



TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331
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MINUTES SPECIAL MEETING OF THE JEROME TOWN COUNCIL VIA ZOOM TUESDAY, APRIL 27, 2021 AT 1:00 PM

<p>ITEM #1: 1:00 (0:04)</p>	<p>CALL TO ORDER/ROLL CALL Mayor/Chairperson to call meeting to order. <i>Mayor Jack Dillenberg called the meeting to order at 1:00 p.m.</i> Town Clerk to call and record the roll. <i>Town Manager/Clerk Candace Gallagher called the roll. Present were Mayor Dillenberg, Vice Mayor Mandy Worth, and Councilmembers Alex Barber, Sage Harvey, and Jane Moore. Also present were Fire Chief Rusty Blair, Public Works Director Marty Boland, Utility Clerk Kristen Muenz, and Deputy Town Clerk Rosa Cays.</i></p>
<p>ITEM #2: 1:01 (1:07)</p>	<p>PAID PARKING Council will discuss the possibility of offering discounted paid parking to employees of town businesses. <i>Mayor Dillenberg said he was approached by a couple of business owners whose employees do not want to work in Jerome because of the parking situation (and because of the unemployment benefits they are receiving). On the business owners' behalf, the mayor asked if employees could be offered a discount for parking or perhaps a weekly voucher.</i> <i>Vice Mayor Worth said this has been discussed many times in the past. She said the whole point to the paid parking was to get visitors to pay for premium spaces and contribute to the infrastructure. She reminded everyone about all the free parking in town.</i> <i>Councilmember Harvey agreed with the vice mayor. Councilmember Barber also agreed and said the covered parking at the 300 level is nice to have now that the weather is warming up.</i> <i>Mayor Dillenberg thanked everyone for their comments and stated that no action needed to be taken.</i> <i>Ms. Barber also pointed out that if employees are insistent on getting free parking, they can drive up before 10:00 a.m. and find plenty of free parking.</i></p>
<p>ITEM #3: 1:08 (8:33)</p>	<p>COVID-19 Council will discuss when to resume in-person public meetings and the weekend shuttle service, and the protocol for doing so. <i>Ms. Gallagher announced that plexiglass panels had been ordered for the dais.</i> <i>Vice Mayor Worth asked if the town has received requests for shuttle service and wanted to know if staff is okay with opening May 1. She also asked about hybrid meetings and if there were any plans in place to hold them.</i> <i>Ms. Gallagher replied that hybrid meetings had not worked well for Jerome and explained why. She said she would like to find an A/V system to improve the broadcasting of meetings to the public. Ms. Gallagher said town staff has agreed with opening May 1; that masks will be required from the public and for interaction with the public, plus social distancing will be encouraged.</i> <i>Vice Mayor Worth said direction needs to be given to staff regarding shuttle service.</i> <i>Ms. Gallagher said Leo Shakespeare has been driving the Wednesday shuttle but that no one was operating the weekend shuttle. Utility Clerk Kristen Muenz informed Ms. Gallagher that she had received calls from visitors asking about the shuttle service.</i> <i>Mr. Boland said he has seen tourists at the 300-level parking lot waiting for the shuttle.</i> <i>Councilmember Moore asked if the windows in the shuttle van all open to improve ventilation.</i> <i>Ms. Harvey suggested that anyone who rode the shuttle would have to ride at their own risk.</i> <i>Ms. Barber asked how the shuttle driver felt about resuming the shuttle service. Ms. Gallagher said she was uncertain if Jenny DeVoss expected to be the shuttle driver. Ms. Muenz joined the meeting and informed Council of which windows open in the van (all but the back row).</i> <i>Ms. Barber suggested holding off on a decision about the shuttle until it was discussed with Ms. DeVoss.</i></p>

Jerome Town Hall Located at 600 Clark Street, Jerome Civic Center

Vice Mayor Worth made a motion to resume in-person meetings as of May 1 and that weekend shuttle service will resume once a driver is confirmed. Ms. Barber second the motion.

Ms. Harvey and Ms. Gallagher had a brief discussion about how in-person meetings would be set up.

Ms. Worth amended her motion to resume in-person meetings as of May 1 with social distancing and a limited capacity for the public. Ms. Barber second the motion.

Fire Chief Blair said he could provide masks and hand sanitizer for the meetings.

Motion to resume in-person meetings as of May 1 with social distancing and a limited capacity for the public

COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN
BARBER		X	X			
DILLENBERG			X			
HARVEY			X			
MOORE			X			
WORTH	X		X			

ITEM #4:
1:22 (22:00)

2021-22 BUDGET

Council will begin their discussions regarding the 2021-22 budget. Discussion may include any portion of the budget.

Ms. Gallagher read through an extensive memo and answered questions as she itemized the budget. She said her hope is for it to be adopted at the June council meeting so that it is ready for the new fiscal year.

The explanatory memo provided by Ms. Gallagher is attached hereto and made a part of these minutes.

Council discussed and determined that:

- A COLA increase will be added consistent with the Social Security COLA. (It was later determined that the SSA COLA is 1.3%.)
- The initial and annual cost of Caselle accounting software will be added and annual costs of CYMA, DataWest and ADP software eliminated.
- \$10,000 will be included for the purchase of a UTV for administration.
- Funds will be added to accommodate attendance at the AZ League and National League of Cities conventions.
- Funds will be included for a part-time Court Clerk.
- Funds will be included for the purchase of a new patrol car.
- Funds will be included to replace or restore the grass in Upper Park (cost TBA).
- Funds will be included to repair the overflow ditch between Hill Street & Clark Street (cost TBA).
- \$13,000 will be included to replace the water line on First Avenue.
- \$25,500 will be included for live tap valves for the Clark Street regulator.
- Funds will be added to "R&M – Water infrastructure" for recommended work at the springs.
- \$33,000 will be included for sewer line replacement as recommended by Mr. Boland.
- The ongoing expense of the Portajohns was discussed. Installing permanent public restrooms was discussed as an alternative and the cost will be reviewed.
- Funds will be added for an additional part-time parking enforcement officer.
- \$15,000 will be added to the parking budget for an ATV.
- Transfers from the parking budget to the water and sewer budgets will be increased to \$40,000 each.

Mayor Dillenberg opened the meeting up to the public; there were no comments.

The next meeting was slated for May 4 at 1:00 p.m.

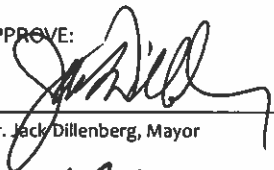
ITEM #5:

ADJOURNMENT

Motion to adjourn at 2:42 p.m.

COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN
BARBER			X			
DILLENBERG			X			
HARVEY	X		X			
MOORE			X			
WORTH		X	X			

APPROVE:



Dr. Jack Dillenberg, Mayor

ATTEST:



Candace B. Gallagher, CMC, Town Manager/Clerk

Date: 6.9.21



TOWN OF JEROME

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Founded 1876
Incorporated 1899

MEMO

FROM: Candace Gallagher, Town Manager/Clerk
TO: Mayor and Council
SUBJECT: First draft: 2021-22 Town budget
DATE: April 22, 2021

Here is the first draft of our 2021-22 budget. I emphasize DRAFT because this is a work in progress and will change continuously as we fine tune the numbers.

This budget anticipates a return to more normal operations following the pandemic; therefore, you will notice increases in both revenues and expenditures. We budgeted very conservatively last year, yet revenues greatly exceeded our expectations. As a result, we have accumulated additional fund balance that is available now for our use.

I am presenting to you a budget that covers our general day-to-day operations but (with a few exceptions) does not yet include special projects or requests, which are detailed separately here for you. The good news is that we still have well over \$600,000 in excess general and utility fund balance to work with as you add your "wish list" items to the budget. In addition, the parking fund includes a reserve of \$80,000 for capital purchases or additional transfers to the utility or public safety budgets.

As first drafted:

- The budget utilizes \$82,000 of our accumulated general fund balance and \$41,000 of our accumulated utility fund balance. As of July 1, 2020, our audit indicates that there was \$797,603 in unrestricted general fund balance and \$198,789 in unrestricted utility fund balance. I have adjusted those figures to include the anticipated surplus during this fiscal year. Please see the "Fund Balance Recap" sheet for additional details.
- No increases in sales tax or utility fees are anticipated in this draft.
- In this draft, there is no subsidy needed from the General Fund to the Utilities Fund. Instead, we are using utility fund balance, plus a transfer of \$40,000 each to the Water and Sewer budgets from our Parking Fund.
- As in past years, the Sanitation budget includes a \$5,000 transfer to the Capital Fund toward the eventual purchase of a garbage truck. After this transfer, we will have accumulated \$55,000, enough for a substantial downpayment if needed.
- No wage increases have been included in this first draft. I will adjust this if and as directed by Council.

This budget is balanced as presented.

Generally speaking, routine expenditures and revenues have been budgeted based on prior history and upcoming needs. We attempt to be conservative in budgeting our revenues, so as not to spend money that we don't have. With respect to expenditures, we try to be realistic yet conservative in budgeting for

“controllable” expenses while budgeting sufficiently to accommodate unanticipated situations and emergencies in areas that are difficult to predict, such as repairs and maintenance.

In all departments, you will see an increase in budgeted amounts for fuel and health insurance, reflecting anticipated (fuel) and actual (health insurance) increases in those rates. Property and liability insurance costs have been estimated as we do not yet have our bill for the coming year. Those amounts will be adjusted when we receive the billing, and I believe the actual amount is likely to be less than what is shown at present.

You will also notice that the budget for fuel has decreased in the Sanitation budget and increased in Parks, Properties and HURF. The overall impact is nil and is due to our reallocating fuel purchases for vehicles other than the trash truck.

More details:

GENERAL FUND REVENUES:

- We have anticipated sales tax revenues consistent with prior “normal” years.
- Certain revenue estimates are provided by the League (State sales tax, State Urban Revenue sharing, vehicle license tax and HURF revenues). There is a possibility that pending legislation will decrease our Urban Revenue Sharing by up to \$52,000. Our League is working hard to prevent this, and we will monitor the legislation closely and adjust as needed.
- As in the past, administration charges to the utility and streets funds are calculated to reallocate a portion of administrative salaries and overhead expenses to the water, sewer, sanitation and streets (HURF) budgets.
- Police and Fire revenue estimates were provided by the Chiefs.

GENERAL GOVERNMENT EXPENSES:

- *COVID Expenses:* We have eliminated the lighted “Mask Required” signs and will have eliminated as of May 21 expenses for “GoToMyPC” (allowing for telework). We have retained the expenditure line for ZOOM as it has proven to be very useful for many types of meetings and discussions. Portajohn expenses have been moved to HURF.
- “Tourism” has been adjusted to be in line with anticipated revenue from the added 1% bed tax. The shuttle driver is included in General Government salaries & wages for an approximate total of \$14,500 including payroll taxes. The \$6,000 included here brings that total to \$20,500 expended for tourism, roughly equivalent to the 1% bed tax that must by law be spent on promotion of tourism.
- **NOT YET INCLUDED:**
 - Audio-visual system to broadcast Council and Board meetings (cost TBD)
 - Golf cart or ATV for administration - \$10,000 (currently in Contingency)
 - Attendance at League convention August 2021 (approx. \$600/person w lodging)

MAGISTRATE COURT EXPENSES:

- The Court Security expenses are offset by dedicated Court Security revenue.
- The court is required to undergo a triennial audit and that will take place this year. \$2,200 has been added to the budget for this.
- **NOT YET INCLUDED:**
 - Judge request for additional part-time assistance

POLICE DEPARTMENT EXPENSES:

- “Software Service & Support” has been increased to reflect increased software maintenance costs.
- “Salaries & Wages” was adjusted to properly reflect the current wages of one patrol officer.

- "Retirement Match" has decreased by almost \$8,000 because of the Chief's enrollment in the DROPS program. We no longer contribute to his pension.
- We have added \$6,000 to "R&M Equipment" to include radio repairs that will be needed during the coming year. (This cost is split with Clarkdale.)
- One vehicle was paid off this year, so the amount for "Capital Outlay – Vehicles" has been reduced accordingly.
- **NOT YET INCLUDED:**
 - Chief request for new patrol car - \$32,000 (could be wholly or partly funded by Parking revenues)

FIRE DEPARTMENT EXPENSES:

- The \$7,000 previously budgeted under Salaries to provide for Chief's coverage has been moved to the "Per Call" line, and \$5,000 has been added to that line at the Chief's recommendation.
- "Wildlands wages" are budgeted but reimbursed (with revenue showing under "Fire Department Revenue."
- "Fuel abatement wages" consists of \$30,000 that will be reimbursed through the Firewise program and \$10,000 paid by the town.
- "Medical Supplies" has been increased to reflect actual costs and to include tank rental previously overlooked during budgeting.

LIBRARY EXPENSES:

- As the librarian has opted out of medical coverage and will receive an in lieu payment instead, the Town's benefit cost is reduced by slightly over \$4,000.

PLANNING & ZONING EXPENSES:

- Health insurance costs have been added, and "Payment in Lieu of medical benefits" eliminated, as the Zoning Administrator has opted back into health insurance coverage.
- "Training and Education" has been budgeted at \$2,000 to cover the Zoning Administrator's attendance at Code Enforcement Training, and lodging for same.
- The budget for legal expenses has been increased due to the anticipation of enacting several Zoning Code amendments during the coming year and increased activity in P&Z.

PARKS EXPENSES:

- Community Garden expenses are not reflected in this budget but rather under "Operating Grants," as we are utilizing prior funding provided by the Yavapai-Apache Nation.
- **NOT YET INCLUDED:**
 - Replacing grass in Upper Park (recommended by Marty Boland) – Cost TBD

PROPERTIES EXPENSES:

- We have increased Contract Services to allow for the possibility of a study by ASU regarding the Hotel Jerome.
- The Properties budget includes, under Repairs and Maintenance, the following:
 - Routine building maintenance - \$20,000
 - Routine infrastructure maintenance - \$3,000
- School Street access – wall and steps repair - \$39,000 (to supplement grant funds of \$61,000). (This project was in last year's budget but was not started.)
- **NOT YET INCLUDED:**
 - Preliminary design work for Hotel Jerome (beyond ASU study)
 - Repairs to parade steps (\$25,000 in contingency budget)
 - Repair to rock wall below School Street (\$50,000 in contingency budget)
 - Repair to overflow ditch between Hill Street and Clark Street (recommended by staff - \$ TBD)

WATER DEPARTMENT REVENUES & EXPENSES:

- Anticipated revenues have been brought back up to be closer to “normal” but are still being conservatively budgeted. We will continue monitoring revenues as they come in and adjust this figure as needed.
- Legal fees for Brown & Brown have been moved to Operating Grants, as we will be using the Freeport-McMoRan grant for water planning to cover those costs.
- Infrastructure Repairs & Maintenance have been budgeted as follows:
 - Routine maintenance (as needed): \$20,000
 - Regulator boxes: \$5,000 (amount subject to adjustment, to be confirmed with Marty Boland)
 - Springs: \$5,000 (amount subject to adjustment, to be confirmed with Henry MacVittie)
- We have added a line for Springs Security expenses, tentatively budgeted at \$5,000 (amount subject to adjustment, to be confirmed with Chief Muma).
- **NOT YET INCLUDED:**
 - Purchase of water truck - \$30,000 (Could be funded in part with wildlands revenues)
 - Water and sewer line replacement on First Avenue as per Marty Boland’s recommendation (attached) - \$13,000 (includes sewer)
 - Live tap valves for Clark Street regulator as per Marty Boland’s recommendation (attached) - \$ TBD
 - System to allow for online utility payments (currently researching)

SEWER DEPARTMENT REVENUES & EXPENSES:

- Anticipated revenues have been brought back up to be closer to “normal” but are still being conservatively budgeted. We will continue monitoring revenues as they come in and adjust this figure as needed.
- \$25,000 00 has been included for engineering fees relative to needed upgrades at the sewer treatment plant. Additional funds for engineering are included under Operating Grants and Contingencies (see below).
- \$15,000 has been budgeted for routine infrastructure maintenance.
- Principal payments on our bonds have been removed from the sewer budget, as these are balance sheet items, not P&L items and need not be reflected in the budget.
- We will be discussing the possibility of using existing cash reserves to pay off our sewer bonds entirely. More on that at a future budget meeting.
- **NOT YET INCLUDED:**
 - Sewer line replacement as per Marty Boland’s recommendation (attached) - \$33,000

HURF (STREETS) REVENUES AND EXPENSES:

- We still have fund balance remaining in HURF that we will use toward balancing this fund’s budget. The remainder will be subsidized by the General Fund. (That subsidy currently comes to \$68,000).
- \$25,000 has been budgeted for continued use of Portajohns, in the event that Council wishes to retain those. Currently they are only at Middle Park.
 - Council may want to consider funding or seeking funding for permanent public restrooms in that area.
 - We have applied for reimbursement thru DEMA/FEMA, and will continue to apply as additional expenses are incurred; however, we have not received word yet as to whether these costs will be reimbursed.
- \$20,000 (total) has been budgeted for routine infrastructure maintenance and street patching.

- **NOT YET INCLUDED:**
 - Repairs to Gulch Road and North Drive (requested by resident) – Cost TBD
 - Hampshire Avenue sidewalk repair (needs ADOT involvement) - \$50,000 in contingency budget
 - Purchase of flatbed truck - \$50,000 (would be split between Water, Sewer, Parks, Properties, Trash and HURF budgets)

PARKING REVENUES AND EXPENSES:

- We have anticipated \$150,000 in kiosk revenues, with an allowance for an additional \$70,000.
- We have provided for transfers of \$40,000 each to the water and sewer budgets.
- The budget includes an allowance of \$20,000 for additional capital purchases, and an allowance of \$60,000 for additional transfers if needed to water, sewer and public safety budgets.
- **NOT YET INCLUDED:**
 - Purchase of ATV - \$15,000 (recommended by Chief Muma)
 - Second parking enforcement officer, part-time - \$15,500 (recommended by Chief Muma – see attached)

OPERATING & CAPITAL GRANTS:

- We are still “fleshing out” our grants budgets, but at present they include:
 - GOHS grant for police - \$7,000
 - Various fire grants (Firehouse Subs, 100 Club, NEAMS and Title 3) - \$43,500
 - Carryover of remaining Freeport-McMoRan grant for water planning - \$41,000
 - SHPO grant for design guidelines - \$20,000
 - USDA Search grant for wastewater engineering - \$30,000
 - Core of Engineers grant for sewer plant design - \$500,000 (per PACE Engineering)
 - Grant to cover the grant match for the Core of Engineers grant - \$25,000
 - Yavapai County Storm Drainage - \$120,000 (accumulation of four years of funding carried over for use in obtaining easements for our drainage project)
 - Miscellaneous operating grants TBA - \$300,000
 - CDBG – DUNDEE Waterline - \$309,170
 - Remainder of HURF Exchange funding for drainage design - \$80,000
 - Yavapai Apache Nation Prop 202 funding carryover (Community Garden) - \$31,000
 - Yavapai Apache Nation Prop 202 funding carryover (Fire Station kitchen or other project preferred by Council) - \$15,000
 - Carryover of two Freeport McMoran Social Investment funding awards totaling \$61,000 for restoration of School Street access to Civic Center
 - Freeport-McMoran Social Investment funding 2022 (TBA) - \$30,000
 - ADEQ Brownfields funding for lead paint abatement at Hotel Jerome - \$50,000
 - Grant for a healthcare clinic (also budgeted in prior years) - \$50,000
 - Miscellaneous capital grants TBA - \$250,000
- Additional grants may be added upon the recommendation of staff or Council.

CAPITAL FUND:

- With the transfer this year of another \$5,000 from the Sanitation budget, we will have accumulated \$55,000 toward the eventual purchase of a new garbage truck.

CONTINGENCIES:

We budget for contingencies so that if funds that are not anticipated in the regular budget are received, they can be spent. Revenues from excess sales tax, additional donations, sale or lease of real property, connection fees, a Design Bridge loan and American Rescue Act funds are included, and expenditures provided for as follows:

- Use of American Rescue Act funding (for water, sewer or broadband) - \$54,285
- \$25,000 for repairs to the parade steps
- Repairs to the rock wall below School Street - \$50,000
- Hampshire Avenue sidewalk repairs - \$50,000
- Purchase of a flatbed truck - \$50,000
- The use of excess wildlands fees up to \$100,000
- The use of excess sales tax revenues up to \$80,000
- Purchase of a new golf cart or ATV for administration - \$10,000
- Use of additional library donations - \$2,500
- Use of funds from the sale or lease of real property (Clarkdale cemetery) – up to \$1,000,000
- Phase two of wastewater engineering (design) if needed - \$100,000 (to be funded by a Design Bridge loan)

MAJOR PROJECTS NOT INCLUDED:

- Center Avenue – water, sewer, road repair - \$400,000 to \$450,000
 - Engineering is complete. This is the project we applied for competitive CDBG funding for but did not receive.
- School Street – water, sewer, road repair
- Verde Street – water, sewer, road repair
- Holly Street – water, sewer, road repair, retaining wall
- First Avenue – water, sewer, road repair, curb and gutter
- Fifth Avenue – water, sewer, road repair
- Refurbishment of second water tank on Cleopatra Hill

I hope this memo will answer any questions you have as we begin this year’s budget process. I believe we have accommodated the routine expenditures well, and I would request input from Council regarding the funding of special projects and purchases, wages and staffing levels, as detailed on the separate sheet attached.

Some estimated figures for routine expenditures, as well as grants anticipated, are still under review and are subject to adjustments as needed.

As a reminder, we are aiming to adopt the tentative budget at our regular June meeting (June 8), and adopt the final budget at a special meeting to be scheduled for June 29. This is about a month ahead of the statutory deadlines but would allow us to have our FY22 budget in place as of July 1.

As you all know, after the tentative budget is adopted, changes can still be made, but the budget may not be increased.

My thanks, as always, to our amazing staff for their input and cooperation during this process.

BUDGET MEETING SCHEDULE:

Tuesday, April 27 - 1:00 PM

Tuesday, May 4 - 1:00 PM

Monday, May 10 - 11:00 AM

Tuesday, May 18 - 1:00 PM

Wednesday, June 2 - 1:00 PM