

404

**MINUTES  
PUBLIC HEARING  
MAYOR and COMMON COUNCIL  
TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
WEDNESDAY JULY 14, 2010  
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, Garrison, Baker, Roulette, and German were present.  
  
**Also Present:** Acting Town Manager Dave Smith, Sr. Acct. Lisa Elliott, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.
  
3. **Pledge of Allegiance**  
The Pledge was led by Roulette.
  
4. **Public Hearing and discussion of the FY 2010/11 Tentative Budget. This item could also include possible direction to staff relative to the budget.**  
Council directed staff to make the changes in the budget as discussed in order to reinstate the 5% pay reduction and to reinstate the Day after Thanksgiving holiday.

Sr. Acct. Lisa Elliott explained that, as required by the Arizona Revised Statutes, a public hearing is being held to provide the citizens of the Town of Camp Verde the opportunity to comment on the Tentative Budget prior to the final adoption of the Budget. Elliott also outlined the steps followed the last two weeks to publicly advise the community of this opportunity to submit their comments. The scheduled adoption of the 2010/2011 Final Budget is set for July 21, 2010.

Mayor Burnside reminded the Council members that as citizens they are also entitled to step down and address the Council during the public input as well. The public were also reminded that each speaker would be limited to 3 minutes.

**PUBLIC INPUT**

(Comments from the following individuals are summarized.)

**Debbie Hughes**, a Town employee and a member of the community, acknowledged that this is a very difficult year, and she has concerns with the budget, just as the Town has. As the economy and her financial situation might worsen because of taking a pay cut, she said she fears the possible disaster of having to go into her personal savings with next year promising an even more difficult picture. The basis for the employees agreeing to the 5 percent cut was based on a budget strategy proposed by the former Town Manager, which is not what is happening now. Ms. Hughes outlined fund balances that have been increased in the past at the expense of sacrifices that the employees have made by not receiving merit increases, or COLA increases when they should have been due. The recent salary study resulted in changes actually unfair to the upper salary ranges --

**Charlie German** (relinquished his 3 minutes to Ms. Hughes so that she could continue her presentation.)

**Debbie Hughes**, continuing, commented on the greatly increased responsibilities accepted by employees who remained while other employees left and were not replaced, and cited examples such as streets and facilities that are in need of attention with the limited remaining personnel trying to cope with the increasing problems. The employees' morale has been deeply affected by the 5 percent pay cut plus the reduction in holiday and vacation pay. Ms. Hughes suggested how to give back the 5 percent pay cut back to the employees: Take the approximately \$150,000 needed from the CIP budget; for example, reduce the number of computer and printer planned purchases for an amount of \$18,000 --

**Deborah Ranney** (relinquished her 3 minutes to Ms. Hughes so that she could continue her presentation.)

**Debbie Hughes**, continuing, outlined suggested reductions in funds allocated for the Library, the sidewalk project, the Tres Rio Bridge, for a total of \$157,700. Also, the down payment on the Streets Yard could be lowered. The employees need their money back; morale is in the tank. In addition, both a Finance Director and a part-time person would not be necessary; only one or the other is needed.

**Howard Parrish** said that the White Mountain Sheriff's Posse is considering changing the date this year because of the past weather; in the hope of making the visit bigger and better. The Council is requested to offer some financial support to help make the visit even bigger and better for the community.

**Walter Miller**, a new resident, said it makes him sad to see the businesses closing, especially the Visitors Center which he considers an important factor in helping the Town instead of pushing businesses out of Town.

**Linda Buchanan** said she is grateful that the Town increased the funding to help keep the Visitors Center open this year, and promised the Town on behalf of her fellow Chamber Directors and membership to try to help make the Town viable and vibrant.

**Jeff Dartt**, a representative of the Camp Verde Public Safety Association agreed with the statements made by Ms. Hughes; the cuts are a bad morale issue. He commented on the previous salary adjustments and only the two COLA's in the last ten years. The \$57,000 allocated for remodeling Town Hall in this economic situation is ludicrous.

**Gary Thompson**, a local business owner, expressed support for the decision to keep the Visitors Center open; as a member of the Board of Directors, he promised to use the money widely in attracting visitors and businesses. Property owners on Main Street are now agreeing to offer discounts in order to help draw in businesses for the buildings that are sitting empty.

**Nina Sanchez** also commented on the 5 percent cut and the increase in health and retirement premiums and cut in holidays; there are a lot of families that are trying to get by on their limited income already, before any cut. She would like the Council to consider giving back what was taken away.

**Justin Wertz** spoke again on his campaign to foster recognition for the effort for a skateboard park, and the permits being worked on.

**Jenna Owens**, a Town employee and citizen, said that she is saddened that the community is crying out for the employees to take a cut because they are in the same shoes; the employees have been proactive in giving up the raise last year, and have been proactive in absorbing the burden of increased responsibilities. The employees are striving to give the best service possible with reduced staff and to work with the citizens, and with the existing Code. She said the employees do their best to make the Town look good, and deserve much kudos.

**Darby Martin**, also an employee and Camp Verde resident, reiterated some of the comments that have been made by the previous speakers. She said that the number of employees now is currently 64, down from 80 in 2008. The Town has seen no disruption in service. Taking away holiday pay, cutting tuition

reimbursement, raising health insurance premiums and retirement contributions, all combined are much more than the 5 percent cut agreed to. She applauded the employees for managing to cope with the added workloads, and agreed with the suggestion that some of the CIP budget could be used to give back to the employees, all of whom are well-deserving.

There was no further public input.

The discussion among the Council members commenced with comments by Baker to the employees that the Council does take to heart what they said, but cautioned that some of the funding suggested was HURF money and probably could not be used. They were assured that the Council members do appreciate all of them, and are trying to do the best they can. Baker added that the employees have stepped up to the demands on them and they have been very professional. German suggested that the holiday pay could be reinstated. She commended the Chamber of Commerce Director and staff for their excellent management of the funds allocated to them, and stated for the record that when things increase she would like to see the Council return the funding back to at least where it was; this is not the time to try to cut advertising.

Roulette agreed that some funds need to be pulled from the CIP; he suggested that a 5 percent cut is not so bad considering the possibility of the Town going bankrupt. Not only the employees, but the whole community is facing a severe economic downturn. Garrison said she is nervous about dipping into the rainy-day fund this year because next year there may be no reserve left to dip into; the members are trying to do the best they can with the funds available. Kovacovich reminded the community that the coming tax increase vote is crucial; with the revenue increase next year will be even worse. Whatley agreed that the 1% tax increase is crucial; however, the ½% increase will do nothing for the Town finances. Investing money in sprucing up the buildings will perhaps help attract new business for the Town. She also commented on the holiday pay, and said that she would agree with the majority if they want to reinstate that.

The discussion continued with German's agreement with the suggestion that some funds could be saved by not hiring a Finance Director, although there was some objection to that, and to look at some of the figures mentioned to see if there is something that can be brought back to help the employees, perhaps even reduce the cut by 2-1/2%. Burnside commented on the difficult role faced by the Council; the CIP budget could be reviewed for possible funding to help the employees, but the appearance of the Downtown buildings is crucial for attracting visitors and businesses to generate revenues. The projects that have been ignored must be taken care of now; to wait will cost even more.

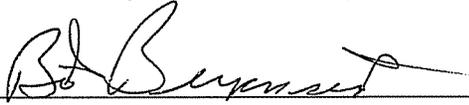
Burnside requested that the members try to arrive at a consensus based on what they have heard, what has been suggested, and what the future economic picture appears to present. Each of the members addressed what had been discussed, with comments varying from a positive outlook to a negative outlook for the future, together with input from Acting Town Manager Smith, Sr. Acct. Elliott and Public Works Director Long. It was pointed out that each line item or category can be reviewed and adjusted; however the total amount of the Tentative Budget cannot be revised at this point.

Elliott said that the 5% pay cut amounted to \$150,855. During a discussion of limiting the 5% cut to only department heads, Town Clerk Barber said she would be willing to agree with that suggestion; however, it was agreed that in fairness everyone should share equally the burden of any cuts. The Council discussed using possible designated CIP funds to compensate for restoring the \$150,855 in pay cuts. Among the suggestions, the Council agreed to postpone the \$45,000 for the Tres Rios project, and to take \$55,855 from the down payment on the Streets Yard property. In connection with finding additional sources of money and possibly not spending all the money allocated for a CIP item, Burnside commented that any line item category can be adjusted, and that any money left over can be moved back. Following a discussion with Elliott on the computation of the accrual rate in connection with holidays, there was a general consensus on giving back the holiday pay as well.

The discussion concluded with a request for a work session to be held with the Council and the Chamber of Commerce Board, a reminder to the community regarding requests for financial assistance for events, with a suggestion that the Council should consider allocating funding to help the community with events.

5. **Adjournment**

On a motion by Baker, seconded by German, the meeting was adjourned at 8:15 p.m.



Bob Burnside, Mayor

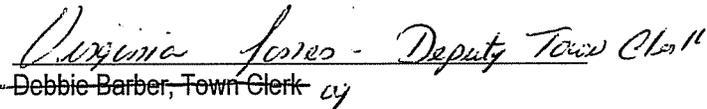


Margaret Harper, Recording Secretary

**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 Public Hearing of the Town Council of Camp Verde, Arizona, held on the 14<sup>th</sup> day of July 2010. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 5<sup>th</sup> day of August, 2010.



~~Debbie Barber, Town Clerk~~