



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 31, 2022 AT 11:00 A.M.**

ITEM #1: 11:00 (0:03)	CALL TO ORDER/ROLL CALL Mayor/Chairperson to call meeting to order. <i>Mayor Jack Dillenberg called the meeting to order at 11:00 a.m.</i> Town Clerk to call and record the roll. <i>Town Manager/Clerk Candace Gallagher called the roll. Present were Mayor Jack Dillenberg, Vice Mayor Alex Barber, Councilmember Sage Harvey and Councilmember Jane Moore. Other staff present were Zoning Administrator Will Blodgett Deputy Town Clerk Kristen Muenz, Fire Chief Rusty Blair and Public Works Director Marty Boland. Also present for the budget discussion were Henry MacVittie and Tyler Christensen of Contract Wastewater Operations, LLC.</i>
ITEM #2: 11:00 (0:38)	CONDITIONAL USE PERMIT – 511 MAIN STREET Council will review and may approve a Conditional Use Permit for the use of three residential apartments at 511 Main Street in the C-1 Zone. This CUP was recommended for approval by Council by the Planning & Zoning Commission on March 16, 2022. <i>Zoning Administrator Will Blodgett read his report on 511 Main Street. Mr. Blodgett said that the applicant, Caden Williams, was present at the meeting, and that he and Building Inspector Barry Wolstencroft joined Mr. Williams on a walkthrough of the building where they did not find any unpermitted work.</i> <i>Councilmember Moore said that there had been a problem with parking in relation to retail space size.</i> <i>Mr. Blodgett said that the parking estimate was based on maximum build out allowable, but the useable space after the build out would determine the actual number of spaces needed and the demand should be less than the maximum required.</i> <i>Vice Mayor Barber read a portion of the parking ordinance. Ms. Barber said that there is a major issue with parking and there needs to be enough room for people who live in town to park.</i> <i>Councilmember Harvey said that she had spoken to the prior tenant of the top floor, who confirmed that there was a tiny sink and shower, so it would appear there was just a change of fixtures.</i> <i>(8:27) Mayor Dillenberg asked Mr. Blodgett for his thoughts and he responded that he would like to hear from the applicant.</i> <i>Caden Williams introduced himself and said they had only done cosmetic renovation in the interior. Regarding concerns on parking, he said that he wanted to be flexible and requested the use of three parking spots for his units.</i> <i>Ms. Harvey stated that, due to change of use for the top floor, he would need to provide off-street parking.</i> <i>Mr. Williams said he was not in Jerome to displace people. He asked where overnight parking spaces are located and how he can make it work.</i> <i>Ms. Moore said that, because the middle floors would remain apartments, the way to make it work is to keep the top floor commercial.</i> <i>There was some discussion as to possible solutions for the parking situation. Mr. Williams asked about the paid parking spaces and Dr. Dillenberg explained the purpose of the paid parking hours and that there are also free parking areas.</i> <i>Mr. Williams asked if there could be a paid parking pass attached to the property.</i> <i>Mr. Blodgett briefly explained the parking permit ordinance and the requirements to qualify.</i> <i>Mr. Williams asked if paid parking could be an option for moving forward and Ms. Barber reiterated that the top floor would still be a change of use.</i> <i>Ms. Moore explained that the top floor had been commercial for some time, and if it changed use, it would require provided parking. Whether it was a long-term or short-term rental did not matter, it would still be considered a residential use.</i>

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

(19:12) Mr. Williams said they would work on providing parking for the top floor and asked if the middle two floors are okay to move forward.
 Dr. Dillenberg thanked Mr. Williams for his willingness to work with the town to find a solution.

Motion to approve the conditional use permit for residential use of the middle two floors of 511 Main Street and residential use of the top floor with the condition that one additional off-street parking space be provided for that floor.

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER			X			
DILLENBERG			X			
HARVEY		X	X			
MOORE	X		X			

ITEM #3:
11:27 (27:03)

PURCHASE OF REAL PROPERTY FOR STAFF HOUSING

Council will discuss the possibility of purchasing a home at 655 Holly Avenue for use by Town staff. A portion of this discussion may take place in executive session pursuant to A.R.S. (A)(3), (A)(4) and (A)(7).

Will Blodgett read his report and gave updates on the inspections on the property at 655 Holly Avenue.

Dr. Dillenberg asked Mr. Blodgett if he was satisfied with the quality of the property.

Mr. Blodgett replied that there were some minor concerns, the largest being that the ceiling tiles on the interior may be asbestos.

Ms. Harvey said that, after looking at the photos, she also thought they might be asbestos.

Dr. Dillenberg said the ceiling could be replaced.

Ms. Barber pointed out some wood miscoloring and asked when it was remediated. She said that it looked like it had flooded and wanted to know when and if monsoons would be an issue.

Ms. Moore said she believed it had happened when people were leaving a hose running above the property and asked whether the back wall had been waterproofed.

Mr. Blodgett replied that a contractor stated he had dug out the earth behind the wall and applied a mold resistant exterior.

Dr. Dillenberg said that it needs work, but it could suit their needs. He explained that the council had been given first right of refusal from the homeowners and asked Ms. Gallagher how to move forward.

11:31 (31:51) Ms. Gallagher replied that the sellers had requested general confirmation that Council wants to move forward.

Ms. Harvey said that she doesn't think the house is worth the asking price, and for the cost she does not believe it would be affordable living.

Fire Chief Rusty Blair said that, in his opinion, the housing market is going to go down.

Dr. Dillenberg said they must make up their mind if they feel \$325,000 is too much.

Ms. Harvey asked if they could counteroffer; she asked how they felt about \$275,000.

There was some discussion of various pricing.

Mr. Blodgett reminded council that the homeowner had offered to take the cost of any remediation work that needed to be done out of asking price.

Ms. Harvey asked how much the remediation work had cost for Hotel Jerome and Ms. Gallagher replied that it was a large job and was quite costly.

Dr. Dillenberg expressed appreciation to the homeowner for wanting to do the right thing to help the town.

There was some discussion of the Hotel Jerome, and Dr. Dillenberg said that they could do both projects.

Ms. Moore said that they could rent out the house to someone besides a department head.

Ms. Gallagher briefly explained the options for doing so.

Ms. Harvey said she would like to make a motion of a \$250,000 counteroffer.

Ms. Barber added there should be a contingency that any major work to be done, comes out of the offer.

Motion to direct staff to offer \$250,000, less cost of repairs, for the purchase of the home at 655 Holly Avenue.

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER			X			
DILLENBERG			X			
HARVEY	X		X			
MOORE		X	X			

ITEM #4:
(44:23)

2022-23 BUDGET

Council will continue their discussions regarding the 2022-23 budget. All aspects of the budget may be discussed.

Ms. Gallagher reviewed changes made to the budget document as directed by Council at the previous meeting. She noted that she also made the following changes:

- Included as revenue \$25,235 in county funding for the library.
- Utilized \$50,000 of accumulated surplus in the parking fund as revenue in that fund to allow larger transfers to water, sewer and HURF.
- Included provisions for a sixth crew member and a fifth full-time police officer, each of which were budgeted last year and never hired, and had not been included on the first draft of the budget.

She provided a recap of what is included in the budget in this draft, as detailed in the excerpt below from her memo:

CAPITAL AND ONE-TIME EXPENDITURES:

In addition to routine maintenance expenses, this second draft of the budget now includes the following capital and one-time expenditures:

- o System to live stream Council and Board meetings - \$6,000
- o Purchase and installation of PBX phone system for Town Hall - \$5,000
- o Purchase of a patrol car to replace a 2008 vehicle - \$37,500
- o Upgrade of police department network and computers - \$25,000
- o Replacement of street level windows at Hotel Jerome - \$30,000
- o Restoration of the School Street access to Town Hall - \$100,000 plus \$61,000 in grant monies received in prior years
- o Appraisal of town-owned property in Clarkdale - \$5,000
- o Reserve for purchase of real property to house future staff - \$390,000
- o Security cameras for springs - \$6,000
- o Live taps for Clark Street regulator - \$25,500
- o Refurbishment of water tank on Cleopatra Hill - \$300,000
- o Design/engineering/preliminary expenses related to construction of a new water tank - \$75,000
- o Design/engineering/preliminary expenses related to wastewater treatment plant upgrade - \$900,000 (funded by a bridge loan)
- o Sewer line replacement at Hull and Jerome - \$33,000
- o Sewer line mapping - \$15,000
- o Purchase of new dumpsters - \$6,000
- o Completion of the public restrooms - \$25,000 (plus \$15,000 in Prop 202 funds under grants)
- o Design/engineering/preliminary expenses related to repairs to School Street (includes water, sewer and roadway) - \$100,000
- o Purchase of parking kiosk for use at police station - \$7,000
- o Purchase of new shuttle van (trade in) - \$35,000

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, as well as the use of additional fund balance if necessary. Expenditures provided for in the contingency budgets include:

- o Design work for upper floor of the Hotel Jerome - \$20,000
- o Repairs to the rock wall below School Street - \$100,000
- o Hampshire Avenue sidewalk repair - \$60,000
- o Purchase of flatbed truck - \$50,000
- o Repairs to cobblestone streets - \$50,000
- o Utility work on Center Avenue (prior to road repairs) - \$250,000
- o Other utility work as needed - \$50,000

GRANTS:

The operating and capital grants portion of our budget remains a work in progress. We want to be sure to include any grant that is a possibility during the coming year, so that if received, it can be spent.

Some of the included grants are already confirmed. They are:

- o Carryover of funding from prior grants from Freeport-McMoRan for restoration of the School Street access to Town Hall and for water planning - \$98,000
- o Carryover of CDBG funding for Dundee water line improvements and hydrant installation (project in progress) - \$300,000
- o American Rescue Plan Act funds (carryover of fy22 funds plus fy23 allotment) - used in part to supplement Dundee waterline project - \$151,780
- o Legislative funding for Center Avenue improvements - \$560,000
- o HURF Exchange funding - Drainage improvements construction (project in progress) - \$500,000
- o Yavapai County Flood Control funding - Drainage improvements - \$130,000
- o Carryover of prior year Prop 202 funding from the Yavapai-Apache nation - \$37,000

Other grants are included as well, in the hopes that they will be received.

PERSONNEL:

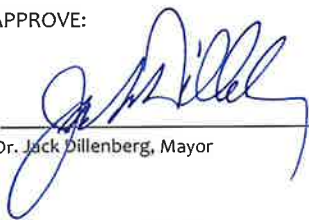
As in the first draft, this budget includes an across-the-board COLA increase of 5.9%, consistent with that of the Social Security Administration for 2022.

In addition, it anticipates the following additional hires/schedule changes:

- o Hiring of sixth crew member (also budgeted in FY22 but no hire was made)
- o Hiring of fifth full-time police officer (also budgeted in FY22 but no hire was made)
- o Additional hours (4 per week) for library employee for STEM program
- o Transition for part-time to full-time (with benefits) for court clerk as of January 1, 2023

	<ul style="list-style-type: none"> ○ Hiring of additional part-time administrative aide in police department (16 hrs/wk) <p>Discussion ensued, with input from Chief Blair, Mr. Boland, Mr. MacVittie and Mr. Christensen. It was agreed that the following changes would be made to the budget, which will be discussed again on June 13:</p> <ul style="list-style-type: none"> ● Add \$20,000 to allow for weekend staffing at the fire department. ● Increase appropriations for fuel in all departments in light of increased gas prices. ● Discuss budget for operating supplies with Librarian and increase if needed. ● Under Parks, increase appropriation for Small Tools & Equipment to \$1,000 to allow for purchase of electric mower. ● Under Water: <ul style="list-style-type: none"> ○ Add \$40,000 to R&M for refurbishment of the Walnut Spring tank. ○ Increase appropriation for Springs Security to \$10,000 ○ Add a placeholder for a Leak Detection Study (\$ tbd) ○ Add a placeholder for siphon repair (\$ tbd) ● Under HURF, add \$35,000 to R&M for paving First Avenue and the Town Hall parking area. ● Under Parking, provide for increased kiosk fee as of October 1. ● In the Capital Fund, reduce the appropriation for purchase of housing to \$350,000 and remove the line item for design of a third water tank. ● Under Utilities Fund contingencies, add \$20,000 as contribution toward the cost of the State's replacement of a water line.
ITEM #5:	<p>ADJOURNMENT</p> <p>Upon motion by Councilmember Harvey, seconded by Councilmember Barber and unanimously approved, the meeting was adjourned at 1:37 p.m.</p>

APPROVE:



Dr. Jack Dillenberg, Mayor

ATTEST:



Brett Klein, Town Manager/Clerk

Date: 7/13/22