



TOWN OF JEROME

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MINUTES

REGULAR MEETING OF THE JEROME TOWN COUNCIL

Council Chambers, Jerome Town Hall, 600 Clark Street

TUESDAY, JUNE 8, 2021, AT 7:00 P.M.

<p>ITEM #1: 7:00 (0:03)</p>	<p>CALL TO ORDER/ROLL CALL</p> <p>Mayor/Chairperson to call meeting to order.</p> <p><i>Mayor Jack Dillenberg called the meeting to order at 7:00 p.m.</i></p> <p>Town Clerk to call and record the roll.</p> <p><i>Town Manager/Clerk Candace Gallagher called the roll. Present were Mayor Dillenberg and Councilmembers Jane Moore, Alex Barber, and Sage Harvey. Vice Mayor Mandy Worth was absent due to a family emergency. Also present were Zoning Administrator John Knight, Accounting Clerk Melanie Atkin, and Deputy Town Clerk Rosa Cays.</i></p>																																										
<p>ITEM #2: 7:00 (0:35)</p>	<p>FINANCIAL REPORTS</p> <p>Financial reports for May 2021</p> <p><i>Councilmember Harvey asked if the town has received any word from the Department of Emergency and Military Affairs (DEMA) regarding reimbursement of COVID-related expenses. Ms. Gallagher said she has not heard back from DEMA and is holding off submitting more expenses for now.</i></p> <p><i>Ms. Harvey then asked about the telephone line item for JPD, which has put the department over budget for this fiscal year. Ms. Atkin said Chief Muma had to unexpectedly add cellphones for his officers and will include the expense in his budget for next year.</i></p> <p><i>Ms. Harvey inquired about the sanitation usage fees, down by \$17k. Ms. Atkin said it was due to several businesses being closed during the pandemic, which was why water and sewer usage fees were also low.</i></p> <p><i>Ms. Harvey also asked about the drop in business licenses in revenues and general funds. Ms. Atkin explained that it was a combination of businesses closing and some businesses no longer requiring licenses.</i></p> <p><i>Ms. Harvey closed with announcing that the town had received its first solar credit of \$312.50.</i></p> <p><u>Motion to accept the May 2021 Financial Reports</u></p> <table border="1" data-bbox="375 1123 1378 1255"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER			X				DILLENBERG			X				HARVEY		X	X				MOORE	X		X				WORTH					X	
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<p>ITEM #3: 7:04 (4:34)</p>	<p>STAFF AND COUNCIL REPORTS</p> <p>Reports by the Town Manager/Clerk, Deputy Town Clerk, Utilities Clerk, Accounting Clerk, Public Works Department, Building Inspector, Library, Municipal Court, Police Chief, and Fire Chief, and Council members.</p> <p><i>Ms. Gallagher read highlights from her staff report: she recently met with Councilmember Jane Moore and Mike Krebs regarding the sewer treatment plant; she also met with Peter de Blanc of Four-D, Mr. Knight, and Ms. Cays regarding an upgrade to the audio/visual setup in the council chambers. She attended the June 3 countywide meeting of mayors, managers, supervisors, and tribes in Prescott with Mayor Dillenberg and said it was nice to meet in person again. Ms. Gallagher said the town code and zoning ordinance are now up to date on the website and that she placed an ad for a shuttle driver but has gotten no response. She then announced that Ms. Cays had just reached her four-year anniversary of working for the town; the water flows and sales tax revenues are doing quite well; and the Jerome Artists Co-op has reopened the public restrooms!</i></p> <p><u>Motion to accept the May 2021 Financial Reports</u></p> <table border="1" data-bbox="375 1625 1378 1755"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER		X	X				DILLENBERG			X				HARVEY			X				MOORE	X		X				WORTH					X	
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<p>ITEM #4: 7:07 (7:49)</p>	<p>ZONING ADMINISTRATOR'S REPORT AND MINUTES</p> <p>Minutes are provided for the information of Council and do not require action.</p> <p><i>Mr. Knight read from his staff report and mentioned key items, a few listed here: At the May 19 P&Z meeting, the commission initiated the ordinance amendment regarding temporary signs in the commercial district; they approved the site plans for the Mexican pool property [300 Queen Street] and Keith Lazaro's lot at 224 Fourth Street. At the June 7 DRB meeting, the Lazaro project was tabled as Mr. Lazaro was not able to attend to answer questions from the board. DRB approved the 300 Queen Street site plan as well as the new gate to be installed in front of Husbands' Alley and a couple of new store signs.</i></p>																																										

<p>ITEM #5: 7:11 (11:05)</p>	<p>APPROVAL OF MINUTES April 27, 2021 (open session); May 4, 2021 (open and closed sessions); May 10, 2021 (open session); May 11, 2021 (open session); May 18, 2021 (open session) Note: If necessary for review of closed session minutes, Council may convene in executive session, pursuant to A.R.S. § 38-431.03 (A)(2), for discussion or consideration of records exempt by law from public inspection.</p> <p>Motion to approve April 27, May 4, 10, 11, and May 18 minutes as submitted</p> <table border="1" data-bbox="375 331 1380 457"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER		X	X				DILLENBERG			X				HARVEY	X		X				MOORE			X				WORTH					X	
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<p>ITEM #6: 7:11 (11:05)</p>	<p>PETITIONS FROM THE PUBLIC Property owner Cameron Sinclair of 300 Queen Street said he met with the dean of the architecture school at ASU, who has offered to “give” graduate-level students to Jerome for R&D and to help the town with historic and design guidelines. He said the dean would like to come to Jerome to meet with a representative of the Council or a staff member, likely Mr. Knight. Mayor Dillenberg asked if any councilmembers would be interested in meeting with the dean. Ms. Barber and Ms. Moore both volunteered. Mr. Sinclair said if Jerome is selected, the architecture school would make a 5 to 10-year commitment to the design guidelines.</p>																																										
<p>ITEM #7 7:14 (14:56) 7:19 (19:16) 7:33 (33:33)</p>	<p>PRESENTATIONS</p> <p>ITEM #7A: COCODONA 250 RACE Jamil Coury of Aravaipa Running will discuss the recent Cocodona 250 race and their plans for next year’s event. Mr. Coury thanked the Council for the opportunity to hold part of the race through Jerome and asked for feedback. Mayor Dillenberg said everyone he met was professional and courteous and sensitive to following the established guidelines. Ms. Cays said she talked to several residents who live on Dundee or in the Gulch, and said she received all positive comments and reactions to the event. Councilmember Moore said she saw runners and talked to a few of them; she believes the newspaper article probably confused readers about what the race would be. Mr. Coury said Ms. Moore has suggested roads 503A and 500E for next time which would be better and he will scout those paths soon; he acknowledged that Gulch Road was rough and one of the most feared parts of the course. He mentioned that \$500 was donated by Aravaipa Running to the JFD Auxiliary.</p> <p>ITEM #7B: FIRE MITIGATION Matt Meierbachtol of APS will present information regarding fire mitigation. Matt Meierbachtol, Supervisor of Construction and Maintenance in the Verde Valley for APS, spoke to Council about fire mitigation as he shared a PowerPoint presentation. He talked about defensible space around poles (DSAP) to protect against wildfire ignitions. He said customers with public safety concerns around fire can call 602-371-7171, and to keep in mind that APS has a slower response during high fire risk season and will not turn power back on until lines are checked for integrity. He said the number to call to report an outage is 855-688-2437. Customers can also sign up for outage alerts at aps.com/alerts. Mayor Dillenberg suggested adding this information to the town website and to include it in the next newsletter. Councilmember Barber asked to keep herbicides out of Jerome, if possible. Mr. Meierbachtol said he would take this request to the DSAP team to see what they can do. Ms. Moore said the phone numbers in the agenda packet were not the same as in the PowerPoint presentation. Ms. Cays said she could verify the phone numbers and make sure the correct ones are published. Mr. Meierbachtol mentioned that APS “upped the ante” with the helicoptered phone poles down the hill from Jerome.</p> <p>ITEM #7C: WATER AND SEWER RATES Dan Jackson of Willdan Financial Services will review his prior analysis of Jerome’s water and sewer rate structure and may make recommendations in that regard. Dan Jackson, VP of Willdan, introduced himself. He said he has been examining water and wastewater rates for 35 years and has worked with 40-45 cities in Arizona. He said the issues in Jerome are like utilities in other towns: <u>water is a product</u>, and people do not want to pay more for it even though costs of providing it keep going up. Mr. Jackson said rates vary to cover costs but should be “fair, just, and reasonable.” He said that this is different in every town, and what works in Bisbee may not work in Yuma, for example. Water is a business, a service provided, he emphasized, and that 30-40 percent of utilities lose money. He said Jerome’s current rates do not cover current costs and often funds are subsidized—this increases the challenge. Mr. Jackson recommends a volume-based rate but noted that every customer will be impacted differently: some will pay the same, some less, and some more, or a lot more. He then went through Jerome’s rates for water usage, a “complex,</p>																																										

complicated rate system.” He said relatively speaking, Jerome’s rates are incredibly low compared to other places in Arizona and predicts the usage will stay relatively level over next the ten years, with some fluctuation. He shared data and compared business to residential usage and talked about what it costs Jerome to run the water and sewer operations.

Mr. Jackson got to the crux of his presentation and the rate plan he would recommend for Jerome, one that would make the town enough money to cover costs of service. He said Jerome is different in that it uses sales tax revenue to support utility operations, but it would be best for the rates to cover the costs.

Mr. Jackson’s next question was what is fair, just, reasonable to Jerome? He suggested executing a 20-percent premium to customers outside of Jerome and two revenue-neutral, volume-based rate proposals to consider: one with no water “credit” or one with a flat rate for 8K gallons of water usage or less, with added charges for gallons consumed over that amount. Mr. Jackson said this will incentivize people to change their usage and that Council could implement this in a variety of ways. He then explained how this would impact customers in different scenarios. Mr. Jackson said there is a procedure for revising rate plans, so Council was not expected to decide this evening.

Mr. Jackson agreed with comments during meetings with locals that conservation is important. He said Jerome can determine what is fair, just, and reasonable and charge for water accordingly. He said Jerome could keep residents at a flat rate and change rates for just commercial accounts. He suggested other ways the town could implement a volume-based rate plan.

Ms. Gallagher asked about the implementation of a senior citizen rate. Mr. Jackson said because of fixed incomes, seniors will be given a 5- to 15-percent discount in some cities, and that this was easier to manage than offering a “low-income” rate.

Mayor Dillenberg asked how a 5-year plan would affect the senior citizen rate. Mr. Jackson said Willdan is suggesting a 5-year plan to phase in the rate so it is not a shock to citizens—or to the town, should it find itself under financial duress due to not meeting costs.

Ms. Harvey said it was good to review the information again.

Mr. Jackson said that if Council wants to go forward, a notice of intent is first, per Arizona statutes; however, this does not commit the town to changing the rate. After 60 days, a public hearing is scheduled, and comments are solicited from the public. If all is timely, Council votes on a rate plan and can implement it after 30 days.

Ms. Gallagher asked if there was a time limit after the public hearing within which to act. Mr. Jackson thought a month or two could probably pass without penalty.

(1:09:00) Mayor Dillenberg called for a 10-minute break at 8:09. Council reconvened at 8:21 and jumped to Item 10C to accommodate attendees. The items remain in numerical order in these minutes.

ITEM #8

2021-22 BUDGET

8:33 (1:21:23)

ITEM #8A: APPROVAL OF TENTATIVE BUDGET FOR 2021-22

Council will review and may approve a tentative budget for the Town of Jerome for the fiscal year ending June 30, 2022. If approved, the public hearing and final adoption of the budget would take place at a special meeting to be held on June 29, 2020.

Ms. Gallagher made one correction under utility fund contingencies. She clarified what the figures should be and in what fund. She then summarized the latest changes, reading from her memo included in the agenda packet and as an addendum to these minutes.

Ms. Harvey said she would like to possibly raise the amount in the preservation of buildings budget from \$30K to \$50K. She also thought the budget for new windows for the Hotel Jerome should be increased from \$15K to \$20K. There was consensus on this.

Ms. Harvey also said the budgeted \$8K for bank fees and merchant services ought to be increased to \$10K and that for credit card processing fees, they should budget \$40K instead of \$32K, which this fiscal year has already been reached with one month still left.

Ms. Barber asked about the status of the fence around the community garden. Mr. Knight said he did submit estimates to Ms. Gallagher; however, costs have gone up since. Ms. Gallagher said grant money could be used for the fence.

Mayor Dillenberg shared his appreciation for everyone’s time in putting the budget together.

Ms. Gallagher said she wanted to add \$30K to the contingency fund to cover the reimbursement they may not get from FEMA. Council agreed.

Ms. Barber clarified the time and date for the next special Council meeting to adopt the final budget, July 29 at 7 p.m.

Motion to approve, with changes discussed, the tentative budget for FY2021-22

COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN
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<p>ITEM #9: 8:52 (1:41:00)</p>	<p style="text-align: center;">ORDINANCES AND RESOLUTIONS</p> <p>ITEM #9A: RESOLUTION NO. 610, A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF JEROME, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "2021 CHANGES TO THE JEROME ZONING ORDINANCE REGARDING ADMINISTRATIVE APPROVALS AND APPEALS"</p> <p>Council may adopt Resolution 610, declaring as a public record certain changes to the Jerome Zoning Ordinance to be considered for adoption as part of Ordinance 470.</p> <p>Mayor Dillenberg read the resolution in title only.</p> <p style="text-align: center;">Motion to adopt Resolution No. 610</p> <table border="1" data-bbox="375 457 1378 583"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER			X				DILLENBERG			X				HARVEY	X		X				MOORE		X	X				WORTH					X	
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<p>8:53 (1:42:00)</p>	<p>ITEM #9B: SECOND READING AND POSSIBLE ADOPTION - ORDINANCE NO. 470, AN ORDINANCE OF THE TOWN COUNCIL OF JEROME, ARIZONA AMENDING SECTIONS 106, 302, 303.1, 303.2, 303.3, 303.4, 304 AND 502 OF THE JEROME ZONING ORDINANCE RELATED TO ADMINISTRATIVE APPROVAL AND THE APPEALS PROCESS FOR CERTAIN TYPES OF PROJECTS</p> <p>Council may conduct the second reading of, and may adopt, Ordinance No. 470.</p> <p>Mayor Dillenberg read the ordinance in title only.</p> <p>Ms. Barber had a question about the filing fee for an extension in Section 302: page 32 of 93. Mr. Knight explained that there is no fee now and that he and Ms. Gallagher have been working on a master fee schedule to be adopted by council resolution.</p> <p>Ms. Harvey clarified that currently there is no fee for an extension, but a fee can be set via a resolution.</p> <p style="text-align: center;">Motion to adopt Ordinance No. 470</p> <table border="1" data-bbox="375 947 1378 1073"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER			X				DILLENBERG	X		X				HARVEY		X	X				MOORE			X				WORTH					X	
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<p>8:57 (1:45:31)</p>	<p>ITEM #9C: RESOLUTION NO. 615, A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, AMENDING FEES FOR PARKING KIOSKS WITHIN THE TOWN OF JEROME</p> <p>Council may adopt Resolution No. 615, changing the kiosk parking fee to a single all-day fee of \$4.</p> <p>Mayor Dillenberg read the resolution in title only.</p> <p style="text-align: center;">Motion to adopt Resolution No. 615</p> <table border="1" data-bbox="375 1247 1378 1373"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER	X		X				DILLENBERG			X				HARVEY		X	X				MOORE			X				WORTH					X	
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<p>8:58 (1:46:27)</p>	<p>ITEM #9D: RESOLUTION NO. 616, A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, WAIVING PARKING KIOSK FEES FOR ATTENDEES AT NACOG REGIONAL COUNCIL MEETING, JUNE 23-24, 2021</p> <p>Council may adopt Resolution No. 616.</p> <p>Mayor Dillenberg read the resolution in title only.</p> <p style="text-align: center;">Motion to adopt Resolution No. 616</p> <table border="1" data-bbox="375 1577 1378 1703"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER		X	X				DILLENBERG			X				HARVEY	X		X				MOORE			X				WORTH					X	
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<p>8:58 (1:47:14)</p>	<p>ITEM #9E: RESOLUTION NO. 617, A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, ESTABLISHING DISCOUNTED PARKING RATES FOR JEROME RESIDENTS AND EMPLOYEES OF JEROME BUSINESSES</p> <p>Council may adopt Resolution No. 617, offering a discounted parking rate of \$3 (all day) to Jerome residents and employees of Jerome businesses.</p> <p>Mayor Dillenberg read the resolution in title only.</p> <p>Ms. Barber pointed out that this has been discussed repeatedly, and even though it has been denied, it gets brought back to the table. She said it would be a lot of administrative work for someone and she says no to this resolution.</p> <p>Mayor Dillenberg said Chief Muma indicated that it would significantly increase revenue because employees would buy discount tickets to park. Discussion ensued about no guarantees for prepaid parking.</p>																																										

Ms. Barber remarked that there is more free parking than paid parking in the business district.
 Ms. Moore said she would like to see designated parking for employees or a shuttle from the 300 level.
 Mr. Dillenberg said he is hearing complaints from the person who owns more restaurants in town than anyone, and that one reason he closed one of them was because he could not find employees due to the parking situation.
 Ms. Moore pointed out that he owns two lots that could accommodate his employees.

Motion to postpone Resolution No. 617 indefinitely

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

9:07 (1:56:17)

ITEM #9F: RESOLUTION NO. 618, A RESOLUTION OF THE TOWN OF JEROME, ARIZONA MAYOR AND COMMON COUNCIL, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2022 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL

Council may adopt Resolution No. 618, designating Candace Gallagher as the Chief Fiscal Officer responsible for officially submitting the Fiscal Year 2022 Expenditure Limitation Report to the AZ Auditor General.

Mayor Dillenberg read the resolution in title only.

Motion to adopt Resolution No. 618

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

ITEM #10:

UNFINISHED BUSINESS

9:07 (1:56:59)

ITEM #10A: DISCUSSION OF ORDINANCE REGARDING BEES

Council will continue their discussion of the regulation of beekeeping in Jerome and may initiate the process for the adoption of an ordinance.

Mr. Knight reminded everyone that Council decided to adopt a beekeeping ordinance at the last meeting. He said it will not address aggressive bees, but they are being addressed separately with better trash cans in place on Main Street. He also mentioned that Andrea Prince of the Surgeon's House now has two hives instead of three. If Council decides to go forward, Mr. Knight said, they would simply be initiating the ordinance process, which would go to P&Z for consideration. The ordinance could either go in the town code or be part of the zoning ordinance as a CUP. He noted that, per Town Attorney Bill Sims, Ms. Prince would not have to obtain a CUP; hers would be considered a legal, nonconforming use.

Ms. Harvey said a definition for swarm should be added, and that the ordinance should say an adequate supply of water and food should be provided, not just water. Ms. Barber agreed.

Ms. Moore wondered if two hives was enough for a serious beekeeper—what if someone lives in the AR zone?

Mr. Knight said they could consider allowing more hives if someone had a larger property or was located further out of town. He said he would research what other places have done in this regard.

Ms. Harvey explained that the hive limit is because of Jerome's small size.

Motion to have P&Z initiate the process for the adoption of a beekeeping ordinance

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

9:14 (2:03:19)

ITEM #10B: DISCUSSION OF ORDINANCE REGARDING SPECIAL EVENTS

Council will continue their discussion of the regulation of special events in Jerome and may initiate the process for the adoption of an ordinance.

Ms. Moore said she would like to see this in the town code rather than zoning ordinance. She suggested keeping it simple with an application asking basic logistical questions such as how many people are expected? Will police service be needed?

Ms. Barber read from Clarkdale's code and agreed with some of their requirements; she said permit fees would also be good to include.

Mr. Knight said he will reach out to the councilmembers working with him and will simplify the draft he has prepared.

8:22 (1:11:15)

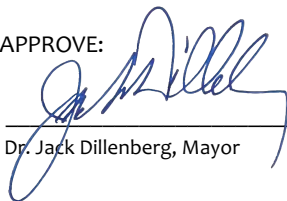
ITEM #10C: DISCUSSION OF PUBLIC OUTREACH REGARDING RESIDENTIAL PARKING

Council will review proposed survey questions and methodology for public outreach regarding the residential parking program.

Mr. Knight said parking has been discussed ever since he started working in Jerome. He said that we now know different neighborhoods have their own problems, and that temporary permits seem to be an ongoing issue. Mr. Knight suggested a public outreach program, scheduled on a Saturday or two, with support from Council. A town hall meeting could then be scheduled, or a committee formed to work on this item.

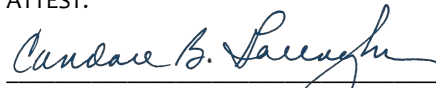
	<p>Ms. Harvey said she was willing to help with the neighborhood meetings if Vice Chair Worth was not already working with Mr. Knight.</p> <p>Ms. Moore asked if notices would be sent out via mail to those affected. Mr. Knight said his initial idea was to advertise all the meetings at once to allow people to attend when they can, not just in their neighborhood.</p> <p>Ms. Barber suggested they discuss the survey questions. Positive comments were made about the anonymous survey questions submitted to Council. Mr. Knight said he could include them with other questions, confer with Ms. Worth when she returns, and pass them by Council again.</p> <p>(1:20:22) Jerome homeowner and resident Jera Peterson asked if she could claim the space in front of her house as her own. Mr. Knight said he would talk about it with her at another time as her street was not one of the neighborhoods being discussed.</p>																																										
<p>ITEM #11: 9:18 (2:06:48)</p>	<p>TO AND FROM THE COUNCIL</p> <p>Council may direct staff regarding items to be placed on a future agenda.</p> <p>Mr. Knight invited Council to the SHPO walking tour on June 21 at 10am.</p> <p>Ms. Barber said she wants fencing around the community garden so that pollinators can be planted, something she promised to help with. She said she also wanted to discuss relocating the sport court to create dedicated parking for employees near Queen Street.</p> <p>Ms. Moore said she would like to start a shuttle for employees during the week from the 300 level. She also asked if the town was going to work with SHPO on the design guidelines rather than ASU students, and explained why she would prefer not to work with students.</p> <p>Ms. Harvey said the business district needs more or bigger dumpsters and said she would like to explore options for dealing with overflowing dumpsters. Ms. Gallagher asked Ms. Harvey if she thought bigger or more dumpsters were the answer. Discussion ensued. Ms. Gallagher said she would talk with Public Works Director Marty Boland and see what would work.</p>																																										
<p>ITEM #12:</p>	<p>ADJOURNMENT</p> <p><u>Motion to adjourn at 9:28 p.m.</u></p> <table border="1" data-bbox="375 947 1378 1075"> <thead> <tr> <th>COUNCILMEMBER</th> <th>MOVED</th> <th>SECONDED</th> <th>AYE</th> <th>NAY</th> <th>ABSENT</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>BARBER</td> <td>X</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DILLENBERG</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>HARVEY</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MOORE</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER	X		X				DILLENBERG			X				HARVEY		X	X				MOORE			X				WORTH					X	
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MOORE			X																																								
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APPROVE:



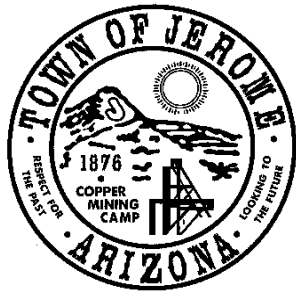
Dr. Jack Dillenberg, Mayor

ATTEST:



Candace B. Gallagher, CMC, Town Manager/Clerk

Date: 7/14/21



TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331
(928) 634-7943 FAX (928) 634-0715

Founded 1876
Incorporated 1899

MEMO

FROM: Candace Gallagher, Town Manager/Clerk
TO: Mayor and Council
SUBJECT: Final draft for tentative adoption: 2021-22 Town budget
DATE: June 2, 2021

Here is our 2021-22 budget as presented for tentative adoption.

As drafted:

- The budget will utilize \$188,000 of our estimated accumulated general fund balance and \$164,000 of our estimated accumulated utility fund balance, retaining reserves of over \$759,000 (general fund) and over \$34,000 (utilities fund). The estimated general fund balance remaining constitutes 35.4% of general fund operating expenses, which conforms to the recommendations of prior councils that at least 25% be retained. Please see the "Fund Balance Recap" sheet for additional details. We are also able to utilize fund balance in the HURF budget due to a large one-time receipt during FY20.
- 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 new Parking Fund.
- The Parking Fund is also transferring \$30,000 to the General Fund budget to subsidize public safety expenditures.
- The Sanitation budget includes a \$10,000 transfer to the Capital Fund toward the eventual purchase of a garbage truck. After this transfer, we will have accumulated \$60,000, enough for a substantial down payment if needed.

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.

More details:

WAGES AND BENEFITS:

- This budget includes an across-the-board cost of living adjustment of 2.3%, equivalent to the Social Security Administration's COLA, plus one percent. Public safety wages have been adjusted as per recommendations of each Chief.
- The budget includes a \$2/hour stipend for public safety employees who reside within town limits. This does not apply to the two Chiefs, who are required by Code to live in town.

GENERAL FUND REVENUES:

- Anticipated sales tax revenues have been increased from the prior year, when they were conservatively budgeted due to the pandemic, yet exceeded our expectations.
- Updated state shared revenue estimates have been provided by the League (State sales tax, State Urban Revenue sharing, vehicle license tax and HURF revenues) and have been incorporated in this draft.
- 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.

GENERAL GOVERNMENT EXPENSES:

- We have included \$4,500 for participation in the Cottonwood Area Transit system, which we hope to establish during FY22. This was budgeted last year but interrupted by COVID.
- The Chamber of Commerce has submitted a request to spend \$25,000 during FY22 as the tourism portion of the added bed tax. This is reflected in the \$10,000 line item under General Government titled "Tourism – from bed tax," and in administrative salaries for a weekend shuttle driver.
- We have included \$6,000 for a high quality A/V system to live stream Council and board meetings and improve the quality of recorded transcripts.
- \$30,000 is included for "Allowance for preservation of historic buildings."
- \$10,000 has been included for the purchase of a UTV for use by administration, which will be available also to our public works, fire and police departments if needed.

MAGISTRATE COURT:

- We have included \$15,000 revenue from parking tickets.
- A new "Court Security Fund" has been established, with offsetting revenues and expenditures.
- The court's required triennial audit is also included in this year's budget.
- We have included a provision for an added part-time court clerk.

POLICE DEPARTMENT:

- The budget includes the purchase of one new police vehicle.

FIRE DEPARTMENT EXPENSES:

- The budget includes \$10,000 for fire mitigation activities above and beyond what will be reimbursed thru the Firewise program.
- Budgeted wildlands wages and payroll taxes are reimbursed by wildlands revenues.

PARKS EXPENSES:

- The budget includes \$2,000 for restoration of the grass in Upper Park.

PROPERTIES EXPENSES:

- 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 - \$50,000 (to supplement grant funds of \$61,000).
 - Hotel Jerome front window repair - \$15,000
 - Repairs to the overflow ditch - \$10,000

WATER DEPARTMENT REVENUES & EXPENSES:

- Revenues have been returned to pre-pandemic levels.
- We are including under revenue a \$40,000 contribution from the parking fund.

- Infrastructure Repairs & Maintenance have been budgeted as follows:
 - Routine maintenance (as needed): \$25,000 (includes regulators)
 - Water line replacement on First Avenue: \$13,000
 - Live taps for the Clark Street regulator: \$25,500
 - Springs maintenance: \$16,500
 - Springs security: \$15,000 (includes gating)
 - Water tank inspection and cleaning: \$3,500

SEWER DEPARTMENT REVENUES & EXPENSES:

- Revenues have been returned to pre-pandemic levels.
- We are including under revenue a \$40,000 contribution from the Parking Fund.
- The budget includes \$25,000 for preliminary engineering relative to sewer plant upgrades.
- Sewer bonds will be paid off prior to July 1, therefore no debt service is included.
- Infrastructure Repairs & Maintenance have been budgeted as follows:
 - Routine maintenance (as needed): \$15,000
 - Sewer line replacement – Hull & Jerome: \$33,000

HURF (STREETS) REVENUES AND EXPENSES:

- We are including under revenue a \$40,000 contribution from the Parking Fund.
- \$10,000 has been budgeted for routine street maintenance. This includes repairs to North Drive.
- \$15,000 has been included for paving the parking lot across from the Spirit Room.
- \$10,000 has been included for street patching.
- \$5,000 has been included for a lighted speed limit sign (“Your Speed Is ...”) on 89A.
- \$50,000 has been included to design and construct permanent public restrooms.
- \$15,000 has been included to maintain Portajohns until a permanent restroom has been constructed.

PARKING FUND EXPENSES:

- We have provided for transfers of \$40,000 each to the water, sewer and street budgets toward infrastructure costs.
- We have provided a transfer of \$30,000 to the general fund toward public safety costs.
- \$15,000 has been included for the purchase of a UTV.
- \$10,000 has been included as an allowance for additional capital purchases if needed.
- The budget includes a provision for one additional part-time parking enforcement officer.

OPERATING & CAPITAL GRANTS:

- We are including grant funding as follows:
 - Various police grants (GOHS, RICO, Safety equipment) - \$73,500
 - Various fire grants (Firehouse Subs, 100 Club, NEAMS, Title 3 fuels, Rural Fire Assistance) - \$48,500
 - USDA Search grant for wastewater engineering - \$30,000
 - Yavapai County Storm Drainage - \$120,000 (accumulation of four years of funding carried over for use in obtaining easements for our drainage project)
 - SHPO grant for design guidelines: \$20,000
 - Water planning grant (carryover): \$41,000
 - Miscellaneous operating grants TBA - \$300,000
 - CDBG guaranteed round – DUNDEE Waterline - \$309,170
 - CDBG competitive round – CENTER AVENUE improvements - \$500,000 (not yet applied for)
 - HURF Exchange funding (drainage improvements) - \$580,000
 - Yavapai Apache Nation Prop 202 funding - \$46,000 (includes carryover)

- Carryover of two Freeport McMoRan Social Investment funding awards totaling \$61,000 for restoration of School Street access to Civic Center
- USDA Rural Development grant for window replacement at Hotel Jerome - \$56,500
- ADEQ Brownfields funding for lead paint abatement/encapsulation: \$60,000
- Grant for a healthcare clinic (also budgeted in prior year) - \$50,000
- Additional American Rescue Funds and/or State/Federal aid (TBD) - \$1,000,000
- Miscellaneous capital grants TBD - \$250,000

CONTINGENCIES:

We budget for contingencies so that if funds that are not anticipated in the regular budget are received, they can be spent. Contingency revenues include:

- Excess sales tax revenue
- Sale or lease of real property
- Additional library donations
- Excess wildlands fire fees
- American Rescue Act funds
- Additional Water and Sewer connection fees
- Additional use of fund balance
- Receipt of loan for additional wastewater engineering

We have included the following expenditures as contingencies:

- Phase two of wastewater engineering if needed - \$500,000 (to be funded by a Design Bridge loan)
- Use of American Rescue Act Funds (allocated) - \$54,285
- \$250,000 for utility work on Center Avenue.
- \$20,000 for preliminary design work at the Hotel Jerome
- \$75,000 for repairs to the rock wall below School Street
- \$50,000 for Hampshire Avenue sidewalk repairs
- \$40,000 for purchase of a water truck (if not purchased by July 1)
- \$50,000 for the purchase of a flatbed truck
- Plus the use of any other excess sales tax, wildlands fees, donations, connection fees and/or funds from sale of real property

ACROSS ALL DEPARTMENTS:

- Fuel costs have been reallocated among departments, resulting in increases in some and a decrease in sanitation fuel costs.
- Health insurance costs have gone up.
- Annual software maintenance costs have been reallocated among departments.
- We have included start up costs for transition to a more effective governmental accounting software program, and that has been allocated among departments.
- Property and liability insurance costs have been reduced to reflect a \$31,000 dividend that will be credited against our premium by the Risk Pool.

This budget, if tentatively approved at this meeting, will be scheduled for final adoption at a special meeting scheduled July 29 (time to be determined by Council). Until the final 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.