



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 MONDAY, JUNE 13, 2022 AT 2:00 PM

Notice is hereby given pursuant to A.R.S. 38-431.02 that members of the Town Council will attend this meeting.

<p>ITEM #1: 2:08 (0:01)</p>	<p>CALL TO ORDER/ROLL CALL</p> <p>Mayor/Chairperson to call meeting to order.</p> <p>Mayor Jack Dillenberg called the meeting to order at 2:08 p.m.</p> <p>Town Clerk to call and record the roll.</p> <p>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 Town Finance Manager Melanie Atkin, Public Works Director Marty Boland and Deputy Town Clerk Kristen Muenz.</p>
<p>ITEM #2: 2:08 (0:25)</p>	<p>PURCHASE OF REAL PROPERTY FOR STAFF HOUSING</p> <p>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 with the Town Attorney pursuant to A.R.S. (A)(3), (A)(4) and (A)(7).</p> <p>Mayor Dillenberg said that they had reached the deadline, and Council needed to decide whether to purchase the property for \$295,000.</p> <p>Ms. Gallagher said that the price was firm, but it could be subject to an appraisal. Ms. Harvey asked, "and if it appraises higher?" Ms. Gallagher answered that the seller said they would not raise the price.</p> <p>Ms. Barber commented that a competitive market appraisal should suffice. She stressed the need to have employee housing.</p> <p>Dr. Dillenberg said the house will be an investment and the value will go up over time.</p> <p>(3:05) Ms. Harvey said that she was still on the fence over the price, considering the time and resources needed to pay off the investment. Her other issue was the size of the home, as she feels that it would not be feasible for a whole family to live there.</p> <p>There was some discussion of the Hotel Jerome project, and the housing market in general.</p> <p>Mayor Dillenberg said that he thinks the house will sell quickly at any appraised price. He feels that, if we bought the house and then decided to sell it, we would recoup the \$295,000. The Zoning Administrator and Building Inspector have said that it was in decent shape, so he does not think we would lose money. He said it could also be used as temporary housing.</p> <p>Ms. Moore commented that the house was bigger than an apartment.</p> <p>(8:16) Ms. Harvey asked, minus the few thousand in repairs outlined in the inspections, did that number include the possibility of an asbestos ceiling?</p> <p>Ms. Gallagher answered that she did not believe the ceiling was included, but the seller had lowered the price from \$300,000 because of needed repair.</p> <p>Ms. Harvey said that she had concerns about how much the needed repairs could cost.</p> <p>Mayor Dillenberg asked how much cash they would need upfront.</p> <p>Ms. Harvey replied that she would rather buy it outright, without financing.</p> <p>Ms. Moore said she believed property values are going to hold because there is so little housing available.</p> <p>Ms. Harvey said that Council has put \$350,000 in the budget for this for the next fiscal year, and if they purchase at \$295,000 that would leave \$55,000 to put into the house.</p> <p>Ms. Barber asked, other than the minor repairs outlined, if they had a list. Ms. Gallagher noted that the inspectors listed needed repairs in their reports.</p> <p>Ms. Barber said that the market could go down. She felt that Council has been saving money and being frugal, but with the potential that two employees could be leaving soon, we are facing a difficult situation.</p>

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

Ms. Harvey mentioned that we may need employee housing sooner than expected. Mayor Dillenberg said that he didn't believe there was much risk of the home losing value, and it would assure that we have somewhere for someone to live, at least temporarily.

(16:29) Ms. Barber asked Ms. Gallagher for her input.

Ms. Gallagher replied that she felt there were pros and cons. She agrees with Dr. Dillenberg that we probably would not lose money and could sell it for at least what we paid. We may also be able to find other uses for the property, she said, and while it does not appeal to her personally, it could be improved.

Ms. Harvey said that we would need to discuss who would maintain the property.

There was some discussion of property maintenance, rental options, and needed renovations.

Ms. Barber spoke about the Verde Valley Housing Coalition, and the efforts Cottonwood was taking to add more housing. She believes that Jerome is taking a first step to address the housing situation.

Motion to approve the purchase of 655 Holly Avenue for \$295,000

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

ITEM #3:

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 as directed by Council at the last budget meeting and noted that she also made minor corrections to the wages and benefits spreadsheet. She provided a recap of expenditures included in this update of the budget (and detailed in her report as part of the meeting packet).

Discussion ensued, with input from Mr. Boland, and it was agreed that:

- Rental income from the home that we are purchasing on Holly Avenue will be included at \$1,000 per month.
- An estimate of \$20,000 will be included for the leak detection study.
- An estimate of \$100,000 will be included for the siphon repair.
- \$75,000 will once again be included for the design of a new water tank.

Replacement of the rubber material in the playground at Upper Park was discussed briefly, and it was decided to leave that in place for now and possibly address it in the FY24 budget.

Councilmember Moore noted that the sales tax revenue that we are bringing in covers the expenditures of our police and fire departments combined.

She also pointed out that the expenses for our parking kiosk program are about \$107,000, but the parking revenues exceed that and allow us to make transfers to other funds for infrastructure¹.

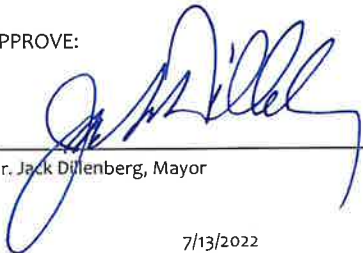
The next budget meeting will take place on June 27. Judge Napper will be invited to attend to explain her request that the Court Clerk become a full-time employee in January, and Chief Blair will be asked to attend to discuss the possibility of including funds for the hiring of an Assistant Fire Chief.

ITEM #4:

ADJOURNMENT

Upon motion by Vice Mayor Barber, seconded by Councilmember Harvey and unanimously approved, the meeting was adjourned at approximately 3:30 p.m.

APPROVE:



 Dr. Jack Dillenberg, Mayor

ATTEST:



 Brett Klein, Town Manager/Clerk

Date: 7/13/2022

¹ In this draft of the budget, transfers from the parking fund to other funds are: General Fund: \$37,500; HURF: \$106,500; Water: \$90,000; Sewer: \$90,000; allowance for additional transfers: \$12,500.