

# TOWN OF JEROME

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## MINUTES

### SPECIAL MEETING OF THE JEROME TOWN COUNCIL COUNCIL CHAMBERS, JEROME TOWN HALL, 600 CLARK STREET, JEROME, AZ TUESDAY, MAY 17, 2022 AT 11:00 A.M.

<p><b>ITEM #1:</b></p>	<p><b>CALL TO ORDER/ROLL CALL</b></p> <p>Mayor/Chairperson to call meeting to order.</p> <p><i>Mayor Jack Dillenberg called the meeting to order at 11:05 a.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 Jack Dillenberg, Vice Mayor Alex Barber, and Councilmembers Sage Harvey and Jane Moore.</i></p> <p><i>Staff present included Deputy Clerk Kristen Muenz and Public Works Director Marty Boland.</i></p>	
<p><b>ITEM #2:</b></p>	<p><b>2022-23 BUDGET</b></p> <p>Council will begin their discussions regarding the 2022-23 budget. Discussion will center on priorities for the coming year and may include all parts of the budget.</p> <p><i>Ms. Gallagher presented the first draft of the Town's 2022-23 budget as a beginning point for Council's work. She explained that the first draft includes general day-to-day operations but (with a few exceptions) does not yet include special projects or requests, which Council will discuss at this meeting. The draft budget was presented with a surplus of almost \$263,000, and she noted that we have just over \$1 million in accumulated fund balance available for. "All in all," she said, "you have over \$1.2 million to work with as you determine what projects you would like to include in the coming year's budget," and added that this is due to a combination of factors: a fund balance that has been growing steadily over the past few years, healthy revenues from both sales tax and parking kiosks, and conservative spending.</i></p> <p><i>She explained that in this <u>first draft</u> of the budget:</i></p> <ul style="list-style-type: none"> <li>• <i>The budget utilizes \$78,000 of our accumulated utility fund balance and \$20,000 of accumulated fund balance in our HURF fund.</i></li> <li>• <i>The General Fund is subsidizing the Sanitation budget in the amount of \$25,000 and the HURF fund in the amount of \$40,000.</i></li> <li>• <i>No increases in sales tax or parking fees are anticipated in this draft.</i></li> <li>• <i>The parking fund is transferring funds to support infrastructure and public safety as follows:</i> <ul style="list-style-type: none"> <li>○ <i>General Fund (public safety): \$37,500</i></li> <li>○ <i>Water budget: \$55,000</i></li> <li>○ <i>Sewer budget: \$55,000</i></li> <li>○ <i>HURF budget: \$45,000</i></li> </ul> </li> <li>• <i>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 \$70,000, enough for a substantial downpayment.</i></li> <li>• <i>The budget includes a COLA increase for employees of 5.9%, consistent with the SSA COLA for 2022 and subject to adjustment by Council.</i></li> </ul> <p><i>Generally speaking, she said, 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, she noted that we try to be realistic yet conservative in budgeting for "controllable"</i></p>	<p><i>Sponsored by Mayor Jack Dillenberg</i></p> <p><i>Discussion; Possible Action</i></p>

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

Ms. Gallagher provided additional details about what was included in this first budget draft, as shown below in excerpts from her memo:

**GENERAL FUND REVENUES:**

- We have anticipated sales tax revenues consistent with receipts during the past year.
- Certain revenue estimates are provided by the League (State sales tax, State Urban Revenue sharing, vehicle license tax and HURF revenues).
- 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. This year, we have included the parking fund in those calculations also.
- Police and Fire revenue estimates were provided by the Chiefs.

**GENERAL GOVERNMENT EXPENSES:**

- We spent a LOT during FY22 on employment related advertising, as there was a lot of turnover. I have increased that line item somewhat but do hope that we won't have the need to spend that much during the coming year.
- The budget includes funding for attendance at the League Convention as well as other training that may be offered.
- I have included the same amounts as last year for "Community Health" (\$500) and "Allowance for Preservation of Historic Buildings" (\$50,000). Council may want to alter those figures.
- I've also included again this year \$6,000 to purchase an A/V system for live streaming Council and board meetings.

**MAGISTRATE COURT EXPENSES:**

- The Court Security expenses are offset by dedicated Court Security revenue.

**POLICE DEPARTMENT EXPENSES:**

- Please see several notes associated with the line items. I have also attached Chief Muma's notes on the police and parking budgets.
- The police budget includes a capital expenditure of \$37,500 for a patrol car to replace a 2008 vehicle. The transfer of \$37,500 from the parking fund would cover that cost.
- The police budget includes \$25,000 for replacement of the police computer network server and desktops.

**FIRE DEPARTMENT EXPENSES:**

- "Wildlands wages" are budgeted but reimbursed (with revenue showing under "Fire Department Revenue."
- Chief Blair has requested an increase in the hourly per call rate from \$13.50 to \$15. That is reflected in this budget.
- The Chief has also requested an increase in the town's annual contribution to the FD pension fund, from \$12,000 to \$15,000. That increase is included here as well.

**LIBRARY EXPENSES:**

- Library wages have increased to provide additional staffing hours (four per week) for the STEM program.

**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.

**PROPERTIES EXPENSES:**

- The Properties budget includes, under Repairs and Maintenance, the following:
  - Routine building maintenance - \$20,000
  - Replacement of windows at Hotel Jerome - \$30,000
  - Routine infrastructure maintenance - \$5,000
  - Repairs to overflow ditch - \$10,000
  - School Street access – wall and steps repair - \$50,000 (to supplement grant funds of \$61,000). (This project has been in our budgets for the past two years but requires involvement by our engineer, and other projects have taken precedence.)

**WATER DEPARTMENT EXPENSES:**

- Infrastructure Repairs & Maintenance have been budgeted as follows:
  - Routine maintenance (as needed): \$20,000
  - Regulator boxes: \$5,000
  - Springs maintenance: \$9,500 (recommendations by Henry MacVittie)
  - Springs security (cameras): \$6,000

- Walnut Spring tank inspection and cleaning: \$4,000 (recommended by Henry MacVittie)
- Live taps for Clark Street regulator: \$25,500

**SEWER DEPARTMENT EXPENSES:**

- Engineering/design for wastewater treatment plant improvements are included in the Capital Fund, offset by a \$900,000 bridge loan from the Arizona Community Foundation.
- \$15,000 has been budgeted for routine infrastructure maintenance.
- \$33,000 has been budgeted for sewer line replacement at Hull and Jerome.
- We have slightly increased the budget for testing, as ADEQ is requiring more testing than in the past.
- \$15,000 has been included for sewer line mapping, recommended by Marty Boland.

**SANITATION DEPARTMENT EXPENSES:**

- We have included \$6,000 for the purchase of some new dumpsters.

**HURF (STREETS) REVENUES AND EXPENSES:**

- \$20,000 (total) has been budgeted for routine infrastructure maintenance and street patching.
- Awaiting confirmation from Chief Muma – I have carried over \$25,000 to cover remaining costs of public restrooms, which Chief previously anticipated would be complete before September. This amount may change.
  - We also have the 2022 Prop 202 funding (about \$15,000) that can go toward this project.

**PARKING REVENUES AND EXPENSES:**

- We have anticipated revenues consistent with what we have seen during the past year.
- The budget includes an increase in hourly wage for one of our parking attendants to serve in a supervisory capacity (see Chief's memo).
- The budget includes \$7,000 to allow for the purchase of an additional kiosk for use at the police station.

**OPERATING & CAPITAL GRANTS:**

- This portion of the budget is still a work in progress, but represents no change to the bottom line as revenues always offset expenditures.

**CAPITAL FUND:**

- We have included the \$900,000 bridge loan and offsetting expenditure related to the design of our wastewater treatment plant improvements.

**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 and connection fees are included, and expenditures provided for as follows:

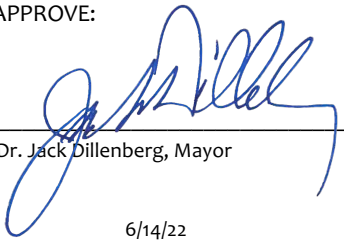
- Utility work on Center Avenue - \$250,000
- Design work for Hotel Jerome - \$20,000
- Proceeds from sale of property - \$1,000,000
- Repairs to rock wall below School Street - \$100,000
- Hampshire Avenue sidewalk repairs - \$60,000
- Purchase of flatbed truck - \$50,000
- Wildlands expenses - \$100,000

Discussion ensued, and the following changes were made to the budget, which will be discussed again on May 31:

- Under General Government:
  - Reduced anticipated sales tax revenue by \$100,000 (to \$1,400,000)
  - Included \$6,000 for contracted codification/web services
  - Increased operating supplies budget to \$1,500
  - Included \$5,000 for Town Hall phone system upgrade
- Under Magistrate Court, provided for court clerk position to become full-time as of January 1.
- Under Properties:
  - Added \$5,000 to the Contract Services line for an appraisal of our property in Clarkdale.
  - Increased the line item for R&M – Infrastructure to include \$100,000 toward restoration of the School Street access to Town Hall (includes

	<p>engineering). This will supplement \$61,000 in grant funding received for this project in prior years.</p> <ul style="list-style-type: none"> <li>• Under Water: <ul style="list-style-type: none"> <li>○ Under R&amp;M, included \$300,000 for refurbishment of the second tank on Cleopatra Hill</li> <li>○ Under R&amp;M, increased appropriation for routine regulator maintenance to \$10,000</li> </ul> </li> <li>• Under HURF: <ul style="list-style-type: none"> <li>○ Added \$10,000 to R&amp;M for street maintenance and patching (total now \$30,000)</li> <li>○ Included \$100,000 for first phase of work to repair School Street (roadway, water and sewer), to include design and engineering. This project will extend into FY24 and possibly beyond.</li> </ul> </li> <li>• In the Capital Fund: <ul style="list-style-type: none"> <li>○ Added \$35,000 for new shuttle van (cost after trade)</li> <li>○ Added \$75,000 for preliminary design/engineering for new water tank</li> <li>○ Added \$390,000 for purchase of housing for future staff</li> </ul> </li> <li>• In General Fund contingencies: <ul style="list-style-type: none"> <li>○ Added \$100,000 to allowance for additional sales tax revenues (now \$400,000)</li> <li>○ Included \$50,000 for cobblestone repair</li> <li>○ Moved \$250,000 for utility work on Center Avenue to Utilities Fund contingencies</li> </ul> </li> <li>• In Utilities Fund contingencies: <ul style="list-style-type: none"> <li>○ Added \$300,000 for various utility projects, including utility work on Center Avenue</li> </ul> </li> </ul>	
<b>ITEM #3:</b>	<p><b>ADJOURNMENT</b></p> <p><i>Upon motion by Vice Mayor Barber, seconded by Councilmember Harvey and unanimously approved, the meeting was adjourned at 2:07 p.m.</i></p>	

APPROVE:

  
 \_\_\_\_\_  
 Dr. Jack Dillenberg, Mayor

Date: \_\_\_\_\_

ATTEST:

  
 \_\_\_\_\_  
 Candace B. Gallagher, CMC, Town Manager/Clerk

6/14/22