

TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331
 (928) 634-7943 www.jerome.az.gov

MINUTES
SPECIAL MEETING OF THE JEROME TOWN COUNCIL
COUNCIL CHAMBERS, JEROME TOWN HALL
TUESDAY, JUNE 29, 2021 AT 7:00 PM

ITEM #1: 7:00 (0:03)	CALL TO ORDER/ROLL CALL Mayor/Chairperson to call meeting to order. <i>Mayor Jack Dillenberg called the meeting to order at 7:00 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 Jane Moore, Sage Harvey, and Alex Barber. Also present were Accounting Clerk Melanie Atkin and Deputy Town Clerk Rosa Cays.</i>																																										
ITEM #2: 7:00 (0:25)	PUBLIC HEARING ON 2021-22 BUDGET AND TAX LEVY Council will conduct a public hearing on the proposed 2021-22 budget and tax levy for the Town of Jerome. Any taxpayer may appear and be heard in favor of or against any proposed expenditure or tax levy. Comments may also be emailed to c.gallagher@jerome.az.gov up to 5 p.m. on June 29. No increase in the tax levy is proposed. <i>The public hearing was held; however, no members of the public were in attendance. The manager's memo accompanying the budget document is attached as an addendum to these minutes.</i>																																										
ITEM #3: 7:00 (0:47)	RESOLUTION #619: ADOPTING THE 2021-22 BUDGET Following the public hearing, Council may approve Resolution #619, adopting the final budget for the Town of Jerome for the fiscal year ending June 30, 2022. <i>Councilmember Moore requested that the budget include funds to provide for the hiring of an additional part-time duty officer in the Fire Department.</i> <i>Ms. Gallagher distributed a sheet detailing the changes (attached as an addendum to these minutes), which would add \$30,610 to the Fire Department budget, and utilize an additional \$30,610 in General Fund balance. The appropriations under General Fund contingencies for revenue from and use of excess city sales tax will be reduced by \$30,610. There will be no change to the total budget as a result of these changes.</i> <p align="center"><u>Motion to approve Resolution #619: adoption of the 2021-22 final budget to include the changes discussed</u></p> <table border="1" data-bbox="402 1325 1404 1453"> <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></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>WORTH</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	COUNCILMEMBER	MOVED	SECONDED	AYE	NAY	ABSENT	ABSTAIN	BARBER			X				DILLENBERG			X				HARVEY	X		X				MOORE			X				WORTH		X	X			
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ITEM #4:	ADJOURNMENT <p align="center"><u>Motion to adjourn at 7:06 p.m.</u></p> <table border="1" data-bbox="402 1535 1404 1656"> <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>X</td> <td></td> <td></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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APPROVE:

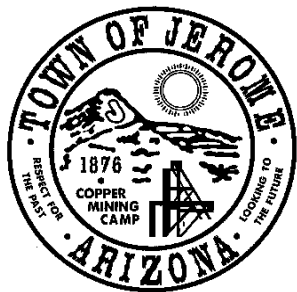
Dr. Jack Dillenberg, Mayor

ATTEST:

Candace B. Gallagher, CMC, Town Manager/Clerk

7/14/21

Date: _____



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 adoption: 2021-22 Town budget
DATE: June 21, 2021

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

As drafted:

- The budget will utilize \$215,000 of our estimated accumulated general fund balance and \$164,000 of our estimated accumulated utility fund balance, retaining reserves of over \$732,000 (general fund) and over \$34,000 (utilities fund). The estimated general fund balance remaining constitutes 33.7% 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.
- \$50,000 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 through 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 - \$20,000
 - 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 for use in parking enforcement.
- 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
- Reimbursement from FEMA/DEMA for COVID-related expenses

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.

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

Change to budget if adding part-time Duty Officer in Fire Department

\$16/hr. x 32 hours per week

<u>Line Item</u>	<u>From</u>	<u>To</u>	<u>Difference</u>
<i>General Govt revenues:</i>			
Use of General Fund Balance	215,000.00	245,610.00	30,610.00
TOTAL General Govt revenues:	1,845,668.00	1,876,278.00	30,610.00
TOTAL General Fund Revenues	2,272,411.00	2,303,021.00	30,610.00
<i>General fund Contingencies Revenue</i>			
Excess City Sales Tax	250,000.00	219,390.00	-30,610.00
TOTAL Genl Fund Contingencies Revenue	1,742,500.00	1,711,890.00	-30,610.00
TOTAL REVENUES	9,446,350.00	9,446,350.00	0.00
<i>Fire Department Expenses:</i>			
Salaries & Wages, Chief, Duty Officers	145,443.00	172,067.00	26,624.00
FICA Match	18,154.00	20,191.00	2,037.00
Workers Compensation	19,408.00	21,305.00	1,897.00
Unemployment	581.00	633.00	52.00
TOTAL Fire Department expenses	429,259.00	459,869.00	30,610.00
TOTAL General Fund EXPENSES	2,272,411.00	2,303,021.00	30,610.00
<i>General Fund Contingencies Expenses</i>			
Use of excess city sales tax for other pu	75,000.00	44,390.00	-30,610.00
TOTAL General Fund contingencies expens	1,742,500.00	1,711,890.00	-30,610.00
TOTAL EXPENSES	9,446,350.00	9,446,350.00	0.00

This leaves \$150,438 in General fund balance remaining available for use, and \$701,993 remaining altogether.