p>	<p>PSPRS  3010 E. Camelback Rd., Ste. 200  Phoenix, AZ 85016  (602) 255-5575</p>
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Funding Policy—The Arizona State Legislature establishes and may amend active plan members’ and the Town’s contribution rates.

*Cost-sharing plans* – For the year ended June 30, 2012, active ASRS members and the Town were each required by statute to contribute at the actuarially determined rate of 10.74 percent (10.50 percent retirement and 0.24 percent long-term disability) of the members’ annual covered payroll. The Town’s contributions to ASRS for the years ended June 30, 2012, 2011 and 2010, were \$219,179, \$201,910, and \$214,551, respectively, which were equal to the required contributions for the year.

*Agent plans* – For the year ended June 30, 2012, active PSPRS members were required by statute to contribute 8.65 percent of the members’ annual covered payroll, and the Town was required to contribute at the actuarially determined rate of 16.80 percent.

Annual Pension Cost—The Town’s pension cost for the agent plan for the year ended June 30, 2012, and related information follows:

	PSPRS
Contribution rates:	
City	16.80%
Plan members	8.65%
Annual pension cost	\$ 134,661
Contributions made	\$ 134,661

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

**NOTE 15 – RETIREMENT PLANS – Continued**

	<u>PSPRS</u>
Actuarial valuation date	06/30/12
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	5.00% -9.00%
Includes inflation at	5.00%
Cost-of-living adjustments	None
Amortization method	Level percent-of-pay closed
Remaining amortization period	24 years for underfunded 20 years for overfunded
Asset valuation method	7-year smoothed market value

Trend Information – Annual pension cost information for the current and 2 preceding years follows for each of the agent plans.

<u>Plan</u>	<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PSPRS	2012	\$ 134,661	100 %	\$ -
	2011	130,238	100 %	-
	2010	125,425	100 %	-

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2012**

Funding Progress – An analysis of funding progress for the agent plan as of the most recent actuarial valuation follows:

**Camp Verde Marshals Plan (Retirement)**

Year Ended June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
2012	\$2,976,077	\$3,643,057	\$ 666,980	81.7 %	\$779,063	85.6 %
2011	2,663,510	3,219,604	556,094	82.7	761,124	73.1
2010	2,454,338	2,981,066	526,728	82.3	838,437	62.8

**Camp Verde Marshals Plan (Health)**

Year Ended June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
2012	\$ -	\$ 113,920	\$ 113,920	- %	\$779,063	14.62 %
2011	-	113,233	113,233	-	761,124	14.88
2010	-	86,961	86,961	-	838,437	10.37

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenue</b>				
Taxes	\$ 1,902,000	\$ 1,902,000	\$ 1,984,253	\$ 82,253
Intergovernmental	5,269,307	5,269,307	3,056,963	(2,212,344)
Fines and forfeitures	244,135	244,135	287,385	43,250
Licenses and permits	66,902	66,902	123,738	56,836
Charges for services	55,486	55,486	83,533	28,047
Investment income	40,000	40,000	5,665	(34,335)
Other revenue	24,600	24,600	19,281	(5,319)
<b>Total revenue</b>	<u>7,602,430</u>	<u>7,602,430</u>	<u>5,560,818</u>	<u>(2,041,612)</u>
<b>Expenditures</b>				
Mayor and council	30,359	30,359	22,881	7,478
Town manager	200,689	200,689	195,617	5,072
Town clerk	199,753	177,106	149,876	27,230
Legal	122,092	122,092	75,394	46,698
Finance	240,943	198,569	198,913	(344)
Human resources	49,480	49,480	47,113	2,367
Economic development	-	80,264	80,386	(122)
Information technology	143,478	131,968	139,082	(7,114)
Magistrate	308,011	308,011	309,558	(1,547)
Public works and streets	120,984	119,158	76,195	42,963
Storm water management	777,368	772,667	550,990	221,677
Maintenance	378,010	378,010	399,316	(21,306)
Community development	270,061	270,061	262,470	7,591
Marshal	2,090,718	2,145,968	2,050,059	95,909
Library	326,285	336,060	285,654	50,406
Parks and recreation	218,629	221,424	216,567	4,857
Non-departmental	2,720,328	2,655,303	406,965	2,248,338
<b>Total expenditures</b>	<u>8,197,188</u>	<u>8,197,189</u>	<u>5,467,036</u>	<u>2,730,153</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(594,758)</u>	<u>(594,759)</u>	<u>93,782</u>	<u>688,541</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>(1,171,341)</u>	<u>(1,184,362)</u>	<u>(1,182,626)</u>	<u>1,736</u>
<b>Total other financing sources</b>	<u>(1,171,341)</u>	<u>(1,184,362)</u>	<u>(1,182,626)</u>	<u>1,736</u>
<b>Net change in fund balances</b>	<u>(1,766,099)</u>	<u>(1,779,121)</u>	<u>(1,088,844)</u>	<u>690,277</u>
Fund balances, July 1, 2011	<u>3,005,778</u>	<u>3,005,778</u>	<u>3,005,778</u>	<u>-</u>
<b>Fund balances, June 30, 2012</b>	<u>\$ 1,239,679</u>	<u>\$ 1,226,657</u>	<u>\$ 1,916,934</u>	<u>\$ 690,277</u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – HURF Fund**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenue</b>				
Intergovernmental	\$ 648,254	\$ 648,254	\$ 688,134	\$ 39,880
Investment income	12	12	4,006	3,994
Other revenue	250	250	295	45
<b>Total revenue</b>	<u>648,516</u>	<u>648,516</u>	<u>692,435</u>	<u>43,919</u>
<b>Expenditures</b>				
Current				
Highways and streets	493,886	493,886	480,982	12,904
Capital outlay	187,200	187,200	45,901	141,299
Debt service				
Principal	-	-	980	(980)
Interest	-	-	381	(381)
<b>Total expenditures</b>	<u>681,086</u>	<u>681,086</u>	<u>528,244</u>	<u>152,842</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(32,570)</u>	<u>(32,570)</u>	<u>164,191</u>	<u>196,761</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>(373,468)</u>	<u>(373,468)</u>	<u>(375,268)</u>	<u>(1,800)</u>
<b>Total other financing sources</b>	<u>(373,468)</u>	<u>(373,468)</u>	<u>(375,268)</u>	<u>(1,800)</u>
<b>Net change in fund balances</b>	<u>(406,038)</u>	<u>(406,038)</u>	<u>(211,077)</u>	<u>194,961</u>
Fund balances, July 1, 2011	<u>1,357,164</u>	<u>1,357,164</u>	<u>1,357,164</u>	<u>-</u>
<b>Fund balances, June 30, 2012</b>	<u>\$ 951,126</u>	<u>\$ 951,126</u>	<u>\$ 1,146,087</u>	<u>\$ 194,961</u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Parks Fund**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenue</b>				
Other revenue	\$ -	\$ -	\$ 2,000	\$ 2,000
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
<b>Expenditures</b>				
Current				
Culture and recreation	11,890	11,890	8,986	2,904
<b>Total expenditures</b>	<u>11,890</u>	<u>11,890</u>	<u>8,986</u>	<u>2,904</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(11,890)</u>	<u>(11,890)</u>	<u>(6,986)</u>	<u>4,904</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>(5,400)</u>	<u>(5,400)</u>	<u>(5,400)</u>	<u>-</u>
<b>Total other financing sources</b>	<u>(5,400)</u>	<u>(5,400)</u>	<u>(5,400)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(17,290)</u>	<u>(17,290)</u>	<u>(12,386)</u>	<u>4,904</u>
Fund balances, July 1, 2011	<u>(352,099)</u>	<u>(352,099)</u>	<u>(352,099)</u>	<u>-</u>
<b>Fund balances, June 30, 2012</b>	<u><u>\$ (369,389)</u></u>	<u><u>\$ (369,389)</u></u>	<u><u>\$ (364,485)</u></u>	<u><u>\$ 4,904</u></u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Housing Fund**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenue</b>				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 82,002	\$ (27,998)
Investment income	900	900	2,191	1,291
Other revenue	18,201	18,201	14,194	(4,007)
<b>Total revenue</b>	<u>129,101</u>	<u>129,101</u>	<u>98,387</u>	<u>(30,714)</u>
<b>Expenditures</b>				
Current				
General government	-	-	3,248	(3,248)
Economic and community development	205,000	205,000	92,018	112,982
<b>Total expenditures</b>	<u>205,000</u>	<u>205,000</u>	<u>95,266</u>	<u>109,734</u>
<b>Net change in fund balances</b>	(75,899)	(75,899)	3,121	79,020
Fund balances, July 1, 2011	<u>172,900</u>	<u>172,900</u>	<u>172,900</u>	<u>-</u>
<b>Fund balances, June 30, 2012</b>	<u><u>\$ 97,001</u></u>	<u><u>\$ 97,001</u></u>	<u><u>\$ 176,021</u></u>	<u><u>\$ 79,020</u></u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Capital Improvements Fund**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Expenditures</b>				
Current				
General government	\$ 103,611	\$ 103,611	\$ 53,703	\$ 49,908
Public works and streets	22,500	22,500	62,566	(40,066)
Capital outlay	1,005,573	1,005,573	284,672	720,901
Debt service				
Principal	177,932	177,932	181,932	(4,000)
Interest	-	-	13,719	(13,719)
<b>Total expenditures</b>	<u>1,309,616</u>	<u>1,309,616</u>	<u>596,592</u>	<u>713,024</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>1,309,616</u>	<u>1,309,616</u>	<u>1,309,616</u>	<u>-</u>
<b>Total other financing sources</b>	<u>1,309,616</u>	<u>1,309,616</u>	<u>1,309,616</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	713,024	713,024
Fund balances, July 1, 2011	<u>(18,809)</u>	<u>(18,809)</u>	<u>(18,809)</u>	<u>-</u>
<b>Fund balances, June 30, 2012</b>	<u><u>\$ (18,809)</u></u>	<u><u>\$ (18,809)</u></u>	<u><u>\$ 694,215</u></u>	<u><u>\$ 713,024</u></u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**June 30, 2012**

***NOTE 1 – BUDGETING AND BUDGETARY CONTROL***

Arizona Revised Statutes (A.R.S.) require the Town to prepare and adopt a balanced budget annually for each governmental fund. The Town Council must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibit expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Town Councils' approval.

***NOTE 2 – BUDGETARY BASIS OF ACCOUNTING***

The Town's budget is prepared on a basis consistent with generally accepted accounting principles.

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Agent Retirement Plans' Funding Progress**  
**June 30, 2012**

Public Safety Personnel Retirement System

**Camp Verde Marshals Plan (Retirement)**

Year Ended June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
2012	\$2,976,077	\$3,643,057	\$ 666,980	81.7 %	\$779,063	85.6 %
2011	2,663,510	3,219,604	556,094	82.7	761,124	73.1
2010	2,454,338	2,981,066	526,728	82.3	838,437	62.8

**Camp Verde Marshals Plan (Health)**

Year Ended June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
2012	\$ -	\$ 113,920	\$ 113,920	- %	\$779,063	14.62 %
2011	-	113,233	113,233	-	761,124	14.88
2010	-	86,961	86,961	-	838,437	10.37

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Balance Sheet – All Non-Major Governmental Funds**  
**By Fund Type**  
**June 30, 2012**

	Special Revenue Funds	Debt Service Fund	Total Non-major Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,315,668	\$ -	\$ 1,315,668
Accounts receivable, net	62,274	-	62,274
Due from other governments	54,900	-	54,900
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 1,432,842</u>	<u>\$ -</u>	<u>\$ 1,432,842</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 11,195	\$ -	\$ 11,195
Deferred revenue	157,540	-	157,540
Due to other funds	37,367	-	37,367
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>206,102</u>	<u>-</u>	<u>206,102</u>
<b>Fund balances</b>			
Restricted	1,240,722	-	1,240,722
Unassigned	(13,982)	-	(13,982)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u>1,226,740</u>	<u>-</u>	<u>1,226,740</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,432,842</u>	<u>\$ -</u>	<u>\$ 1,432,842</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances –**  
**All Non-Major Governmental Funds**  
**By Fund Type**  
**June 30, 2012**

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenue</b>			
Intergovernmental	211,714	-	211,714
Fines and forfeitures	48,111	-	48,111
Charges for services	3,254	-	3,254
Contributions	361,292	-	361,292
Investment income	1,925	-	1,925
Other revenue	251	-	251
<b>Total revenue</b>	<u>626,547</u>	<u>-</u>	<u>626,547</u>
<b>Expenditures</b>			
Current			
General government	61,365	-	61,365
Public safety	96,308	-	96,308
Public works and streets	18,600	-	18,600
Health and welfare	-	118,800	118,800
Culture and recreation	1,720	-	1,720
Capital outlay	45,449	-	45,449
Debt service			
Principal	-	89,353	89,353
Interest	-	65,680	65,680
<b>Total expenditures</b>	<u>223,442</u>	<u>273,833</u>	<u>497,275</u>
Excess (deficiency) of revenue over (under) expenditures	<u>403,105</u>	<u>(273,833)</u>	<u>129,272</u>
<b>Other financing sources</b>			
Transfers in(out)	<u>(20,155)</u>	<u>273,833</u>	<u>253,678</u>
<b>Total other financing sources</b>	<u>(20,155)</u>	<u>273,833</u>	<u>253,678</u>
<b>Net change in fund balances</b>	382,950	-	382,950
Fund balances, July 1, 2011	<u>843,790</u>	<u>-</u>	<u>843,790</u>
<b>Fund balances, June 30, 2012</b>	<u>\$ 1,226,740</u>	<u>\$ -</u>	<u>\$ 1,226,740</u>

## NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes (other than major capital projects). The funds are usually required by statute, ordinance, or federal grant regulation to finance specified activities of the Town. The Town maintains the following non-major Special Revenue funds.

**Court Special Revenue Fund**- accounts for Local JCEF, Fill the Gap and Court Enhancement revenues.

**Nonfederal Grants Fund**- accounts for all nonfederal grants received by the Town.

**Yavapai-Apache Gaming Compact Fund**- accounts for the gaming compact revenues received from the Yavapai-Apache Tribe.

**Federal Grants Fund**- accounts for the activity related to the Town's Federal grants with the exception of the Community Development Block Grant which is accounted for in a separate fund.

**CDBG Grants Fund**- accounts for the activity related to the Town's Community Development Block Grant.

**9-1-1 Fund**- accounts for 9-1-1 distributions.

**Library Building Fund**- accounts for contributions toward the Town's library.

**Impact Fee Fund**- accounts for development impact fees.

**Donations Fund**- accounts for gifts, donations, bequests and private grants made to the Town.

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Balance Sheet Non-Major Special Revenue Funds**  
**June 30, 2012**

	Court Special Revenue Fund	Nonfederal Grants Fund	Yavapai-Apache Gaming Compact Fund	Federal Grants Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 119,104	\$ 78,061	\$ 170,502	\$ -
Accounts receivable, net	62,274	-	-	-
Due from other governments	-	-	-	49,684
<b>Total assets</b>	<u>\$ 181,378</u>	<u>\$ 78,061</u>	<u>\$ 170,502</u>	<u>\$ 49,684</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 444	\$ 4,650	\$ -	\$ -
Deferred revenue	57,830	73,411	-	26,299
Due to other funds	-	-	-	37,367
<b>Total liabilities</b>	<u>58,274</u>	<u>78,061</u>	<u>-</u>	<u>63,666</u>
<b>Fund balances</b>				
Restricted	123,104	-	170,502	-
Unassigned	-	-	-	(13,982)
<b>Total fund balances</b>	<u>123,104</u>	<u>-</u>	<u>170,502</u>	<u>(13,982)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 181,378</u>	<u>\$ 78,061</u>	<u>\$ 170,502</u>	<u>\$ 49,684</u>

<u>CDBG Grants Fund</u>	<u>9-1-1 Fund</u>	<u>Library Building Fund</u>	<u>Impact Fee Fund</u>	<u>Donations Fund</u>	<u>Non-Major Special Revenue Funds</u>
\$ -	\$ 3,279	\$ 636,025	\$ 291,760	\$ 16,937	\$ 1,315,668
-	-	-	-	-	62,274
<u>5,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,900</u>
<u>\$ 5,216</u>	<u>\$ 3,279</u>	<u>\$ 636,025</u>	<u>\$ 291,760</u>	<u>\$ 16,937</u>	<u>\$ 1,432,842</u>
\$ 5,216	\$ -	\$ -	\$ -	\$ 885	\$ 11,195
-	-	-	-	-	157,540
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,367</u>
<u>5,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>885</u>	<u>206,102</u>
-	3,279	636,025	291,760	16,052	1,240,722
-	-	-	-	-	(13,982)
<u>-</u>	<u>3,279</u>	<u>636,025</u>	<u>291,760</u>	<u>16,052</u>	<u>1,226,740</u>
<u>\$ 5,216</u>	<u>\$ 3,279</u>	<u>\$ 636,025</u>	<u>\$ 291,760</u>	<u>\$ 16,937</u>	<u>\$ 1,432,842</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances**  
**Non-Major Special Revenue Funds**  
**June 30, 2012**

	Court Special Revenue Fund	Nonfederal Grants Fund	Yavapai-Apache Gaming Compact Fund	Federal Grants Fund
<b>Revenue</b>				
Intergovernmental	\$ -	\$ 34,482.00	\$ 79,297.00	\$ 88,315.00
Fines and forfeitures	48,111	-	-	-
Charges for services	-	-	-	-
Contributions	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenue</b>	<u>48,111</u>	<u>34,482</u>	<u>79,297</u>	<u>88,315</u>
<b>Expenditures</b>				
Current				
General government	21,750	-	39,615	-
Public safety	-	21,448	-	66,468
Public works and streets	-	18,600	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	35,829
<b>Total expenditures</b>	<u>21,750</u>	<u>40,048</u>	<u>39,615</u>	<u>102,297</u>
Excess (deficiency) of revenue over (under) expenditures	<u>26,361</u>	<u>(5,566)</u>	<u>39,682</u>	<u>(13,982)</u>
<b>Other financing sources</b>				
Transfers in (out)	-	5,566	(53,000)	-
<b>Total other financing sources</b>	<u>-</u>	<u>5,566</u>	<u>(53,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	26,361	-	(13,318)	(13,982)
Fund balances, July 1, 2011	<u>96,743</u>	<u>-</u>	<u>183,820</u>	<u>-</u>
<b>Fund balances, June 30, 2012</b>	<u><u>\$ 123,104</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 170,502</u></u>	<u><u>\$ (13,982)</u></u>

CDBG Grants Fund	9-1-1 Fund	Library Building Fund	Impact Fee Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ 9,620.00	\$ -	\$ -	\$ -	\$ -	\$ 211,714.00
-	-	-	-	-	48,111
-	-	-	3,254	-	3,254
-	-	356,503	-	4,789	361,292
-	-	1,107	818	-	1,925
-	-	251	-	-	251
<u>9,620</u>	<u>-</u>	<u>357,861</u>	<u>4,072</u>	<u>4,789</u>	<u>626,547</u>
-	-	-	-	-	61,365
-	131	-	-	8,261	96,308
-	-	-	-	-	18,600
-	-	-	-	1,720	1,720
<u>9,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,449</u>
<u>9,620</u>	<u>131</u>	<u>-</u>	<u>-</u>	<u>9,981</u>	<u>223,442</u>
-	(131)	357,861	4,072	(5,192)	403,105
-	-	27,279	-	-	(20,155)
-	-	27,279	-	-	(20,155)
-	(131)	385,140	4,072	(5,192)	382,950
-	3,410	250,885	287,688	21,244	843,790
<u>\$ -</u>	<u>\$ 3,279</u>	<u>\$ 636,025</u>	<u>\$ 291,760</u>	<u>\$ 16,052</u>	<u>\$ 1,226,740</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Non-Major Special Revenue Funds**  
**Year Ended June 30, 2012**

	Court Special Revenue Fund			Nonfederal Grants Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 29,316	\$ 34,482	\$ 5,166
Fines and forfeitures	26,000	48,111	22,111	-	-	-
Charges for services	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	26,000	48,111	22,111	29,316	34,482	5,166
<b>Expenditures</b>						
Current						
General government	22,821	21,750	1,071	-	-	-
Public safety	-	-	-	58,000	21,448	36,552
Public works and streets	-	-	-	18,600	18,600	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	22,821	21,750	1,071	76,600	40,048	36,552
Excess (deficiency) of revenue over (under) expenditures	3,179	26,361	23,182	(47,284)	(5,566)	41,718
<b>Other financing sources</b>						
Transfers in(out)	-	-	-	-	5,566	(5,566)
<b>Total other financing sources</b>	-	-	-	-	5,566	(5,566)
<b>Net change in fund balances</b>	3,179	26,361	23,182	(47,284)	-	36,152
Fund balances, July 1, 2011	96,743	96,743	-	-	-	-
<b>Fund balances, June 30, 2012</b>	\$ 99,922	\$ 123,104	\$ 23,182	\$ (47,284)	\$ -	\$ 36,152

<u>Yavapai-Apache Gaming Compact Fund</u>			<u>Federal Grants Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$ 140,679	\$ 79,297	\$ (61,382)	\$ 972,783	\$ 88,315	\$ (884,468)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>140,679</u>	<u>79,297</u>	<u>(61,382)</u>	<u>972,783</u>	<u>88,315</u>	<u>(884,468)</u>
55,658	39,615	16,043	91,151	-	91,151
-	-	-	71,059	66,468	4,591
-	-	-	843,504	-	843,504
-	-	-	15,575	-	15,575
-	-	-	-	35,829	(35,829)
<u>55,658</u>	<u>39,615</u>	<u>16,043</u>	<u>1,021,289</u>	<u>102,297</u>	<u>918,992</u>
<u>85,021</u>	<u>39,682</u>	<u>(45,339)</u>	<u>(48,506)</u>	<u>(13,982)</u>	<u>34,524</u>
<u>(72,000)</u>	<u>(53,000)</u>	<u>(19,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(72,000)</u>	<u>(53,000)</u>	<u>(19,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,021	(13,318)	(64,339)	(48,506)	(13,982)	34,524
<u>183,820</u>	<u>183,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 196,841</u>	<u>\$ 170,502</u>	<u>\$ (64,339)</u>	<u>\$ (48,506)</u>	<u>\$ (13,982)</u>	<u>\$ 34,524</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Non-Major Special Revenue Funds**  
**Year Ended June 30, 2012**  
**(Continued)**

	CDBG Grants Fund			9-1-1 Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>						
Intergovernmental	\$ 371,473	\$ 9,620	\$ (361,853)	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	<u>371,473</u>	<u>9,620</u>	<u>(361,853)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	1,784	131	1,653
Public works and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	360,293	9,620	350,673	-	-	-
<b>Total expenditures</b>	<u>360,293</u>	<u>9,620</u>	<u>350,673</u>	<u>1,784</u>	<u>131</u>	<u>1,653</u>
Excess (deficiency) of revenue over (under) expenditures	<u>11,180</u>	<u>-</u>	<u>(11,180)</u>	<u>(1,784)</u>	<u>(131)</u>	<u>1,653</u>
<b>Other financing sources</b>						
Transfers (out)	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>11,180</u>	<u>-</u>	<u>(11,180)</u>	<u>(1,784)</u>	<u>(131)</u>	<u>1,653</u>
Fund balances, July 1, 2011	-	-	-	3,410	3,410	-
<b>Fund balances, June 30, 2012</b>	<u>\$ 11,180</u>	<u>\$ -</u>	<u>\$ (11,180)</u>	<u>\$ 1,626</u>	<u>\$ 3,279</u>	<u>\$ 1,653</u>

Library Building Fund			Impact Fee Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	22,398	3,254	(19,144)
12,000	356,503	344,503	-	-	-
700	1,107	407	705	818	113
-	251	251	-	-	-
<u>12,700</u>	<u>357,861</u>	<u>345,161</u>	<u>23,103</u>	<u>4,072</u>	<u>(19,031)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,700</u>	<u>357,861</u>	<u>345,161</u>	<u>23,103</u>	<u>4,072</u>	<u>(19,031)</u>
<u>13,021</u>	<u>27,279</u>	<u>(14,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,021</u>	<u>27,279</u>	<u>(14,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>
25,721	385,140	330,903	23,103	4,072	(19,031)
250,885	250,885	-	287,688	287,688	-
<u>\$ 276,606</u>	<u>\$ 636,025</u>	<u>\$ 330,903</u>	<u>\$ 310,791</u>	<u>\$ 291,760</u>	<u>\$ (19,031)</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Non-Major Special Revenue Funds**  
**Year Ended June 30, 2012**  
**(Continued)**

	Donations Fund			Totals		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,514,251	\$ 211,714	\$ (1,302,537)
Fines and forfeitures	-	-	-	26,000	48,111	22,111
Charges for services	-	-	-	22,398	3,254	(19,144)
Contributions	4,200	4,789	589	16,200	361,292	345,092
Investment income	-	-	-	1,405	1,925	520
Other revenue	-	-	-	-	251	251
<b>Total revenue</b>	4,200	4,789	589	1,580,254	626,547	(953,707)
<b>Expenditures</b>						
Current						
General government	6,000	-	6,000	175,630	61,365	114,265
Public safety	1,700	8,261	(6,561)	132,543	96,308	36,235
Public works and streets	-	-	-	862,104	18,600	843,504
Culture and recreation	1,500	1,720	(220)	17,075	1,720	15,355
Capital outlay	-	-	-	360,293	45,449	314,844
<b>Total expenditures</b>	9,200	9,981	(781)	1,547,645	223,442	1,324,203
Excess (deficiency) of revenue over (under) expenditures	(5,000)	(5,192)	(192)	32,609	403,105	370,496
<b>Other financing sources</b>						
Transfers (out)	-	-	-	(58,979)	(20,155)	(38,824)
<b>Total other financing sources</b>	-	-	-	(58,979)	(20,155)	(38,824)
<b>Net change in fund balances</b>	(5,000)	(5,192)	(192)	(26,370)	382,950	331,672
Fund balances, July 1, 2011	21,244	21,244	-	843,790	843,790	-
<b>Fund balances, June 30, 2012</b>	\$ 16,244	\$ 16,052	\$ (192)	\$ 817,420	\$ 1,226,740	\$ 331,672

## NON-MAJOR DEBT SERVICE FUND

**Debt Service Fund**- accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Non-Major Debt Service Fund**  
**Year Ended June 30, 2012**

	Debt Service Fund		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>			
Investment income	\$ 400	\$ -	(400)
<b>Total revenue</b>	400	-	(400)
<b>Expenditures</b>			
Current			
Health and welfare	118,800	118,800	-
Debt service			
Principal	153,431	89,353	64,078
Interest	124,294	65,680	58,614
<b>Total expenditures</b>	396,525	273,833	122,692
Excess (deficiency) of revenue over (under) expenditures	(396,125)	(273,833)	122,292
<b>Other financing sources</b>			
Transfers in	312,593	273,833	(38,760)
<b>Total other financing     sources</b>	312,593	273,833	(38,760)
<b>Net change in fund balances</b>	(83,532)	-	83,532
Fund balances, July 1, 2011	-	-	-
<b>Fund balances, June 30, 2012</b>	<b>\$ (83,532)</b>	<b>\$ -</b>	<b>\$ 83,532</b>



COLBY &  
POWELL, PLC

CERTIFIED PUBLIC ACCOUNTANTS

1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Town Council  
Town of Camp Verde, Arizona

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Camp Verde, Arizona, as of and for the year ended June 30, 2012, which collectively comprise the Town of Camp Verde, Arizona's basic financial statements and have issued our report thereon dated January 31, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Town of Camp Verde, Arizona is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Camp Verde, Arizona's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Camp Verde, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Camp Verde, Arizona's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Camp Verde, Arizona's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Colby & Powell".

January 31, 2013



COLBY &  
POWELL, PLC

CERTIFIED PUBLIC ACCOUNTANTS

1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO THE USES OF  
HIGHWAY USER REVENUE FUND MONIES IN  
ACCORDANCE WITH ARS TITLE 28, CHAPTER 18,  
ARTICLE 2**

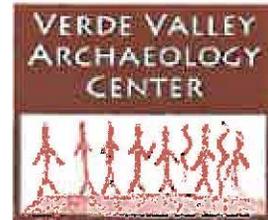
To the Town Council  
Town of Camp Verde, Arizona

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Camp Verde as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 31, 2013.

In connection with our audit, nothing came to our attention that caused us to believe that the Town failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any other dedicated state transportation revenues received by the Town solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of management and the members of the Arizona State Legislature and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

January 31, 2013



# Memorandum

**To:** Camp Verde Town Council  
**From:** President James Graceffa  
**Date:** February 11, 2013  
**Re:** Progress Report

---

The Verde Valley Archaeology Center (VVAC) greatly appreciates the cooperation and encouragement provided by the Town Council and its employees as we embarked on the 10-year lease for space at 385 S. Main Street. The purpose of this memorandum is to provide the Council with a progress report on our activities.

The VVAC began modifications to the space in July 2012. The first order of business was to enter into a sublease agreement with the Chamber of Commerce for about 400 sq. ft. for a consolidated Visitor Center. As part of that agreement, the VVAC made improvements to the space to accommodate their racks in addition to repainting and carpet cleaning. This sublease will expire on May 2, 2013, at which time the VVAC will make the necessary modification to convert the space to a research laboratory and archaeology library.

The VVAC made the following building improvements to the remaining space:

- Built-out the existing space intended for a restroom, thus providing the building with a second restroom
- Made improvements to the existing restroom to bring it into compliance with ADA requirements, including the installation of a baby-changing station
- Developed an electrical plan for the building that had previously not existed, and upgraded and expanded the electrical system
- Removed some ceiling light fixtures and added track lighting
- Installed lighted Exit signs and emergency lighting to meet Fire Code requirements
- Installed multiple smoke detectors to meet Fire Code requirements
- Installed a security system of door alarms and motion sensors
- Installed panic bars on rear exits to meet Fire Code requirements
- Improved security by replacing three wood door frames with steel frames and solid-core doors
- Replaced all locks with Best locks including the front doors which did not have keyed locks
- Constructed walls to enclose a future "Archaeology for Kids" area
- Replaced the kitchen sink and faucets
- Repainted the entire interior and cleaned the carpets

- Removed dead plants in the front of the building and spread additional gravel
- Covered existing street sign with temporary canvas signs

The cost incurred by the VVAC for these improvements was \$10,708.51. In the coming months, the following additional improvements are planned:

- Replace exterior street sign with a permanent sign
- Improve the front exterior of the building with decorative features
- Commission a mural of rock art images on the south wall of the building
- Improve the heating/cooling system to portions of the building to meet curation standards
- Build-out the research laboratory and archaeology library
- Make audio-visual improvements to the Learning Center room

The primary purpose of the lease between the Town of Camp Verde and the VVAC is to increase visitation to Camp Verde and area businesses. The VVAC opened its doors on November 3, 2012. In the eight weeks of 2012, a total of **1,035** individuals signed the visitor register. Although the register asks visitors to indicate whether they were there for visitor services or the VVAC, most did not indicate the purpose of their visit, however, most of the visitors were clearly for VVAC events. A breakdown of the visitors during that period is provided in the Attachment.

Here are some of the events that the Center has scheduled so far for 2013 to attract visitors to the VVAC and Camp Verde:

January	Archaeology Sunday speaker presentation Grand Opening of Honanki Exhibit
February	Prehistoric Astronomy Workshop Flintknapping Workshop Pottery Identification Workshop Annual Meeting and speaker presentation
March	International Archaeology Film Festival Quarterly Meeting and speaker presentation Verde Valley Archaeology Fair
April	Archaeology Sunday speaker presentation
May	Quarterly meeting and speaker presentation
June	Native American Storytelling for Children
July	Native American Storytelling for Children
August	Native American Storytelling for Children

- September    Quarterly Meeting and speaker presentation  
Festival of American Indian Arts  
Canyon Records Artist Showcase
- October        Native American Hoop Dance Competition  
National Archaeology Day observances
- November     Archaeology Sunday speaker presentation

In addition to these activities, the VVAC has or will host several group tours, including the Arizona Archaeological Society, University Women's Club, Southwest Culture Study Group, and Visitor Center staffs of Sedona, Cottonwood, U.S. Forest Service, the National Park Service and others. We are also planning to host a tour of 45 people coming from Tucson, and the Arizona Federation of Garden Clubs, in April.

I hope this progress report demonstrates to the Town Council and citizens of Camp Verde our commitment to Camp Verde and appreciation for the warm welcome we have received.

Attachment

Archaeology Center Visitors November 2 through December 31, 2012			
Arizona	676	Canada	55
California	45	England	14
Washington	20	Australia	10
Oregon	19	Austria	5
Colorado	18	Ireland	2
Florida	17	Scotland	2
Illinois	15	Columbia	2
Texas	15	Holland	2
Minnesota	11	Korea	1
New York	10	Kuwait	1
Nevada	9		
Alaska	6	<b>Total Foreign</b>	<b>94</b>
Oklahoma	6		
Pennsylvania	6		
Iowa	5	<b>Total Visitors</b>	<b>1,035</b>
Kansas	5		
Missouri	5		
Montana	5		
New Mexico	5		
Hawaii	4		
Idaho	4		
Michigan	4		
New Jersey	4		
Ohio	4		
Wyoming	4		
Tennessee	3		
Virginia	3		
Maryland	2		
North Dakota	2		
Utah	2		
West Virginia	2		
Wisconsin	2		
Kentucky	1		
Massachusetts	1		
South Dakota	1		
<b>US Total</b>	<b>941</b>		



**Agenda Item Submission Form - Section I**

**Meeting Date:** February 20, 2013

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation       Special Session

**Requesting Department:** Finance

**Staff Resource/Contact Person:** Mike Showers, Nancy Gardner, Ron Long, Russ Martin

**Agenda Title (be exact):** Possible authorization for Town to enter into a 5 year Lease / Purchase agreement with US Bank for the purchase of patrol and other department vehicles and equipment up to a total amount of \$770,000.00.

**List Attached Documents:**

- Equipment Purchase Listing
- CVMO presentation given at CIP discussions in the Fall

**Estimated Presentation Time:** 5 min

**Estimated Discussion Time:** 10 min

**Reviews Completed by:**

- Department Head:       Town Attorney Comments:

**Finance Review:**  Budgeted     Unbudgeted       N/A

**Finance Director Comments/Fund:**

**Fiscal Impact:**

The HURF Fund will ultimately not be impacted as the current amount of the increased cost from the lease will be completely offset by the CIP budget line for HURF Equipment purchases this year.

The General Fund would not be impacted this year due to budget offsets with current maintenance and equipment budgets but might be impacted slightly in future years of budgeting at similar levels at around \$2,000 per year based on estimates outlined below.

**Comments:** The Lease / Purchase through US Bank would utilize The City of Cottonwood's recent RFP process for the same type of purchase in which US Bank was the selected vendor. The agreement would be for a 5 year period at 1.61% interest. The annual cost of the Lease / Purchase would be split between the HURF and General Funds based on the equipment purchased. The annual cost of the expected \$282,270.00 purchase of

equipment for the Streets department would be approximately \$57,000 annually for 5 years. This cost would be offset by the current (and future) CIP budget line item 03-000-20-821210 HURF fleet upgrades which is \$60,000.00. The General fund portion's annual cost of the expected \$307,000.00 purchase of equipment for the Maintenance, Code Enforcement and Marshal's departments would be approximately \$61,200 annually for 5 years as well. This annual cost would be offset in this current year through use of the current budget lines 03-000-20-831210 Maintenance Equipment - \$34,406 (of which \$25,858.50 is still remaining this year) and 01-600-20-705000 Auto Maintenance - \$40,000 (of which a projected amount of \$25,000.00 would be unused this year based on current usage). However, these lines might not completely offset the payment in future years. Assuming that the new equipment will reduce a portion of equipment maintenance costs in future years budgets, the Marshal's office may be able to reduce auto equipment maintenance in future years budgets by between \$25,000 and \$30,000. With the addition of the maintenance equipment line of \$34,406, the net effect in future years could show a net increased cost of \$1,800 based on the preceding estimates.

The two amounts, \$282,270 and \$307,074 have been rounded up to \$600,000 to allow for unforeseen minor "cost-creep" on any equipment.

An additional option is preferred to consider additional police vehicles during this agreement to avoid additional purchases in the next couple of years. An additional 3 to 4 cars could be purchased for a total amount of up to \$770,000 further completing a catch up of vehicle needs in the Marshal's department.

**Background Information:** In an effort to improve our police vehicle fleet which is quickly becoming outdated, Marshal Gardner looked into the idea of a lease / purchase agreement (L/P) for necessary vehicles as opposed to the outright purchase of vehicles. A L/P offers the town a financially viable way to maintain its vehicle and heavy equipment needs in a much more effective way than occasional purchases and turnover of older equipment. Many of our marshal's office vehicles are quickly becoming outdated and to replace them all is somewhat cost prohibitive in the short run which requires the vehicles to be obtained slowly over time. Furthermore, obtaining new equipment for Maintenance, HURF and other general government departments would put a strain on our current budget requiring a large portion of our CIP or operating budget or simply doing without the equipment at all.

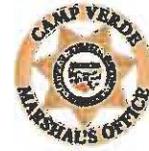
The L/P option gives the Town the financial flexibility to purchase all needed equipment immediately and affordably by spreading out the cost over a five year period. The interest rate is very favorable and does not create an undue hardship on the Town. Maintenance also becomes a factor as expected costs for the new equipment would be dramatically reduced up front and over time as/if we choose to continue to keep our fleet vehicles up-to-date with the roll-over of Lease / Purchase agreements.

**Recommended Action (Motion):** Authorize staff to enter into a Lease / Purchase Agreement with US Bank for the purchase of equipment as listed in the attached document up to a total amount of \$770,000.00.

**Instructions to the Clerk:** N/A



# Town of Camp Verde Marshal's Office Fleet Capital Improvement Plan



**Current Style**



**New Style**



## CVMO STAFFING

13 Sworn Patrol Deputies  
7 Vacant Sworn Positions  
20 at full staff

## FLEET STATUS

19 Marked units in Fleet  
6 Inoperable and need to go to auction  
5 Have 97,000 or more miles  
8 Have 60,000 miles or less

**13 total usable vehicles currently in fleet**

## FLEET INVENTORY

### 6 Vehicles Inoperable (Need to go to Auction)

Vehicle #	Year	Make	Assigned	Mileage
11	2001	Chevy Impala	N/A	131,018
9	2003	Ford CVPI	N/A	124,300
25	2005	Ford CVPI	N/A	123,000
28	2005	Ford F150	N/A	108,984
22	2004	Ford CVPI	N/A	105,022
14	2002	Chevy Impala	N/A	105,000

### 5 Vehicle in need of replacement

Vehicle #	Year	Make	Assigned	Mileage
17	2006	Ford CVPI	Patrol	110,200
15	2002	Chevy Impala	Spare	99,844
27	2005	Ford F150	Patrol	99,191
18	2006	Ford CVPI	Patrol	97,911
8	2003	Ford CVPI	Patrol	97,000

### 3 Vehicles in need of replacement in 4 years

Vehicle #	Year	Make	Assigned	Mileage
4	2009	Ford CVPI	Patrol	57,997
5	2009	Ford CVPI	Patrol	57,491
6	2008	Ford CVPI	Patrol	51,439

### 3 Vehicles in need of replacement in 5 years

7	2008	Ford CVPI	Patrol	42,457
13	2010	Ford CVPI	Patrol	36,587
10	2010	Ford CVPI	Patrol	33,004

### 2 Vehicles in need of replacement in 6 years

12	2010	Ford CVPI	Patrol	28,146
24	2011	Ford Expedition	K-9	12,000

## VEHICLE MAINTENANCE COSTS FOR 2011/2012

- \$44,000.00
- Replacing vehicles with lease vehicles would cut maintenance costs by an estimated \$25,000

## Options to bring fleet current

- 380,000 cash purchase to buy 10 vehicles

Or

- \$78,000 lease over the next 5 years for 10 vehicles that can be traded in for new vehicles

Or

- \$85,000 over the next 5 years for 10 vehicle with a \$1.00 buy out

## Proposal to use current fiscal year Fleet budget of \$75,000

- 2012/2013 Purchase 5 lease pro-rate amount of \$20,000 (leaves \$55,000 approx. in current budget to purchase motorcycle for \$26,500. and paint remainder of fleet black)

+ 2013/2014 cost for the 5 vehicles will be \$39,000.

## Proposal for fiscal year 2013/2014 fleet budget

- 2013/2014 Purchase additional 5 lease vehicles

39,000 (2012/2013 purchase)  
+ 39,000 (2013/2014 Purchase)  

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78,000 total cost for fiscal year 2013/2014

## CVMO Fleet Inventory of Unmarked Vehicles

### Admin/Unmarked Vehicles

Vehicle #	Year	Make	Assigned	Mileage	Miles/yr
21	1997	Ford Ranger	Used to pull smart Trailer	136,000	5,000
26	2005	Ford F150	Will be used as ACO truck	43,050	10,000
1	2000	Chevy Impala	Assigned to Investigations	86,105	10,000
19	2007	Ford 500	Ganis	38,841	10,000
20	2007	Ford 500	Gardner	33,175	10,000
29	2007	Ford Ranger	ACO	72,722	25,000

# Camp Verde Marshal's Office Lease Quote

Vehicle	Miles Est.	Term	Acquisition Cost Vehicle + Equip	Residual buy-out	Annual Payment
<b>Patrol</b>					
<i>4 year lease w/residual</i>					
2013 Chevrolet Tahoe 2WD PPV	15K	4YR	\$33,789.24	\$11,500.00 w/tax	\$6,912.20 \$7,499.74
<i>5 year lease w/residual</i>					
2013 Chevrolet Tahoe 2WD PPV	15K	5YR	\$33,789.24	\$7,500.00 w/tax	\$6,493.58 \$7,165.67
<i>5 year lease \$1.00 buy-out</i>					
2013 Chevrolet Tahoe 2WD PPV	15K	5YR	\$33,789.24	\$1.00 w/tax	\$7,791.67 \$8,598.11
<i>6 year lease \$1.00 buy-out</i>					
2013 Chevrolet Tahoe 2WD PPV	15K	6YR	\$33,789.24	\$1.00 w/tax	\$6,671.94 \$7,362.49
<b>Non-Patrol</b>			<b>Vehicle</b>		
<i>4 year lease w/residual</i>					
2013 Chevrolet Malibu LS	12K	4YR	\$19,574.00	\$7,000.00 w/tax	\$3,928.84 \$4,335.47
<i>5 year lease w/residual</i>					
2013 Chevrolet Malibu LS	12K	5YR	\$19,574.00	\$4,500.00 w/tax	\$3,734.83 \$4,121.39
<i>5 year lease \$1.00 buy-out</i>					
2013 Chevrolet Malibu LS	12K	5YR	\$19,574.00	\$1.00	\$4,513.62 \$4,980.78
<b>Motorcycle</b>					
<i>5 year lease w/residual</i>					
2013 Kawasaki police motorcycle	12K	5YR	\$26,500.00	\$5,300.00 w/tax	\$5,193.50 \$5,731.02



13

**Russ Martin**

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**From:** Rene Guillen <rguillen@azleague.org>  
**Sent:** Monday, February 11, 2013 7:50 PM  
**To:** Intergovs; Intergov2  
**Subject:** RE: HB 2657: TPT changes (Lesko)

Good evening,

We have reviewed the bill internally and have a preliminary analysis. We are holding off on distributing that until we have outside expert confirmation.

In the meantime, I think it's important to keep you updated on the bill. Unfortunately, the bill largely tracks with what we expected to see. Namely:

- Construction Sales Tax is eliminated and moved into the retail base.
- Cities and towns are prohibited from collecting their own sales taxes.
- Removes the authority of cities and towns to employ auditors in-house or on a third party basis.

Rollout of these major provisions are delayed until January 1, 2015, but that does not lessen the severity of the impact this measure can have on local operations.

The key takeaway here is that our concerns largely remain unchanged:

**State Administration**

- The Department of Revenue does not have the resources and technical capabilities necessary to absorb the responsibilities of the cities that currently collect their own sales taxes.
- State administration is not the best solution to the problem; the online portal provides a better and more cost effective solution.

**DOR Audits**

- The Department of Revenue does not have the resources necessary to properly administer a program of this magnitude. Budget cuts have decimated the auditing capacity of DOR.
- Efficient and timely auditing is a win-win for those involved. It protects those law-abiding businesses that all already paying their taxes.

**Elimination of Construction Sales Tax**

- This proposal moves from a growth-based system to state shared revenue which is population based. Population figures are a poor substitute and will send money away from where it is needed to provide vital services to those growing communities.
- Lack of information. We are expected to accept these changes with little or highly questionable data. Based on available data there is no way to predict the total impact to local sales tax revenue.

**René G. Guillen Jr.**  
*Legislative Director, League of Arizona Cities and Towns*  
Office: 602-258-5786  
Cell: 602-501-9799  
[rguillen@azleague.org](mailto:rguillen@azleague.org)

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**From:** Rene Guillen  
**Sent:** Monday, February 11, 2013 5:34 PM  
**To:** Intergovs; Intergov2  
**Subject:** HB 2657: TPT changes (Lesko)

Here's the Governor's TPT Proposal. Analysis to follow.

**René G. Guillen Jr.**  
*Legislative Director, League of Arizona Cities and Towns*  
**Office: 602-258-5786**  
**Cell: 602-501-9799**  
[rguillen@azleague.org](mailto:rguillen@azleague.org)

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***Effective August 27, 2012, Hours of operations for all Town offices are Monday - Thursday 7 am to 5 pm and Friday 7 am to 11 am.***

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Please consider our environment before printing this email. 



**Agenda Item Submission Form – Section I**

**Meeting Date:** February 20, 2013

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation

**Requesting Department:** Council

**Staff Resource/Contact Person:** Councilor Carol German

**Agenda Title (be exact):** Discussion, consideration, and possible direction to staff to include the Verde Valley Land Preservation Institute on the Council Committee List.

**List Attached Documents:** Internet information from the Verde Valley Land Preservation Institute.

**Estimated Presentation Time:** 10 minutes

**Estimated Discussion Time:** 10 minutes

**Reviews Completed by:**

- Department Head: R
- Town Attorney Comments: N/A
- Finance Department N/A

**Fiscal Impact:** None  
**Budget Code:**   N/A        **Amount Remaining:** \_\_\_\_\_  
**Comments:**

**Background Information:** I was asked why the Town of Camp Verde did not have a representative on the VVLP. This organization is something that Council members might consider adding to our Committee List. The meetings are once a month in rotating locations throughout the Verde Valley. I would be willing to serve as a representative until the next assignment list is approved.

**Recommended Action (Motion):** Direct staff to add the Verde Valley Land Preservation Institute to the Council Committee List.

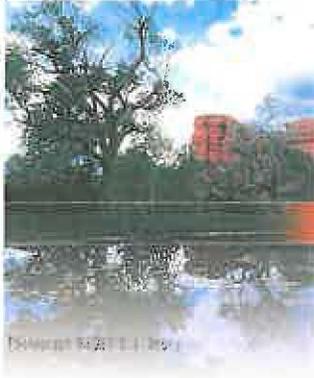
**Instructions to the Clerk:** Add the VVLP to the Council Committee List to be approved in June.

## 2012/13 COUNCIL COMMITTEE ASSIGNMENTS

**Council representation is recommended at the following meetings:**

Arizona Leagues of Cities & Towns functions  
Governor's Conference on Rural Development  
Verde Valley Intergovernmental Meetings

Committees	2012/2013	Meeting Time	Meeting Place	Contact Person
C V Schools Education Foundation	George/Baker	NOT STARTED YET	NOT STARTED YET	NOT STARTED YET
Chamber of Commerce Liaison	Jones/German	To be determined Tracy will call at 8:00 a.m. Liaison to attend at 8:30 a.m.	Visitors Center/Chamber 385 S Main Street	Tracie Schimikowsky 567-9294
Liaison to Yavapai Apache Nation	Baker/George	Thursdays at 9:00 a.m.	Council Chambers 2400 W Datsi St	Karla Reimer - 567-1003 Call weekly to verify meeting
Intergovernmental Associations	All Members	-	varies	-
NACOG – Regional Council	Baker/Burnside	Quarterly – 4 <sup>th</sup> Thursday at 10:00 a.m.	High Country Conference Center	928-774-1895
Sanitary District Liaison	Whatley/Burnside	2 <sup>nd</sup> Thursday at 6:00 p.m.	155 S Montezuma Castle Hwy #11	Jan Grogan 928-567-6794
CVUSD – Superintendent's Advisory Council	DELETED German/Baker	3 <sup>rd</sup> Wednesday at 9:00 a.m.	October 5, 2012 next meeting	Mary Hudson 567-8000
V V Regional Econ. Devel. Council	Baker/Whatley	1 <sup>st</sup> Friday at 9:00 a.m.	YC Board of Supervisors Office 6 <sup>th</sup> Street - Cottonwood	Robyn Prud'hommeBauer 634-4296
V V Transportation Org.	George/German	Every other month - 4 <sup>th</sup> Wednesday 8:00 a.m.	10 S 6 <sup>th</sup> Street Cottonwood, AZ	DeShannan Young 639-8100
League Resolutions Committee	Burnside/Baker	Annually	League of Cities and Towns Conference	Ken Strobeck Executive Director
Verde River Basin Partnership	George/Jones	Quarterly		
<b>WATER RELATED COMMITTEES</b>				
V V Water Users Liaison	Kovacovich/Burnside	As needed	As needed	As needed
Y C Local Drought Impact Group	Kovacovich/German	Annually	To be announced	Yavapai County Extension Agent 928-554-8999
Y C Water Advisory Committee	Jones/Burnside	3 <sup>rd</sup> Wednesday at 2:00 p.m.	YC Board Room 6 <sup>th</sup> St -Cottonwood 1015 Fair Street-Prescott	3 <sup>rd</sup> Wednesday 2:00 p.m.



... to preserve and enhance the natural open space of the Verde Valley."

# Verde Valley Land Preservation

Home • News • Projects • Preserve Your Land • Membership • Accomplishments • Contact • Links



VVLP on FACEBOOK

CURRENT ACTIVITIES

OPEN SPACE MAPS

CONSERVATION EASEMENTS

BOARD of DIRECTORS

NEWSLETTER

OPEN SPACE RESOURCE LIBRARY

GENERAL COMMUNITY PLANS

JOIN US



## Verde Valley Land Preservation

is an Arizona nonprofit corporation, operating within the Verde Valley of Arizona for the purpose of enhancing open space in the Verde Valley region.

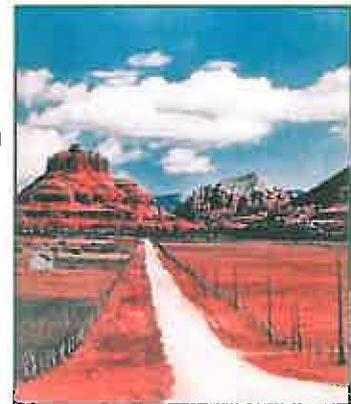
### Our Mission

VVLP develops and implements strategies to preserve and enhance the open space of the Verde Valley through a collaborative public process.

### Our Vision:

Verde Valley Land Preservation envisions a high quality of life in a region where open space and the beautiful vistas are it's defining characteristics:

- Communities have maintained and enhanced their individual distinctiveness and are separated by healthy, diverse natural open space that includes interconnected greenways and trail systems.
- Watersheds, viewsheds, sensitive ecosystems, wildlife corridors, steep slopes and cultural resources (sacred, archeological, historical, and agricultural), and outdoor recreational areas have been protected.



A regional open space plan is in place that has maintained a balance between natural and human communities and encouraged responsible growth and economic prosperity:

- It has been achieved through a citizen-driven, science-based (biological, physical, and social) planning effort conducted in collaboration with all affected Verde Valley legal jurisdictions and has been successfully integrated into their plans.
- All stakeholders have come together and are continually working together to achieve responsible stewardship of the Verde Valley's open space for future generations.

### Board of Directors

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Bob Rothrock  
**Vice President**  
Chip Norton  
**Secretary**  
Mary Chicoine  
**Treasurer**  
Harry Sweet

**Directors**  
Dick Byrnes

### Goals and Objectives

I Facilitate The implementation of the Open Space Section in The Verde Valley Regional Land Use Plan

Marybeth Carlile  
Dick Dahl  
Dick Ellis  
Walter Miller  
Jane Moore  
Tom O'Halleran  
Terence Pratt  
Rennie Radocchia  
Fran Whetten  
Jessica Williamson

**Community Outreach**

Director  
Steve Estes  
Coordinator  
Laura Jones

**Supporters**

**Individuals:**

Margie Beach  
Stephan Black  
Chip Davis  
Jane Whitmire  
Marshall Whitmire

**Groups:**

Big Park Regional  
Coordinating Council  
City of Cottonwood  
City of Sedona  
Cornville Community  
Association  
Town of Camp Verde  
Town of Clarkdale  
Town of Jerome  
The Nature Conservancy  
Walton Family Foundation  
Yavapai County Supervisors

- Achieve protection of carefully identified parcels based on certified criteria
- Protect the viewsheds; riparian values and flow of the rivers; forests that clean the air and mediate global warming; wildlife corridors; and cultural and historic values of the area
- Consult with identified owners and managers of parcels designated for preservation, such as, the Coconino and Prescott National Forests, the Arizona State Parks, the Arizona State Land Department, the cities and towns, ranchers, developers, the Yavapai-Apache Nation and other private land owners
- Consider the use of appropriate land trades, exchanges and conservation easements

**II Acquire Interest In and/or Title To Priority Open Space Land**

- Seek funding through all possible sources, such as, the Arizona Heritage Fund, grants, foundations, Verde Valley tourism programs and a local open space acquisition tax
- Negotiate targeted land acquisitions
- Create a management structure to compliment other Verde Valley land managers

**III Upgrade and Update Open Space Planning Maps**

- Continue to gather all information available on parcels identified for preservation, working with all interested parties, cities and towns; and from all possible sources, including available reports and studies
- Incorporate the Verde Valley Trails and Pathway Plan as it is completed

**IV Participate in Mutual Projects with Organizations with Complimentary Missions**

- Continue to work with the Nature Conservancy and Arizona State Parks to help identify and acquire riparian links along the Verde River, known as The Verde Greenway
- Seek partnerships with other organizations, as well, such as, the Central Arizona Land Trust, The Sonoran Institute, the Northern Arizona University Ecological Monitoring and Assessment Program and Friends of The Well

**V Continue To Educate and Obtain Public Feedback**

- Hold community events that are directly tied to VVLP projects
- Whenever possible co-sponsor public events elated to open space
- Create classroom materials to assist the younger generation to appreciate our beautiful Verde Valley
- Take the VVLP message to organized community groups

**Organizational Strategies**

- Develop and maintain cooperative relationships with public land management agencies, e.g., the USFS (Yavapai and Coconino Forests), National Park Service, Arizona State Land Department, and Arizona State Parks Department
- Establish and maintain positive and productive working relationships with incorporated Verde Valley jurisdictions, Yavapai-Apache Nation, Yavapai and Coconino Counties, and unIncorporated community organizations
- Establish and maintain regular and effective communication with Verde Valley citizens
- Establish and maintain positive and productive working relationships with key private sector entities, e.g., large land owners and developers and water rights holders
- Establish and maintain positive and productive relationships with conservation/preservation organizations
- Establish and maintain positive media relations
- Fully utilize the resources of educational institutions in achieving the mission of VVLP
- Utilize a broad array of public/private funding mechanisms and groups to support preservation planning, acquisition, and management of open space in the Verde Valley
- Continue to sponsor public workshops and seminars related to open space issues and preservation

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