



TOWN OF JEROME

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

AGENDA SPECIAL MEETING OF THE JEROME TOWN COUNCIL COUNCIL CHAMBERS, JEROME TOWN HALL TUESDAY, JULY 28, 2020 AT 6:00 PM

DUE TO PUBLIC HEALTH CONCERNS, IN-PERSON ATTENDANCE AT PUBLIC MEETINGS HAS BEEN SUSPENDED UNTIL FURTHER NOTICE.

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

PUBLIC PARTICIPATION IN THE MEETING

Members of the public are welcome to participate in the meeting via the following options:

1. Zoom Conference
 - a. Computer: <https://us02web.zoom.us/j/9286347943>
 - b. Telephone: 1 669 900 6833 Meeting ID: 928 634 7943
2. Submitting questions and comments:
 - a. If attending by Zoom video conference, click the chat button and enter your name and what you would like to address.
 - b. Email c.gallagher@jerome.az.gov (Please submit comments at least one hour prior to the meeting.)

NOTE: FOR THOSE WITHOUT HOME INTERNET: A drive-up internet hotspot is now available in the parking lot in front of the Jerome Public Library. Bring your device and access the internet while sitting in your car. The network is **Sparklight Yavapai Free WIFI** and no password is required.

ITEM #1:	CALL TO ORDER/ROLL CALL Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll.	
ITEM #2:	PUBLIC HEARING ON 2020-21 BUDGET AND TAX LEVY Council will conduct a public hearing on the proposed 2020-21 budget and tax levy for the Town of Jerome. Any taxpayer may appear via Zoom 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 July 28. No increase in the tax levy is proposed.	Sponsored by Mayor Alex Barber Discussion; Possible Action
ITEM #3:	RESOLUTION #601: ADOPTING THE 2020-21 BUDGET Following the public hearing, Council may approve Resolution #601, adopting the final budget for the Town of Jerome for the fiscal year ending June 30, 2021.	Sponsored by Mayor Alex Barber Discussion; Possible Action
ITEM #4:	LEASE AGREEMENT WITH FREEPORT-MCMORAN (300 LEVEL PARKING LOT) Council will review and may approve a renewed lease agreement with Freeport-McMoRan regarding the 300 Level parking lot.	Sponsored by Mayor Alex Barber Discussion; Possible Action
ITEM #5:	ADJOURNMENT	

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that this notice and agenda was posted at the following locations on or before _____ on _____ in accordance with the statement filed by the Jerome Town Council with the Jerome Town Clerk.

970 Gulch Road, side of Gulch Fire Station, exterior posting case
600 Clark Street, Jerome Town Hall, exterior posting case
120 Main Street, Jerome Post Office, interior posting case

Rosa Cays, Deputy Town Clerk

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



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: 2020-21 Town budget
DATE: July 20, 2020

Here is our 2020-21 budget as tentatively adopted on July 14.

Due to the pandemic, we have lowered anticipated revenues from sales tax and state shared revenues and cut expenses in certain areas. Even with the aid of my crystal ball, it is difficult to predict where revenues will fall during the coming year. Sales tax and parking revenues are picking back up now that things are reopening, however, if the coronavirus forces another closure, we will see a greater impact ... and it remains to be seen to what extent people will feel comfortable traveling, dining out and shopping even if there is no further closure. For that reason, some projects have been moved to the Contingencies budget. If funds become available for those, they can be spent.

As drafted:

- The budget will utilize \$237,000 of our estimated accumulated general fund balance and \$113,500 of our estimated accumulated utility fund balance, retaining reserves of \$490,786 (general fund) and \$107,907 (utilities fund). The estimated general fund balance remaining constitutes 25.2% 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 or the HURF fund. Instead, we are using fund balance in each of those funds, plus a transfer of \$30,000 each to the Water and Sewer budgets from our new Parking Fund.
- We have created a new Parking Fund where revenues from parking will be restricted to those uses budgeted within that fund. This includes transfers to our water and sewer budgets.
- As in past years, the Sanitation budget includes a \$5,000 transfer to the Capital Fund toward the eventual purchase of a garbage truck. After this transfer, we will have accumulated \$50,000, 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 1.6%, consistent with the Social Security administration.
- The town's contribution toward dependent medical benefits has been increased to 50%. Previously, it was 25%.
- The budget includes a \$1/hour Mechanic Stipend (above and beyond the COLA increase) for two Public Works employees who perform that function in addition to their regular duties.
- There is a provision for an additional full-time police officer who would have both EMT and Firefighter certifications, with a reduction in part-time police wages as a result. The net budget impact of this is approximately \$50,000.
- Last year, \$3,500 was provided for Fire Chief's coverage (allowing him to take time off when needed) under "Contract Services" in the fire budget. That has been increased this year to \$7,000 at the Chief's request and moved to salaries.
- The budget reflects a 10 percent increase in the annual compensation of the Town Magistrate, bringing that figure to \$28,600.

GENERAL FUND REVENUES:

- Due to the (still uncertain) impact of the pandemic, sales tax revenues are estimated at \$850,000, which is \$177,000 less than the current fiscal year.
- 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.
- Our municipal court has added a new category, "Court Security Fund." It is reflected in both revenues and court expenses.
- We are anticipating the sale of the 2010 Dodge Charger used by the police department.

GENERAL GOVERNMENT EXPENSES:

- There is no League convention this year, so nothing has been budgeted for "Conventions and Seminars."
- There are two new items under "Contract Services" which I have listed separately for your information. Those are (1) an IGA with the City of Phoenix for access to their enhanced TPT reporting structure; and (2) participation on a workforce housing study conducted through VVREO.
- "Contract Services" also includes an increase in the amount paid to Archive Social. This firm currently archives our website data to assure our compliance with public records laws. The added amount will allow for them to also archive our Facebook page, which has become quite active, and is also subject to public records laws.
- The Chamber of Commerce has submitted a request to spend \$10,000 during FY21 as the tourism portion of the added bed tax. This is reflected in the line item under General Government titled "Tourism – from bed tax." They wish to use it to fund a Chamber employee and for advertising. They have declined to fund the shuttle driver during the coming year and have asked that the Town cover that cost. That is all reflected in this budget draft, and the shuttle driver is included at the same level as last year.
- \$10,000 is included for "Allowance for preservation of historic buildings."

MAGISTRATE COURT EXPENSES:

- At the Judge’s recommendation, we have increased the budgeted appropriation for Contract Services to cover DUI proceedings and pro tem costs.

POLICE DEPARTMENT EXPENSES:

- “Software Service & Support” has been increased to reflect costs of internet service, Saltus, Crimestar and Microsoft costs, some of which had previously been budgeted under “Contract services.” That line is now zeroed out.
- Increases in salaries and related costs is due to the addition of an additional full-time officer as detailed above. That, as previously noted, adds about \$50,000 to the budget.
- We saw a decrease in our PSPRS contribution rate this year, saving about \$2,500.
- Proceeds from the anticipated sale of the Dodge Charger (approximately \$4,000) have been added to the department’s expense line for Small Tools and Equipment.

FIRE DEPARTMENT EXPENSES:

- As noted above, “Contract Services” has been reduced by \$3,500 because an amount included for Fire Chief’s coverage has been moved to the salaries area and increased to \$7,000.
- We have added a line for “Software Support and Maintenance” to reflect the Fire Department’s internet costs.

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 - \$39,000 (to supplement grant funds of \$61,000).
 - Hotel Jerome windows - \$20,000 (supplementing grant funds)
 - Other projects have been moved to the General Fund contingencies budget.

WATER DEPARTMENT REVENUES & EXPENSES:

- Anticipated water revenues have been reduced a bit due to the uncertain future impact of the pandemic.
- We are including a \$30,000 contribution from the parking fund.
- We have included \$5,000 revenue from sale of the Jeep and spending of that revenue for an ATV.
- We have included \$5,000 in water connection fees revenue (received July 1).
- Infrastructure Repairs & Maintenance have been budgeted as follows:
 - Routine maintenance (as needed): \$20,000
 - Regulator boxes: \$15,000 (recommended by Marty Boland)
 - Springs: \$20,000 (recommended by Henry MacVittie; includes four new doors)

SEWER DEPARTMENT REVENUES & EXPENSES:

- Anticipated sewer revenues have been reduced a bit due to the uncertain future impact of the pandemic.
- \$25,000 has been included for “Phase One” engineering fees relative to needed upgrades at the sewer treatment plant. An additional \$30,000 will be available from a USDA SEARCH grant to cover the remainder of that phase’s cost and has been included under Operating Grants.
- \$15,000 has been budgeted for routine infrastructure maintenance.
- We have included \$5,500 in sewer connection fees revenue (received July 13).

HURF (STREETS) REVENUES AND EXPENSES:

- The HURF budget is typically subsidized by the General Fund; however, this year, we will have a sizable fund balance due to a large one-time receipt of HURF revenues during FY20. We will be utilizing this instead of a General Fund subsidy to balance the HURF budget.
- \$10,000 has been budgeted for routine infrastructure maintenance.
- \$13,750 has been included for paving the parking lot across from the Spirit Room.
- \$10,000 has been included for street patching.
- Hampshire Avenue sidewalk repair is still awaiting resolution with ADOT and has been moved to the Contingency budget.

***NEW* PARKING FUND**

- This new fund will allow us to track and specifically allocate parking revenues.
- We have included a conservative revenue estimate, based on the uncertainty of the pandemic impact going forward. Without the pandemic, we could easily anticipate \$150,000 in revenue. In this budget, we have included \$120,000, with an allowance for an additional \$30,000.
- We have provided for transfers of \$30,000 each to the water and sewer budgets toward infrastructure costs.
- The budget includes an allowance of \$19,000 for additional capital purchases, and an allowance of \$20,000 for additional transfers if needed to water, sewer and public safety budgets.

OPERATING & CAPITAL GRANTS:

- We are including grant funding as follows:
 - Various police grants (GOHS, RICO, safety equipment) - \$20,400
 - Various fire grants (FEMA, Firehouse Subs, 100 Club, State Fire School, NEAMS) - \$130,500
 - USDA Search grant for wastewater engineering - \$30,000
 - Yavapai County Storm Drainage - \$90,000 (accumulation of three years of funding carried over for use in obtaining easements for our drainage project)
 - Miscellaneous operating grants TBA - \$100,000
 - CDBG guaranteed round – DUNDEE Waterline - \$359,170
 - CDBG competitive round – CENTER AVENUE water, sewer and street improvements - \$500,000
 - HURF Exchange funding (Design phase) - \$200,000 for drainage design
 - Yavapai Apache Nation Prop 202 funding - \$36,000 (includes FY20 carryover)
 - Carryover of two Freeport McMoRan Social Investment funding awards totaling \$61,000 for restoration of School Street access to Civic Center
 - Carryover of Freeport McMoRan Social Investment funding of \$50,000 for water planning.
 - USDA Rural Development grant for window replacement at Hotel Jerome - \$56,500
 - ADEQ Brownfields funding for removal of existing windows at Hotel Jerome - \$20,000
 - Grant for a healthcare clinic (also budgeted in prior year) - \$50,000
 - Miscellaneous capital grants TBA - \$250,000
- Additional grants may be added upon the recommendation of staff or Council.

CAPITAL FUND:

- With the transfer this year of another \$5,000 from the Sanitation budget, we will have accumulated \$50,000 toward the eventual purchase of a new garbage truck.

CONTINGENCIES:

We budget for contingencies so that if funds that are not anticipated in the regular budget are received, they can be spent. This year, due to the uncertainty of the pandemic, we added several projects to the contingencies budget that would otherwise have been funded in our operating budgets. If revenues are received, these monies can be spent.

We have included the following expenditures as contingencies:

- In the event that the competitive CDBG grant for work on Center Avenue is received, we have included \$236,000 to cover our 20% match plus possible additional costs above the grant.
- \$25,000 for repairs to the parade steps and the steps next to Old Town Hall. (Estimate provided by Public Works)
- Repairs to the rock wall below School Street - \$50,000
- Hampshire Avenue sidewalk repairs - \$40,000
- The use of excess wildlands fees up to \$80,000
- The use of excess parking revenues up to \$80,000
- The use of excess sales tax revenues up to \$281,500
- Purchase of a flatbed truck for Public Works - \$50,000
- Purchase of a new golf cart or ATV for administration - \$3,500
- Use of additional library donations - \$2,500
- Use of funds from the sale or lease of real property (Clarkdale cemetery) – up to \$1,000,000
- Phase two of wastewater engineering (design) if needed - \$100,000 (to be funded by a Design Bridge loan)

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

Fund	Dept	Acct#		ADOPTED 2019-20	PROPOSED 2020-21
1	10		Use of General Fund fund balance	383,683	237,000
1	10	4001	Primary & Personal Prop. Tax	47,500	47,500
1	10	4005	City Sales Tax	1,027,000	850,000
1	10	4010	State Sales Tax	47,080	41,246
1	10	4015	State Urban Revenue Sharing	193,972	214,371
1	10	4030	Vehicle License Tax	33,090	33,971
1	10	4045	Business License Revenue	9,000	6,000
1	10	4050	Commercial Filming Fees	500	0
1	10	4055	Utility Franchises / Licenses	18,000	17,000
1	10	4300	Interest Earned	1,600	1,800
1	10	4400	Sale of Assets	6,000	9,000
1	10	4500	Miscellaneous Revenue	7,000	5,000
1	10	4510	Insurance dividend and claims	500	0
1	10	4200	Contributions	200	0
1	10	4600	Administration Charge to Utilities Fund	144,696	148,481
1	10	4600	Administration Charge to Streets	10,574	10,581
			Total General Government Revenues	1,930,395	1,621,950
1	10	4035	Fines & Forfeitures	65,000	60,000
1	10	4037	Court Security Fund Revenue *NEW	0	12,000
			Total Court Revenue	65,000	72,000
1	10	4064	Dedicated PD Revenue from court fees	2,100	2,000
1	10	4065	Police Services Revenue	26,000	20,000
			Total Police Department Revenue	28,100	22,000
1	10	4090	Fire Department Wildlands Revenue - Truck	50,000	50,000
1	10	NEW	Fire Department Wildlands Revenue - Wage reimbursement	38,000	33,000
1	10	NEW	Fire Department Firewise Reimbursements	33,000	25,000
1	10	4053	Fire Department Services Revenue	7,500	10,000
			Total Fire Department Revenue	128,500	118,000
1	10	4020	Library Funds From Yavapai Co	17,000	19,000
1	10	4070	Civic Center Rents (bottom floor)	9,115	9,115
1	10	4200	Contributions and Miscellaneous	3,000	1,500
			Total Library Revenue	29,115	29,615
1	10	4041	Planning & Zoning Fees	3,500	3,000
1	10	4040	Building Permits	5,500	5,000
			Total Planning & Zoning Revenue	9,000	8,000
1	10	4042	Parking Revenue	125,000	-
1	10	4080	Utility Reimbursements	5,000	5,000
1	10	4070	Property Rentals	69,407	69,407
			Total Properties Revenue	199,407	74,407
			Total General Fund Revenues	\$ 2,389,517	\$ 1,945,972
			General Government Expenses		
1	11	5001	Salaries & Wages	236,014	229,384
1	11	5006	Longevity Bonus	1,339	1,362
1	11	5007	Payt in lieu of medical benefits	5,205	6,363
1	11	5010	FICA Match	18,556	18,139
1	11	5011	Retirement Match	16,952	16,784
1	11	5012	Health / Life Insurance	34,749	40,320
1	11	5013	Workers Compensation	1,601	1,417
1	11	5014	Unemployment Insurance	634	539
1	11	6101	Accounting & Auditing	17,500	18,000
1	11	6105	Advertising, Printing & Publishing	4,000	4,500
1	11	6110	Contract Services	5,000	5,000
1	11	6110	Contract Services - ArchiveSocial	2,500	4,800
1	11	6110	Contract Services - City of Phoenix tax data	0	600
1	11	6110	Contract Services - VVREO workforce housing study	0	500
1	11	6110	Contract Services - Cottonwood Area Transit	0	4,500
1	11	6115	Conventions & Seminars	1,500	-
1	11	6116	Training and Education	2,500	2,500
1	11	6125	Dues, Subs. & Memberships	6,600	6,600
1	11	6126	TPT Collection Fee expense (ADOR)	1,218	1,196
1	11	6130	Election Expenses	0	6,000
1	11	6155	Insurance	20,200	24,000
1	11	6156	Insurance Deductibles	500	0
1	11	6170	Legal	12,000	12,000
1	11	6185	Miscellaneous	2,403	4,997
1	11	6185	Miscellaneous - FRIENDS OF JEROME startup costs	1,000	1,000
1	11	6186	Bank charges	1,700	1,700
1	11	6188	Bank fees/Merch services	6,800	6,800
1	11	6190	Office Supplies	6,000	6,000
1	11	6191	Copier and Equip Lease	7,500	7,500
1	11	6192	Software Maintenance and Support	8,000	8,800
1	11	6193	Computer Hardware and Service	10,000	10,000
1	11	6195	Operating Supplies	1,000	1,000
1	11	6200	Postage	5,500	5,000
1	11	6220	Rep and Maint - Vehicles	500	500
1	11	6245	Shuttle Expenses	1,500	1,500
1	11	6250	Small Tools & Minor Equipment (under \$5,000)	1,000	750
1	11	6265	Telephone	4,500	3,500
1	11	6275	Travel	1,500	3,000
1	11	6285	Tourism (from bed tax)	5,800	10,000
1	11	6286	Community Health	500	500
1	11	6287	Allowance for preservation of historic buildings	50,000	10,000
1	11	9500	Transfer to Utilities Fund - Water	120,000	0
1	11	9500	Transfer to Utilities Fund - Sewer	70,000	0
1	11	9500	Transfer to Utilities Fund - Sanitation	0	0
1	11	9500	Transfer to HURF	74,000	-
			Total General Government Expenses	767,771	487,051
			Magistrate Court Expenses		
1	12	5001	Salaries & Wages	63,014	66,108

				ADOPTED 2019-20	PROPOSED 2020-21
1	12	5006	Longevity bonus	464	509
1	12	5010	FICA	4,856	5,096
1	12	5011	Retirement	2,098	2,307
1	12	5013	Workmen's Comp	277	256
1	12	5014	Unemployment	234	194
1	12	6037	Court Security Fund *NEW	0	300
1	12	6101	Accounting and Auditing	0	0
1	12	6110	Contract Services	5,500	7,000
1	12	6115	Conventions and Seminars	100	0
1	12	6116	Training and Education	525	525
1	12	6125	Dues and Subscriptions	250	287
1	12	6185	Miscellaneous Expense	300	300
1	12	6190	Office Supplies	0	200
1	12	6191	Copier and Equipment Lease	2,250	2,250
1	12	6265	Telephone	840	900
1	12	6275	Travel	950	1,200
Total Magistrate Court Expenses				81,658	87,432
Police Department Expenses					
1	13	5001	Salaries & Wages	268,845	292,791
1	13	5006	Longevity bonus	1,526	1,527
1	13	5001	EMT/Firefighter Stipend	0	10,400
1	13	5010	FICA	20,683	23,311
1	13	5011	Retirement Match	34,413	34,789
1	13	5012	Health / Life Insurance	46,320	68,154
1	13	5013	Workers Compensation	21,404	22,364
1	13	5014	Unemployment	847	863
1	13	6105	Advertising, Printing & Publishing	200	0
1	13	6110	Contract Services	3,000	0
1	13	6116	Training and Education	2,500	1,000
1	13	6120	Dispatch	35,100	35,100
1	13	6125	Dues and Subscriptions	500	1,200
1	13	6145	Fuel	8,000	7,500
1	13	6172	Prosecutor	30,000	24,000
1	13	6185	Miscellaneous	600	600
1	13	6192	Software Service & Support	1,000	5,500
1	13	6193	Computer Hardware & Service	5,000	2,500
1	13	6195	Operating Supplies	2,500	2,500
1	13	6200	Postage	100	200
1	13	6220	Rep and Maint - Vehicles	5,500	7,500
1	13	6225	Rep and Maint -Equipment	1,200	1,500
1	13	6234	Police Dept Safety Equipment	2,100	2,000
1	13	6250	Small Tools & Equipment (under \$5,000)	3,000	7,000
1	13	6265	Telephone	4,000	4,000
1	13	6280	Uniforms	1,500	1,500
1	13	7025	Capital Outlay - Vehicles	11,500	10,750
Total Police Department Expenses				511,338	568,549
Fire Department Expenses					
1	14	5001	Salaries & Wages - Chief, Duty officers	124,273	133,209
1	14	5006	Longevity bonus	824	806
1	14	5002	Wildlands wages	38,000	38,000
1	14	5003	Volunteer-Employee Per Call Personnel	24,000	19,000
1	14	5004	Fuel abatement wages	43,200	33,000
1	14	5010	FICA Match	16,470	15,492
1	14	5011	Retirement	9,678	9,833
1	14	5011-A	Retirement - Volunteer Contribution	12,000	12,000
1	14	5012	Health Insurance	27,540	32,460
1	14	5013	Workers Compensation	17,599	17,992
1	14	5014	Unemployment	1,448	822
1	14	6110	Contract Services	4,000	500
1	14	6116	Education and Training	6,000	6,000
1	14	6120	Dispatch	6,100	6,450
1	14	6125	Dues and Subscriptions	1,500	1,500
1	14	6145	Fuel	5,000	5,000
1	14	6170	Legal	500	500
1	14	6180	Medical Expenses	500	1,000
1	14	6181	Medical Supplies	3,000	3,000
1	14	6185	Miscellaneous	1,500	1,500
1	14	6192	Software Support and Maintenance	0	900
1	14	6195	Operating Supplies	1,000	1,500
1	14	6220	Rep and Maint - Vehicles	16,000	16,000
1	14	6225	Rep and Maint - Equipment	5,000	5,000
1	14	6250	Small Tools & Equipment (under \$5000)	10,000	10,000
1	14	6265	Telephone	5,000	4,000
1	14	6270	Training Center Assessment	2,700	2,700
Total Fire Department Expenses				382,832	378,164
Library Expenses					
1	15	5001	Salaries & Wages	63,265	63,951
1	15	5006	Longevity bonus	678	698
1	15	5010	FICA Match	4,892	4,946
1	15	5011	Retirement	3,421	3,476
1	15	5012	Health Insurance	9,720	10,656
1	15	5013	Workers Compensation	304	269
1	15	5014	Unemployment	373	288
1	15	6110	Contract services	1,250	1,250
1	15	6185	Miscellaneous	500	250
1	15	6190	Office Supplies	300	250
1	15	6195	Operating Supplies	4,000	3,000
1	15	6205	Print and Non-Print Materials	3,890	3,890
1	15	6225	R&M - Equipment	200	100
1	15	6250	Small Tools & Equipment (under \$5,000)	1,000	1,500
1	15	6265	Telephone (net of County contribution)	1,000	900
1	15	6266	E-Rate	300	800
Total Library Expenses				95,093	96,224
Planning & Zoning Expenses					
1	16	5001	Salaries & Wages	67,989	67,032
1	16	5006	Longevity bonus	317	338
1	16	5007	Payt in lieu of medical benefits	0	6,726

				ADOPTED 2019-20	PROPOSED 2020-21
1	16	5010	FICA Match	5,225	5,668
1	16	5011	Retirement Match	4,440	4,348
1	16	5012	Health / Life Insurance	8,500	0
1	16	5013	Workers Compensation	699	613
1	16	5014	Unemployment Insurance	199	171
1	16	6105	Advertising, Printing & Publishing	1,000	500
1	16	6110	Contract Services	1,500	0
1	16	6115	Conventions and Seminars	0	500
1	16	6116	Training and Education	1,500	1,000
1	16	6125	Dues and Subscriptions	0	0
1	16	6170	Legal	13,000	15,000
1	16	6175	Map Upgrades / Copies	0	1,000
1	16	6185	Miscellaneous	300	300
1	16	6192	Software Maintenance & Support	0	700
1	16	6195	Operating Supplies	250	300
1	16	6250	Small Tools & Equipment (under \$5,000)	250	300
1	16	6265	Telephone	600	600
1	16	6275	Travel	500	500
Total Planning & Zoning Expenses				106,269	105,596
Parks Expenses					
1	17	5001	Salaries & Wages (incl longevity)	5,978	6,089
1	17	5010	FICA Match	457	466
1	17	5011	Retirement Match	472	481
1	17	5012	Health Insurance	1,375	1,716
1	17	5013	Workers Compensation	476	368
1	17	5014	Unemployment Insurance	16	14
1	17	6145	Fuel	50	50
1	17	6185	Misc. Expenses	200	250
1	17	6192	Software Service and Support	400	200
1	17	6195	Operating Supplies	500	200
1	17	6170	Legal	1,500	500
1	17	6215	Rep and Maint - Building	100	100
1	17	6220	Rep and Maint - Vehicles	2,500	2,500
1	17	6225	Rep and Maint - Equipment	500	0
1	17	6230	Rep and Maint - Infrastructure (routine)	2,000	1,500
1	17	6250	Small Tools & Equipment (under \$5,000)	300	300
1	17	6265	Telephone	200	0
1	17	6280	Uniforms	500	300
1	17	6285	Utilities	2,500	2,800
1	17	6290	Purchase of Real Estate	48,500	0
1	17	8040	Lease Payments	1,300	260
Total Parks Expenses				69,824	18,094
Properties Expenses					
1	18	5001	Salaries & Wages (incl longevity)	37,017	37,704
1	18	5010	FICA Match	2,832	2,884
1	18	5011	Retirement Match	2,924	2,976
1	18	5012	Health / Life Insurance	8,512	10,624
1	18	5014	Unemployment Insurance	101	86
1	18	5013	Workers Compensation	2,946	2,278
1	18	6110	Contract Services	10,000	8,500
1	18	6140	Engineering Fees	5,000	5,000
1	18	6142	Equipment Rental	100	0
1	18	6145	Fuel	100	100
1	18	6170	Legal Services	500	500
1	18	6185	Miscellaneous Expense	1,000	1,500
1	18	6192	Software Service and Support	400	200
1	18	6195	Operating Supplies	1,500	1,200
1	18	6215	Rep and Maint - Buildings (routine)	20,000	20,000
1	18	6215	Rep and Maint - Buildings (special)	19,000	20,000
1	18	6220	Rep and Maint - Vehicles	2,500	2,500
1	18	6225	Rep and Maint - Equipment	250	0
1	18	6230	Rep and Maint - Infrastructure (routine)	3,000	3,000
1	18	6230	Rep and Maint - Infrastructure (School Street access - wall and steps repair)	39,000	39,000
1	18	6230	Rep and Maint - Infrastructure (flume repair)	5,000	0
1	18	6250	Small Tools & Equipment (under \$5,000)	250	250
1	18	6280	Uniforms	500	300
1	18	6285	Utilities	46,000	46,000
1	18	6242	Parking Kiosk Purchase and Expenses	125,000	0
1	18	8040	Lease Payments	1,300	260
Total Properties Expenses				374,732	204,862
Total General Fund Expenses				2,389,517	1,945,972
Water Department Revenue					
2	50	4085	Water Usage Fees	180,000	170,000
2	50	4100	Water Connection Fees	0	5,000
Transfer from PARKING FUND					30,000
Use of UTILITY FUND BALANCE				47,000	58,000
2	50	4900	TRANSFER from General Fund	120,000	0
2	50	4500	Miscellaneous Water Revenue	3,000	8,000
Total Water Department Revenue				350,000	271,000
Water Department Expenses					
2	50	5001	Salaries & Wages (incl longevity)	65,297	66,509
2	50	5010	FICA Match	4,995	5,088
2	50	5011	Retirement Match	5,158	5,249
2	50	5012	Health / Life Insurance	15,016	18,741
2	50	5013	Workers Compensation	5,197	4,019
2	50	5014	Unemployment Insurance	177	151
2	50	6110	Contract Services	11,000	10,800
2	50	6116	Training and Education	500	400
2	50	6125	Dues, Subs. & Memberships	200	0
2	50	6135	Permit Fees	400	1,800
2	50	6140	Engineering Fees	1,350	1,500
2	50	6142	Equipment Rentals	200	0
2	50	6145	Fuel	2,000	2,000
2	50	6155	Insurance	9,500	9,000
2	50	6170	Legal	15,000	20,000

				ADOPTED 2019-20	PROPOSED 2020-21
2	50	6185	Miscellaneous Expense	678	338
2	50	6192	Software Maintenance & Support	2,500	2,800
2	50	6195	Operating Supplies	3,000	3,000
2	50	6215	Rep and Maint - Building	200	500
2	50	6220	Rep and Maint - Vehicles	2,500	2,500
2	50	6225	Rep and Maint - Equipment	2,500	2,000
2	50	6230	Rep and Maint - Infrastructure (routine)	25,000	20,000
2	51	6230	Rep and Maint - Infrastructure (Center Street/Hull Rd/School Street)	70,000	0
2	50	6230	Rep and Maint - Infrastructure (regulator boxes)	20,000	15,000
2	50	6230	Rep and Maint - Infrastructure (springs)	6,900	20,000
2	50	6240	Service Tests/System Testing	1,100	1,000
2	50	6250	Small Tools & Equipment (under \$5,000)	1,500	1,500
2	50	6265	Telephone	1,000	0
2	50	6271	DWR Fee	900	900
2	50	6280	Uniforms	500	300
2	50	6285	Utilities	500	500
2	50	6290	Administration charge	48,232	49,494
2	50	8041	Vehicle purchase	25,000	5,000
2	50	8040	Lease Payments	2,000	911
Total Water Department Expenses				350,000	271,000
Sewer Department Revenue					
2	51	4085	Sewer Usage Fees	185,000	180,400
			Sewer Connection Fees		5,500
			Transfer from PARKING FUND		30,000
			Use of UTILITY FUND BALANCE	28,000	39,500
2	51	4900	TRANSFER from General Fund	70,000	0
2	51	4300	Interest and Investment Earnings	100	100
Total Sewer Revenue				283,100	255,500
Sewer Department Expenses					
2	51	5001	Salaries & Wages (incl longevity)	35,407	36,065
2	51	5010	FICA Match	2,832	2,759
2	51	5011	Retirement Match	2,797	2,846
2	51	5012	Health / Life Insurance	8,142	10,162
2	51	5013	Workers Compensation	2,818	2,179
2	51	5014	Unemployment Insurance	96	82
2	51	6110	Contract Services	38,400	38,400
2	51	6116	Training and Education	100	0
2	51	6135	Permit Fees	1,250	1,150
2	51	6140	Engineering Fees	20,000	25,000
2	51	6142	Equipment Rentals	200	0
2	51	6145	Fuel	2,100	2,200
2	51	6155	Insurance	10,500	9,000
2	51	6170	Legal	200	500
2	51	6185	Miscellaneous	326	352
2	51	6192	Software Maintenance and Support	2,500	2,800
2	51	6195	Operating Supplies	15,000	12,000
2	51	6215	Rep and Maint - Building	100	500
2	51	6220	Rep and Maint - Vehicles	1,200	2,000
2	51	6225	Rep and Maint - Equipment	7,500	4,500
2	51	6230	Rep and Maint - Infrastructure (routine)	25,000	15,000
2	51	6230	Rep and Maint - Infrastructure (sewer line replacement)	5,000	0
2	51	6230	Rep and Maint - Infrastructure (Center/Hull/School Street)	15,000	0
2	51	6240	Service Tests/System Testing	11,000	12,000
2	51	6250	Small Tools & Equipment (under \$5,000)	1,500	3,000
2	51	6265	Telephone	900	500
2	51	6280	Uniforms	500	0
2	51	6285	Utilities	3,000	3,000
2	51	6290	Administration charge	48,232	49,494
2	51	8010	Bond Principal - 92-06	4,000	4,100
2	51	8010	Bond Principal - 92-08	8,000	8,200
2	51	8020	Bond Interest - 92-06	2,800	2,250
2	51	8020	Bond Interest - 92-08	4,700	4,550
2	51	8040	Lease Payments	2,000	911
Total Sewer Expenses				283,100	255,500
Sanitation Department Revenue					
2	52	4085	Sanitation Service Fees	190,000	188,000
			Use of UTILITY FUND BALANCE	16,500	16,000
2	52	4900	TRANSFER from General Fund	-	-
2	52	4500	Miscellaneous Sanitation Revenue	1,000	1,000
Total Sanitation Revenue				207,500	205,000
Sanitation Department Expense					
2	52	5001	Salaries & Wages (incl longevity)	56,330	57,376
2	52	5010	FICA Match	4,309	4,389
2	52	5011	Retirement Match	4,449	4,528
2	52	5012	Health / Life Insurance	12,954	16,167
2	52	5013	Workers Compensation	4,483	3,467
2	52	5014	Unemployment Insurance	153	130
2	52	6110	Contract Services	500	0
2	52	6111	Recycling Contract Services	2,000	2,200
2	52	6116	Training & Education	300	200
2	52	6142	Equipment Rental	1,000	650
2	52	6145	Fuel	8,500	9,000
2	52	6155	Insurance	12,500	12,000
2	52	6165	Landfill Tipping Fees	23,500	24,500
2	52	6185	Miscellaneous	240	199
2	52	6192	Software Maintenance and Support	0	1,300
2	52	6195	Operating Supplies	200	200
2	52	6215	Rep and Maint - Building	150	0
2	52	6220	Rep and Maint - Vehicles	12,000	10,000
2	52	6225	Rep and Maint - Equipment	2,000	900
2	52	6250	Small Tools & Minor Equipment	6,300	3,000
2	52	6265	Telephone	900	0
2	52	6280	Uniforms	500	300
2	52	6290	Administration charge	48,232	49,494
2	51	8040	Lease payments	1,000	0
			Transfer to Capital Fund	5,000	5,000
Total Sanitation Expenses				207,500	205,000

				ADOPTED 2019-20	PROPOSED 2020-21
HURF Revenue					
Use of HURF Fund Balance (carryover)					107,000
3	30	4020	Highway User Revenue	38,642	40,324
3	30	4020	Special streets and highways revenue	197,802	0
3	30	4300	HURF Interest	350	1,000
3	30	4900	Transfer from General Fund	74,000	0
Total HURF Revenue				310,794	148,324
HURF Expenses					
3	30	5001	Salaries & Wages (incl longevity)	43,344	44,123
3	30	5010	FICA Match	3,316	3,375
3	30	5011	Retirement Match	2,361	2,403
3	30	5012	Health/Life Insurance	6,873	8,151
3	30	5013	Workers Compensation	2,840	2,250
3	30	5014	Unemployment Insurance	181	155
3	30	6140	Engineering Fees	2,000	5,000
3	30	6142	Equipment Rentals	1,500	1,500
3	30	6145	Fuel	50	100
3	30	6155	Liability Insurance	6,500	6,000
3	30	6185	Miscellaneous Expense	155	556
3	30	6192	Software Service & Support	400	180
3	30	6195	Operating Supplies	700	700
3	30	6210	Public Restroom Supplies	2,200	2,200
3	30	6215	Repair & Maintenance - Building	6,300	5,000
3	30	6220	Repair & Maintenance - Vehicles	2,400	2,000
3	30	6225	Repair & Maintenance - Equipment	350	200
3	30	6230	Repair & Maintenance - Infrastructure (routine R&M)	12,000	10,000
3	30	6230	Repair & Maintenance - PAVING PARKING LOT ACROSS FROM SPIRIT ROOM	13,750	13,750
3	30	6230	Repair & Maintenance - Street patching	25,000	10,000
3	30	6230	Repair & Maintenance - CENTER/HULL/SCHOOL STREETS	110,000	0
3	30	6230	Repair & Maintenance - Infrastructure (SIDEWALKS)	40,000	0
3	30	6250	Small Tools & Equipment	500	500
3	30	6255	Street Lights	12,500	13,000
3	30	6260	Street Supplies	3,000	6,000
3	30	6265	Telephone	200	0
3	30	6280	Uniforms	500	300
3	30	6290	Administration Charge	10,574	10,581
3	30	8040	Lease Payments	1,300	300
Total HURF Expenses				310,794	148,324
new	new	new	PARKING FUND REVENUE		
3	40		Kiosk revenues		120,000
3	40		Allowance for additional revenues		30,000
Total Parking Fund revenues				-	150,000
new	new	new	PARKING FUND EXPENSES		
3	40	5001	Salaries & Wages (incl longevity)		11,600
3	40	5010	FICA Match		887
3	40	5013	Workers Compensation		352
3	40	5014	Unemployment Insurance		86
3	40	6185	Miscellaneous		775
3	40	6188	Credit Card processing fees		27,000
3	40	6192	Software Maintenance and Support		4,800
3	40	6195	Operating Supplies		4,000
3	40	6265	Telephone		1,500
3	40		Allowance for additional capital purchases		19,000
3	40		Allowance for additional transfers to utilities and/or public safety budgets		20,000
3	40		Transfer to Water Budget		30,000
3	40		Transfer to Sewer Budget		30,000
Total Parking Fund expenses				-	150,000
Fire Department P&R Revenue					
4	60	4250	Town Contribution	12,000	12,000
4	60	4255	State Pension Contribution	2,500	2,500
4	60	4256	Receipts from Retirement Fund	10,000	10,000
Total Fire P&R Revenue				24,500	24,500
Fire Department P&R Expenses					
4	60	6110	Contract Services (Admin Fees)	2,000	2,000
4	60	6235	Retirement/Refunds/Distributions	22,500	22,500
Total Fire P&R Expenses				24,500	24,500
Operating Grants Revenue					
5	40	4100	CDBG Housing rehab	360,000	0
5	40	4067	Police: Bulletproof vest funding	1,400	1,400
5	40	4067	Police: GOHS Grant	4,000	4,000
5	40	4066	Police: RICO Revenue	0	5,000
5	40	4067	Police: Safety Equipment grant	0	10,000
5	40	4068	Fire: FEMA	80,000	100,000
5	40	4068	Fire: Firehouse Subs Grant	20,000	20,000
5	40	4068	Fire: 100 Club grant	5,000	5,000
5	40	4068	Fire: State Fire School (training)	1,000	1,000
5	40	4068	Fire: NEAMS funding	4,500	4,500
5	40	4100	FMI: Water Planning	0	50,000
5	40	4100	Grant for community Garden/wall repair	50,000	0
5	40	4100	USDA SEARCH grant (WWTP engineering)	0	30,000
5	40	4100	MISCELLANEOUS grants	100,000	100,000
5	40	4100	Yavapai County Storm Drainage/Flood Control	30,000	90,000
Total Operating Grants Revenues				655,900	420,900
Operating Grants Expenses					
5	40		CDBG Housing rehab	360,000	0
5	40		Police: Bulletproof vest funding	1,400	1,400
5	40		Police: GOHS Grant	4,000	4,000
5	40		Police: RICO Revenue	0	5,000
5	40	4067	Police: Safety Equipment grant	0	10,000
5	40		Fire: FEMA	80,000	100,000
5	40		Fire: Firehouse Subs Grant	20,000	20,000
5	40		Fire: 100 Club grant	5,000	5,000
5	40		Fire: State Fire School (training)	1,000	1,000

				ADOPTED 2019-20	PROPOSED 2020-21
5	40		Fire: NEAMS funding	4,500	4,500
5	40		FMI: Water Planning	0	50,000
5	40		Grant for community Garden/wall repair	50,000	0
5	40		USDA SEARCH grant (WWTP engineering)	0	30,000
5	40		Use of MISCELLANEOUS grants	100,000	100,000
5	40		Yavapai County Storm Drainage/Flood Control	30,000	90,000
Total Operating Grants Expenses				655,900	420,900
Capital Grants Revenue					
5	40	4100	CDBG Guaranteed DUNDEE Waterline	0	359,170
5	40	4100	CDBG Competitive Center Avenue	0	500,000
			HURF Exchange funding - Drainage Project design	0	200,000
6	70	4105	Yavapai Apache Nation Gaming Donation	18,000	36,000
		4105	Freeport McMoRan - Social Investment 2015 (School Street access)	31,000	31,000
		4105	Freeport-McMoRan - Social Investment 2020 (School Street access)	30,000	30,000
		4105	Freeport-McMoRan - Social Investment 2021 (tba)		30,000
		4105	USDA Rural Development 2018 - Hotel Jerome windows	56,500	56,500
6	70	4100	Brownfields grant: Lead Paint Abatement (Hotel Jerome)	105,000	0
			ADEQ Brownfields: Hotel Jerome window removal	0	20,000
		4105	Grant for Healthcare Clinic	50,000	50,000
		4105	Miscellaneous Capital Grants	200,000	250,000
Total Capital Grants Revenue				490,500	1,562,670
Capital Grants Expenses					
5	40		CDBG Guaranteed DUNDEE Waterline	0	359,170
5	40		CDBG Competitive Center Avenue	0	500,000
			HURF Exchange funding - Drainage Project design	0	200,000
6	70		Yavapai Apache Nation Gaming Donation	18,000	36,000
			Freeport McMoRan - Social Investment 2015 (School Street access)	31,000	31,000
			Freeport-McMoRan - Social Investment 2020 (School Street access)	30,000	30,000
			Freeport-McMoRan - Social Investment 2021 (tba)		30,000
			USDA Rural Development 2018 - Hotel Jerome windows	56,500	56,500
6	70		Brownfields grant: Lead Paint Abatement (Hotel Jerome)	105,000	0
			ADEQ Brownfields: Hotel Jerome window removal	0	20,000
			Grant for Healthcare Clinic	50,000	50,000
			Miscellaneous Capital Grants	200,000	250,000
Total Capital Grants Expenses				490,500	1,562,670
Capital Fund Revenues					
9	57	4900	Contribution from Sanitation Account	5,000	5,000
9	57	4520	CARRYOVER Capital Fund	40,000	45,000
Total Capital Fund Revenues				45,000	50,000
Capital Fund Expenses					
9	57	7025	Downpayment on new garbage truck	45,000	50,000
Total Capital Fund Expenses				45,000	50,000
General Fund Contingencies Revenue					
7	25	4295	Excess City Sales Tax	100,000	400,000
		4295	Sale or Lease of Real Property	1,000,000	1,000,000
		4295	Additional Library Donations	2,000	2,500
		4295	Budgeted fund balance	137,000	40,000
7	25	4090	Excess Wildlands Fire Fees	50,000	80,000
7	25	4285	Excess Parking Revenue	50,000	80,000
Total General Fund contingency revenues				1,339,000	1,602,500
General Fund Contingencies Expenses					
7	25	6295	Use of fund balance for additional GRANT MATCH - CDBG Center Avenue	-	236,000
7	25	6295	Use of proceeds from Sale or Lease of Real Property	1,000,000	1,000,000
		6295	Use of additional library donations	2,000	2,500
		6295	Purchase of golf cart or ATV for administration	3,000	3,500
		6295	Use of Fund Balance for Grant match - FEMA	4,000	-
		6295	Use of Fund Balance to TRANSFER TO UTILITY FUND CONTINGENCIES	130,000	-
		6295	Repairs to steps (Old Town Hall and Parade steps)	30,000	25,000
		6295	Repair to rock wall below School Street	-	50,000
		6295	Hampshire Avenue sidewalk repairs	-	40,000
		6295	Purchase of flatbed truck	-	50,000
		6295	Use of excess city sales tax for other purposes	70,000	35,500
7	25	6276	Use of Excess Wildlands Fire Fees	50,000	80,000
7	25	6285	Use of excess Parking Revenue	50,000	80,000
Total General Fund contingency expenses				1,339,000	1,602,500
Utilities Fund Contingencies Revenue					
8	55	4295	Water connection fees	10,000	10,000
			Transfer from GENERAL FUND BALANCE	130,000	-
			Sewer connection fees	11,000	11,000
			Design Bridge Loan (Wastewater Engineering Phase Two, if needed)	-	100,000
Total Utilities Fund contingency revenues				151,000	121,000
Utilities Fund Contingencies Expenses					
8	55	6295	Replacement of water line, hydrants and regulator - DUNDEE AVE	130,000	-
			Wastewater engineering (Phase Two if needed)		100,000
			Use of proceeds from Water connection fees	10,000	10,000
			Use of proceeds from Sewer connection fees	11,000	11,000
Total Utilities Fund contingency expenses				151,000	121,000
RECAP:					
REVENUES:					
			General Government	1,930,395	1,621,950
			Magistrate Court	65,000	72,000
			Police Department	28,100	22,000
			Fire Department	128,500	118,000
			Library	29,115	29,615
			Planning & Zoning	9,000	8,000
			Properties	199,407	74,407
Total General Fund Revenues				2,389,517	1,945,972
			Water Department	350,000	271,000
			Sewer	283,100	255,500
			Sanitation	207,500	205,000
Total Utilities Fund Revenues				840,600	731,500

	ADOPTED 2019-20	PROPOSED 2020-21
HURF	310,794	
Total HURF Fund Revenue	310,794	148,324
Parking		150,000
Total Parking Fund Revenue		150,000
Fire Dep't. P & R Fund	24,500	
Total Fire Dept P&R Fund Revenue	24,500	24,500
Operating Grant Fund	655,900	
Total Operating Grant Fund Revenue	655,900	420,900
Capital Grant Fund	490,500	
Total Capital Grant Fund Revenue	490,500	1,562,670
General Fund Contingencies	1,339,000	
Total General Fund Contingencies Revenue	1,339,000	1,602,500
Utilities Fund Contingencies	151,000	
Total Utilities Fund Contingencies Revenue	151,000	121,000
Capital Fund	45,000	
Total Capital Fund Revenue	45,000	50,000
Revenue Totals	6,246,811	6,757,366
EXPENSES:		
General Government	767,771	487,051
Magistrate Court	81,658	87,432
Police Department	511,338	568,549
Fire Department	382,832	378,164
Library	95,093	96,224
Planning & Zoning	106,269	105,596
Parks	69,824	18,094
Properties (Rounding adjustment)	374,732	204,862
Total General Fund Expenses	2,389,517	1,945,972
Water Department	350,000	271,000
Sewer	283,100	255,500
Sanitation	207,500	205,000
Total Utilities Fund Expenses	840,600	731,500
HURF	310,794	148,324
Total HURF Fund Expenses	310,794	148,324
Parking		150,000
Total Parking Fund Expenses		150,000
Fire Dep't. P & R Fund	24,500	24,500
Total Fire Dept P&R Expenses	24,500	24,500
Operating Grant Fund	655,900	420,900
Total Operating Grant Fund Expenses	655,900	420,900
Capital Grant Fund	490,500	1,562,670
Total Capital Grant Fund Expenses	490,500	1,562,670
General Fund Contingencies	1,339,000	1,602,500
Total General Fund Contingencies Expenses	1,339,000	1,602,500
Utilities Fund Contingencies	151,000	121,000
Total Utilities Fund Contingencies Expenses	151,000	121,000
Capital Fund	45,000	50,000
Total Capital Fund Expenses	45,000	50,000
Expense Totals	6,246,811	6,757,366
Budget (Deficit) excess	-	
(Deficit)/excess by fund:		
General Fund	-	
Utilities Fund	-	
HURF Special Revenue Fund	-	
Parking Special Revenue Fund	-	
Fire Dept P&R Fiduciary Fund	-	
Operating Grants Fund	-	
Capital Grants Fund	-	
General Fund Contingencies	-	
Utilities Fund Contingencies	-	
Capital Fund	-	
Total	-	

OFFICIAL BUDGET FORMS

TOWN OF JEROME

Fiscal Year 2021

TOWN OF JEROME

TABLE OF CONTENTS

Fiscal Year 2021

[Resolution for the Adoption of the Budget](#)

[Schedule A—Summary Schedule of Estimated Revenues and Expenditures/Expenses](#)

[Schedule B—Tax Levy and Tax Rate Information](#)

[Schedule C—Revenues Other Than Property Taxes](#)

[Schedule D—Other Financing Sources/\(Uses\) and Interfund Transfers](#)

[Schedule E—Expenditures/Expenses by Fund](#)

[Schedule F—Expenditures/Expenses by Department \(as applicable\)](#)

Schedule G—Full-Time Employees and Personnel Compensation

TOWN OF JEROME
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2021

Fiscal Year	S c h		FUNDS							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Contingency Funds	Total All Funds
2020	E	1	2,125,517	1,457,194	0	45,000	24,500	835,600	1,360,000	5,847,811
2020	E	2	1,780,000	743,000	0	0	0	604,000	0	3,127,000
2021		3	727,786	107,000		45,000		221,407		1,101,193
2021	B	4	47,500							47,500
2021	B	5								0
2021	C	6	1,661,472	2,174,894	0	0	24,500	558,000	1,723,500	6,142,366
2021	D	7	0	0	0	0	0	0	0	0
2021	D	8	0	0	0	0	0	0	0	0
2021	D	9	0	0	0	5,000	0	60,000	0	65,000
2021	D	10	0	60,000	0	0	0	5,000	0	65,000
2021		11								
LESS:										0
										0
										0
										0
2021		12	2,436,758	2,221,894	0	50,000	24,500	834,407	1,723,500	7,291,059
2021	E	13	1,945,972	2,221,894	0	50,000	24,500	726,500	1,723,500	6,692,366

EXPENDITURE LIMITATION COMPARISON

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation

	2020	2021
	\$ 5,847,811	\$ 6,692,366
	5,847,811	6,692,366
	\$ 5,847,811	\$ 6,692,366
	\$ 5,847,811	\$ 6,678,366

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

TOWN OF JEROME
Tax Levy and Tax Rate Information
Fiscal Year 2021

	2020	2021
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>90,755</u>	\$ <u>92,972</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	\$ _____
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>47,500</u>	\$ <u>47,500</u>
B. Secondary property taxes	\$ _____	\$ _____
C. Total property tax levy amounts	\$ <u>47,500</u>	\$ <u>47,500</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>47,500</u>	\$ _____
(2) Prior years' levies	\$ _____	\$ _____
(3) Total primary property taxes	\$ <u>47,500</u>	\$ _____
B. Secondary property taxes		
(1) Current year's levy	\$ _____	\$ _____
(2) Prior years' levies	\$ _____	\$ _____
(3) Total secondary property taxes	\$ _____	\$ _____
C. Total property taxes collected	\$ <u>47,500</u>	\$ _____
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.7597</u>	<u>0.7480</u>
(2) Secondary property tax rate	_____	_____
(3) Total city/town tax rate	<u>0.7597</u>	<u>0.7480</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

TOWN OF JEROME
Revenues Other Than Property Taxes
Fiscal Year 2021

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
GENERAL FUND			
Local taxes			
City Sales Tax	\$ 1,027,000	\$ 900,000	\$ 850,000
Licenses and permits			
Business Licenses	9,000		6,000
Utility Franchises	18,000		17,000
Building Permits	5,500		5,000
Commercial Filming Fees	500		
Intergovernmental			
State Sales Tax	47,080		41,246
Urban Revenue Share	193,972		214,371
Vehicle License Tax	33,090		33,971
Yavapai County Library	17,000		19,000
Charges for services			
Utility Reimbursements	5,000		5,000
Rental Income	78,522		78,522
Planning & Zoning Fees	3,500		3,000
Police Services	26,000		20,000
Fire Services	128,500		118,000
Fines and forfeits			
Fines and Forfeitures	65,000		60,000
Dedicated Police Revenue from Court Fees	2,100		2,000
Court Security Fund revenue			12,000
Interest on investments			
Interest earned	1,600		1,800
In-lieu property taxes			
Contributions			
Voluntary contributions	3,200		1,500
Miscellaneous			
Sale of assets	6,000		9,000
Administrative Charges to Other Funds	155,270		159,062
Other Miscellaneous Revenues	7,500		5,000
Parking Revenue	125,000		
Total General Fund	\$ 1,958,334	\$ 900,000	\$ 1,661,472

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF JEROME
Revenues Other Than Property Taxes
Fiscal Year 2021

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
--------------------	-------------------------------	-----------------------------	-------------------------------

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

DEBT SERVICE FUNDS

	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
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TOWN OF JEROME
Revenues Other Than Property Taxes
Fiscal Year 2021

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
	\$ _____	\$ _____	\$ _____
	_____	_____	_____
	_____	_____	_____
	\$ _____	\$ _____	\$ _____
Total Enterprise Funds	\$ <u>559,100</u>	\$ _____	\$ <u>558,000</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CONTINGENCY FUNDS

General Fund Contingencies:	\$ _____	\$ _____	\$ _____
Sale or Lease of Real Property	1,000,000	_____	1,000,000
Excess City Sales Tax	100,000	_____	400,000
Wildland Fire Fees	50,000	_____	80,000
Parking Revenue	50,000	_____	80,000
Other Contingency Revenue	2,000	_____	42,500
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	\$ <u>1,202,000</u>	\$ _____	\$ <u>1,602,500</u>
Enterprise Fund Contingencies:	\$ _____	\$ _____	\$ _____
Water Service & Connection Fees	10,000	_____	10,000
Sewer Service & Connection Fees	11,000	_____	11,000
Loan for wastewater engineering	_____	_____	100,000
	\$ <u>21,000</u>	\$ _____	\$ <u>121,000</u>
	_____	_____	_____
	_____	_____	_____
	\$ _____	\$ _____	\$ _____
Total Contingency Funds	\$ <u>1,223,000</u>	\$ _____	\$ <u>1,723,500</u>
TOTAL ALL FUNDS	\$ <u>5,148,128</u>	\$ <u>900,000</u>	\$ <u>6,142,366</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF JEROME
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2021

FUND	OTHER FINANCING 2021		INTERFUND TRANSFERS 2021	
	SOURCES	(USES)	IN	(OUT)
GENERAL FUND	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total General Fund	\$ _____	\$ _____	\$ _____	\$ _____
SPECIAL REVENUE FUNDS				
Parking Fund - Transfer to Water	\$ _____	\$ _____	\$ _____	\$ 30,000
Parking Fund - Transfer to Sewer	_____	_____	_____	30,000
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Special Revenue Funds	\$ _____	\$ _____	\$ _____	\$ 60,000
DEBT SERVICE FUNDS				
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debt Service Funds	\$ _____	\$ _____	\$ _____	\$ _____
CAPITAL PROJECTS FUNDS				
Capital Fund - Transfer from Enterprise Fun	\$ _____	\$ _____	\$ 5,000	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Capital Projects Funds	\$ _____	\$ _____	\$ 5,000	\$ _____
PERMANENT FUNDS				
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

TOWN OF JEROME
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2021

FUND	OTHER FINANCING 2021		INTERFUND TRANSFERS 2021	
	SOURCES	(USES)	IN	(OUT)
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Water - Transfer from Parking Fund	\$	\$	30,000	\$
Sewer - Transfer from Parking Fund			30,000	
Sanitation - Transfer to Capital Fund				5,000
W/S/S - Transfer from Utility Contingency Fund				
Total Enterprise Funds	\$	\$	60,000	\$ 5,000
CONTINGENCY FUNDS				
	\$	\$	\$	\$
Total Internal Service Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	65,000	\$ 65,000

TOWN OF JEROME
Expenditures/Expenses by Fund
Fiscal Year 2021

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
GENERAL FUND				
General Government	\$ 503,771	\$	\$ 450,000	\$ 487,051
Magistrate Court	81,658		75,000	87,432
Police	511,338		480,000	568,549
Fire	382,832		310,000	378,164
Library	95,093		90,000	96,224
Planning & Zoning	106,269		88,000	105,596
Parks	69,824		57,000	18,094
Properties	374,732		230,000	204,862
Total General Fund	\$ 2,125,517	\$	\$ 1,780,000	\$ 1,945,972
SPECIAL REVENUE FUNDS				
HURF	\$ 310,794	\$	\$ 108,000	\$ 148,324
Capital Grants	490,500		180,000	1,562,670
Operating Grants	655,900		455,000	420,900
Parking				90,000
Total Special Revenue Funds	\$ 1,457,194	\$	\$ 743,000	\$ 2,221,894
DEBT SERVICE FUNDS				
	\$	\$	\$	\$
Total Debt Service Funds	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS				
Capital Fund	\$ 45,000	\$	\$	\$ 50,000

Total Capital Projects Funds	\$ 45,000	\$	\$	\$ 50,000
PERMANENT FUNDS				
Fire Dept. Pension & Relief	\$ 24,500	\$	\$	\$ 24,500
Total Permanent Funds	\$ 24,500	\$	\$	\$ 24,500
ENTERPRISE FUNDS				
Water	\$ 350,000	\$	\$ 217,000	\$ 271,000
Sewer	283,100		207,000	255,500
Sanitation	202,500		180,000	200,000
Total Enterprise Funds	\$ 835,600	\$	\$ 604,000	\$ 726,500
CONTINGENCY FUNDS				
General Fund Contingencies	\$ 1,209,000	\$	\$	\$ 1,602,500
Utility Fund Contingencies	151,000			121,000
Total Internal Service Funds	\$ 1,360,000	\$	\$	\$ 1,723,500
TOTAL ALL FUNDS	\$ 5,847,811	\$	\$ 3,127,000	\$ 6,692,366

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF JEROME
Full-Time Employees and Personnel Compensation
Fiscal Year 2021

FUND	Full-Time Equivalent (FTE) 2021	Employee Salaries and Hourly Costs 2021	Retirement Costs 2021	Healthcare Costs 2021	Other Benefit Costs 2021	Total Estimated Personnel Compensation 2021
GENERAL FUND	15	\$ 758,786	\$	\$ 141,441	\$ 88,169	\$ 988,396
SPECIAL REVENUE FUNDS						
HURF	1	\$ 32,145	\$	\$ 12,707	\$ 2,539	\$ 47,390
Total Special Revenue Funds	1	\$ 32,145	\$	\$ 12,707	\$ 2,539	\$ 47,390
DEBT SERVICE FUNDS						
		\$	\$	\$	\$	\$
Total Debt Service Funds		\$	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS						
		\$	\$	\$	\$	\$
Total Capital Projects Funds		\$	\$	\$	\$	\$
PERMANENT FUNDS						
		\$	\$	\$	\$	\$
Total Permanent Funds		\$	\$	\$	\$	\$
ENTERPRISE FUNDS						
Water	2	\$ 70,245	\$	\$ 19,298	\$ 5,546	\$ 95,088
Sewer	1	38,080	\$	10,464	3,007	51,551
Sanitation	1	60,581	\$	16,648	4,784	82,013
Total Enterprise Funds	4	\$ 168,905	\$	\$ 46,410	\$ 13,338	\$ 228,653
INTERNAL SERVICE FUND						
		\$	\$	\$	\$	\$
Total Internal Service Fund		\$	\$	\$	\$	\$
TOTAL ALL FUNDS	20	\$ 959,836	\$	\$ 200,558	\$ 104,046	\$ 1,264,440

**Reconciliation of Excel spreadsheet as reviewed by Council to State Budget Forms
2020-21**

Revenues:

Per spreadsheet	6,757,366
Per State forms	<u>6,142,366</u>

Difference **\$615,000**

Property Taxes	\$47,500	<i>Explanation:</i> Shown in separate column on State forms
Provision for use of fund balance - General Fund	\$237,000	Not shown as revenue on State forms
Provision for use of Utility fund balance	113,500	Not shown as revenue on State forms
Provision for use of carryover - Capital Fund	45,000	Not shown as revenue on State forms
Provision for use of carryover - HURF	107,000	
Interfund transfers:		Reflected on Schedule D
Utilities fund to Capital Fund	5,000	
Parking fund to water	30,000	
Parking fund to sewer	<u>30,000</u>	

\$615,000

Expenditures:

Per spreadsheet	6,757,366
Per State forms	<u>6,692,366</u>

Difference **\$65,000**

Interfund transfers		Reflected on Schedule D
Utilities fund to Capital Fund	5,000	
Parking fund to water	30,000	
Parking fund to sewer	<u>30,000</u>	

\$65,000



TOWN OF JEROME

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

RESOLUTION NO. 601 Resolution for the Adoption of the Budget Fiscal Year 2021

WHEREAS, in accordance with the provisions of Title 42, Ch. 17, Art. 1-5, Arizona Revised Statutes (A.R.S.), the Town Council did, on July 14, 2020, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Jerome; and

WHEREAS, in accordance with said chapter of said title, and following due public notice, the Council met on July 28, 2020 at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS, it appears that publication has been duly made as required by law of said estimates together with a notice that the Town Council would meet on July 28, 2020 for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate exceed that amount as computed in A.R.S. §42-17051(A); therefore be it

RESOLVED, that the said estimates of revenues and expenditures/expenses shown on the accompanying schedules, as now increased, reduced, or changed, are hereby adopted as the budget of the Town of Jerome for the fiscal year 2021.

ADOPTED AND APPROVED by a majority vote of the Jerome Town Council on the ____ day of _____, 2020.

APPROVED:

Christina "Alex" Barber, Mayor

ATTEST:

APPROVED AS TO FORM:

Candace Gallagher, Town Manager/Clerk

William J. Sims, Town Attorney

TOWN OF JEROME
Tax Levy and Tax Rate Information
Fiscal Year 2021

	2020	2021
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>90,755</u>	\$ <u>92,972</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	\$ _____
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>47,500</u>	\$ <u>47,500</u>
B. Secondary property taxes	\$ _____	\$ _____
C. Total property tax levy amounts	\$ <u>47,500</u>	\$ <u>47,500</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>47,500</u>	\$ _____
(2) Prior years' levies	\$ _____	\$ _____
(3) Total primary property taxes	\$ <u>47,500</u>	\$ _____
B. Secondary property taxes		
(1) Current year's levy	\$ _____	\$ _____
(2) Prior years' levies	\$ _____	\$ _____
(3) Total secondary property taxes	\$ _____	\$ _____
C. Total property taxes collected	\$ <u>47,500</u>	\$ _____
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.7597</u>	<u>0.0075</u>
(2) Secondary property tax rate	_____	_____
(3) Total city/town tax rate	<u>0.7597</u>	<u>0.0075</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

PROPERTY LEASE

THIS PROPERTY LEASE AGREEMENT (the "**Lease**") made and entered into this _____ day of July, 2020, by and between **FREEPORT MINERALS CORPORATION**, a Delaware corporation hereafter referred to as "**Landlord**") and **THE TOWN OF JEROME**, a political subdivision of the State of Arizona (hereinafter referred to as "**Tenant**") and, together with Landlord, the "**Parties**").

RECITALS

A. Landlord is the owner of a fee simple interest in certain office building and associated real property located near Jerome in Yavapai County, Arizona. Landlord desires to lease a portion of the property to Tenant for use as a parking lot for a limited public use.

B. Tenant desires to use a portion of the property as a parking lot for limited public use and to allow the installation of a parking canopy with solar panels and associated equipment and facilities ("Solar Facility") in cooperation with the local utility provider, Arizona Public Service ("Utility").

C. Landlord and Tenant desire to enter into this Lease to set forth the terms and conditions under which the use of the property will be permitted.

AGREEMENT

For and in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual promises contained herein, the rents reserved herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Landlord and Tenant agree as follows:

1. **Premises.** Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, that certain real property, described in Exhibit "A", which is attached hereto and incorporated herein by reference as if fully set forth herein (the "**Premises**").

2. **Purpose of Lease; Use of Premises.**

The Premises shall be used for the express limited purpose of a vehicular parking lot for use by employees of Tenant and the public (and for the reasonable use of Landlord from time-to-time without restrictions as to time or duration of use, and without charge) and for no other purposes or uses whatsoever ("**Permitted Use**"). Tenant may allow Utility to install a parking canopy with solar panels under the terms of a temporary license agreement to be agreed to by Tenant and Utility. However, the term of the license agreement shall end on the Termination Date of this Lease.

(a) Tenant agrees that if the Premises leased cease to be used or maintained for the purpose stated herein for more than forty-five (45) consecutive days, or are used for any other

purpose without the prior written consent of Landlord, the Lease shall automatically terminate. Nothing herein shall be construed as a dedication of the Premises to the public.

(b) Tenant represents and warrants that in no event shall the Premises be used for any activity that involves the generation, storage, treatment, or release or threatened release of a Hazardous Substance, as defined herein, or for tailgating, consumption of alcoholic beverages, fairs, carnivals or other public events, or any illegal activity whatsoever.

(c) Tenant shall prohibit the use of the Premises by third parties who are not Tenant Agents, except as provided as the Permitted Use or except with the express written consent of Landlord.

3. **Term.** The "**Term**" of the Lease shall commence on the ___ day of July, 2020 (the "**Commencement Date**"), and shall terminate on the ___ day of June, 2030, or at such earlier time as herein provided (the "**Termination Date**"). Tenant shall be entitled to possession of the Premises on the Commencement Date.

4. **Early Termination.** The Lease may be terminated at any time as follows:

(a) Either Party may terminate the Lease by providing thirty (30) days prior written notice of intent to terminate to the other Party at the address set forth herein.

(b) Landlord may terminate the Lease immediately upon a default by Tenant that threatens the health and safety of persons in or around the Premises or that threatens a liability under environmental law.

(c) Landlord may terminate the Lease upon the occurrence of any default, in accordance with Section 11 herein.

5. **Rent.** Tenant shall pay in advance, \$100.00 annually to Landlord as rent for use of the Premises from the Commencement Date until the Termination Date (the "**Rent**"). Rent shall be payable on the Commencement Date and on or before each anniversary thereafter during the Term of the Lease.

6. **Security Deposit.** Landlord hereby waives any security deposit requirement from Tenant.

7. **Improvements.** Except as provided in Section 2 above with respect to the Solar Facility, Tenant shall not construct, or permit the construction of, any improvements to, or make any structural alterations to, the Premises without Landlord's prior written consent, which consent may be withheld, conditioned and delayed in Landlord's sole and absolute discretion. Landlord has the right to require that any and all improvements to the Premises (except the Solar Facility) will remain on the Premises upon termination of this Lease and become the property of Landlord. Otherwise, Landlord may require that Tenant remove any Tenant Improvements (including the Solar Facility) and restore the Premises to its pre-lease state.

Notwithstanding the foregoing provision, Tenant shall submit to Landlord, for Landlord's prior review and approval, its plans for paving, landscaping, fencing and lighting the Premises.

Any such improvements shall be at Tenant's sole cost and expense. Tenant shall take reasonable measures to ensure that any permitted landscaping and fencing adequately screens, in Landlord's reasonable opinion, public works equipment and vehicles from the adjacent roadway.

8. **Utilities.** Tenant shall be solely responsible for arranging any necessary water, gas, heat, electricity, power, telecommunication service, trash removal, and all other services or utilities used with respect to the Premises, including, without limitation, the costs incurred in connecting such utilities to the nearest utility lines. Tenant shall arrange for and pay prior to delinquency all charges for water, gas, heat, electricity, power, telecommunication service, trash removal, and all other services or utilities used with respect to the Premises. If any such utility is not separately metered, Tenant shall reimburse Landlord within ten (10) days after demand for its proportionate share of the cost thereof, based on percentage of the total square footage of the Premises to the total square footage of the office building of which the Premises are a part thereof. Any security deposit or connection charges required to furnish service to Tenant shall be paid by Tenant. Landlord shall not be liable for loss or damage incurred in connection with or incidental to the interruption or impairment of utility service to the Premises by any cause whatsoever.

9. **Property To Be Removed.** Upon or prior to the Termination Date, Tenant shall remove or cause to be removed at Tenant's expense all Tenant property (except for improvements, as may be provided in Section 7 herein), all vehicles, equipment and trade fixtures, including the Solar Facility, and Tenant shall promptly repair or cause to be repaired any damage to the Premises caused by such removal. If, upon the termination of this Lease, Tenant fails to remove all Tenant property that Tenant is required to remove, or if Tenant fails to repair damage caused by such removal, Landlord shall have the right to remove all Tenant property and repair such damage and collect upon demand from Tenant all costs incurred in such removal and/or repair.

10. **Rules and Regulations.** Tenant shall comply with all laws, rules and regulations, including, without limitation, planning and zoning, environmental, sanitation and septic system regulations. Tenant shall comply with such rules and regulations as are adopted by Landlord from time to time with respect to use of the Premises. All rules and regulations shall be determined by Landlord in its sole and absolute discretion.

11. **Default.**

(a) The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(i) Tenant's abandoning or vacating the Premises for a period of more than forty-five (45) consecutive days or Tenant's failure to operate the Premises as provided in this Lease.

(ii) Tenant's failure to make any payment of rent due under this Lease, as and when due, where such failure continues for a period of five (5) days after written notice from Landlord.

(iii) Tenant's failure to observe or perform any of Tenant's obligations under this Lease (except as described in paragraphs (i) or (ii) above) where such failure continues for a period of thirty (30) days after notice from Landlord.

(iv) Tenant's breach of any provision of this Lease where such failure continues for a period of thirty (30) days after notice from Landlord.

(b) In the event of a default by Tenant or a termination under Section 4(b), Landlord may elect to do any one or more of the following:

(i) Terminate this Lease.

(ii) Enter on the Premises and repossess the same and remove and put out Tenant and each and every occupant.

(iii) Terminate possession by Tenant without terminating this Lease.

(iv) Commence legal proceedings against Tenant in the nature of forcible entry and detainer.

(c) The remedies described in this Section shall be cumulative and not exclusive. If Landlord prevails in an action instituted by Landlord to compel performance or to recover for breach of any covenant, agreement or condition herein contained, Landlord shall be entitled to recover all costs and reasonable attorneys' fees as determined by the court in which such action is prosecuted.

12. **Condition of the Premises.**

(a) Tenant represents that it has inspected the Premises and accepts the Premises in their present, "**AS IS, WHERE IS**" and "**WITH ALL FAULTS**" condition. All activities on the Premises shall be conducted at Tenant's own risk and Tenant shall be liable for the injury to any person or damage to any property occurring in connection with Tenant's use of the Premises. Other than as expressly set forth in this Section 12, Landlord makes no warranties or representations of any nature whatsoever with respect to the condition or suitability for any purpose of the Premises or any part thereof. Landlord shall have no duty or obligation to Tenant, Tenant Agents, and Tenant's invitees or any third person entering upon the Premises by or through Tenant (collectively, the "**Tenant Parties**") to provide security services with respect to the Premises, and Landlord shall have no liability or responsibility for any loss, including property damage, or injury occurring to any Tenant Parties. Landlord may, at its option, require that Tenant procure from each of the Tenant Parties a written instrument releasing Landlord from all such liability and responsibility as a condition to such Tenant Party's use of the Premises.

(b) Tenant shall keep the Premises maintained in a clean and safe condition, and shall remove from the Premises on a regular basis all trash, debris and other materials, deposited by Tenant Parties. Landlord shall have no responsibility whatsoever for repairs, maintenance or security of the Premises.

13. **Compliance with Environmental Laws.**

(a) To the fullest extent permitted by applicable law, Tenant shall comply, and shall cause all other Tenant Parties to comply, with all federal, state and local laws, statutes, rules,

ordinances, codes and regulations relating to environmental protection, public health and safety, nuisance or menace.

(b) Without limiting the foregoing, to the fullest extent permitted by applicable law, Tenant shall comply, and shall cause all of Tenant Parties on the Premises to comply, with all federal, state and local laws, statutes, rules, ordinances, codes and regulations relating to environmental protection, public health and safety, nuisance or menace including, without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9600 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11000 *et seq.*, and the Clean Water Act, 33 U.S.C. § 1251 *et seq.*, and each of their state and local counterparts presently in effect or amended or promulgated in the future (collectively, “**Environmental Laws**”).

(c) Tenant expressly warrants, represents and, to the fullest extent permitted by applicable law, agrees that, except as may be reasonably expected pursuant to the Permitted Use, no Hazardous Substances (as hereinafter defined) will be used, generated, treated, released or disposed of on, under, or about the Premises, either by Tenant or any of Tenant Parties. The term “**Hazardous Substances**” shall mean any substance, material, pollutant, contaminant, or waste, whether solid, gaseous or liquid, that is infectious, toxic, hazardous, explosive, corrosive, flammable or radioactive, and that is regulated, defined, listed or included in any Environmental Laws, including, without limitation, asbestos, petroleum, or petroleum additive substances, polychlorinated biphenyls, urea formaldehyde, or waste tires. Except as otherwise provided for herein, Tenant shall, and shall cause all other Tenant Parties to agree, not bring onto the Premises any Hazardous Substances without the prior written consent of Landlord, and further agrees not to release, dispose of, generate, handle, use, store or treat any Hazardous Substances on, under or about the Premises. Tenant shall not permit any lien relating to Hazardous Substances to attach to the Premises or any other property of Landlord.

(d) The provisions set forth in this Section shall survive termination of the Lease.

14. **Environmental Notification.**

(a) Tenant shall promptly notify Landlord, and cause the other Tenant Parties to do the same, upon becoming aware of: (i) any release or threatened release of a Hazardous Substance under, on, from or about the Premises; (ii) of any proceeding, inquiry or notice from any federal, state or local body, commission, council, board or authority (“**Governmental Authority**”) or others with respect to the use or presence of any Hazardous Substances on the Premises, or the migration thereof to or from other property; (iii) of all claims made or threatened by any third party against the Premises relating to loss or injury from any Hazardous Substance; (iv) upon discovery of any occurrence or condition on any property adjoining or in the immediate vicinity of the Premises that would cause the property to be subject to the restrictions on ownership, occupancy, transferability or use under any Environmental Laws; and (v) upon obtaining knowledge of any incurrence of expense by a Governmental Authority or others in connection

with the assessment, containment or removal of any Hazardous Substances located on, under, from or about the Premises or any property adjoining or in the vicinity of the Premises.

(b) If a Governmental Authority initiates an action, order, claim, cause of action, investigation or request for information in connection with any Hazardous Substance with respect to the Lease, Tenant will cooperate fully in good faith with Landlord and such Governmental Authority in responding to any such action, order, claim, cause of action, investigation or request for information. If, during the term of this Lease, Hazardous Substances are discovered on the Premises that resulted from the acts or omissions of any of Tenant Parties, in violation of any Environmental Laws, Tenant shall at its sole expense, remove, or cause to be removed, such Hazardous Substances from the Premises and underlying groundwater in accordance with the requirements of the appropriate Governmental Authority. If the Hazardous Substances are not removed within ninety (90) days of discovery, or such time as required by a Governmental Authority, then Landlord shall have the right, but not the obligation, to do so and seek reimbursement of all costs and expenses therefor from Tenant or to declare a default under this Lease, or both.

15. **Liens.** Tenant shall keep the Premises free and clear of all liens including mechanics and materialmen's liens, claims, demands, obligations and liabilities ("**Claims**") arising out of Tenant's use, presence on, and maintenance of the Premises. Tenant shall take full responsibility for and promptly discharge or bond over any Claim or alleged Claim, and Landlord may settle or compromise any matter related to any Claim in its sole and absolute discretion.

16. **Liability and Responsibility.** To the fullest extent permitted by applicable law, Tenant shall take responsibility for, release, defend, protect and hold Landlord, its past, present and future corporate parents, subsidiaries and affiliates, and each of their past, current and future officers, directors, shareholders, employees and agents, and each of their respective successors and assigns (collectively, "**Covered Parties**"), harmless from any and all losses, damages, liabilities, claims, lawsuits, agency orders, attorneys' fees, costs, expenses, fines, penalties or response costs asserted against any Covered Party by any entity or individual, arising out of or in connection with (i) the use of the Premises by Tenant, or any other Tenant Party; (ii) a violation of any Environmental Law by Tenant, or any other Tenant Party; (iii) a violation or breach of any provision of this Lease by Tenant, or any other Tenant Party. Tenant shall provide appropriate notice to its employees and other parties authorized to utilize the parking lot associated with the Premises that parking of their vehicles shall be at their own risk and Landlord shall have no liability for any theft, vandalism or damage to any vehicles parking on the Premises or for any injuries sustained thereon. To the extent not expressly prohibited by any applicable non-indemnity statutes, Tenant's foregoing obligations will arise regardless of Landlord's fault or negligence concerning the claimed injury, except where the claimed injury arises solely and immediately from an affirmative act (and not an omission) constituting gross negligence or willful misconduct of Landlord. If, in the judgment of Landlord, Tenant is incapable of defending, or unwilling to defend, the relevant Covered Party(ies) against such claims or fail to defend the relevant Covered Party(ies) against such claims in a manner Landlord deems appropriate, Landlord shall be entitled to appear in any action or proceeding to defend the relevant Covered Party(ies) against such claims, and Tenant shall reimburse Landlord for all costs incurred by Landlord in connection therewith, including reasonable attorneys' fees, costs and expenses, within ten (10) days after demand therefor. To the fullest extent permitted by applicable law, Landlord, at its sole option, shall be

entitled to settle or compromise any claim asserted against it, and such settlement shall be binding upon Tenant for purposes of the foregoing Tenant responsibility; provided, however, that Tenant may settle or compromise any such claim, or decide not to settle or compromise any such claim, as long as all Covered Parties are fully released from any and all liability thereon. The provisions contained in this Section shall survive the termination of the Lease.

17. **Insurance.** Tenant shall carry insurance meeting or exceeding the criteria set forth in Exhibit "B" hereto and incorporated herein by reference.

18. **Taxes.** If the real property taxes assessed against the Premises increase as a result of Tenant's activities, Tenant shall reimburse Landlord for that portion of the real property taxes that represents the increase. Tenant shall reimburse Landlord in a timely manner, in any event not less than within thirty (30) days, from the date of notice of the amount of increase in the property taxes from Landlord.

19. **Landlord's Reserved Rights.**

(a) Landlord reserves the right, at any time and from time to time, to manage the Premises and the resources thereon including, without limitation, management of the land, wildlife, and water resources, to conduct surveys, to grant easements or rights of way for any purposes, to drill, construct, operate and maintain water wells, pipelines, powerlines, transmission lines, telecommunication lines, roads including public access roads to the public or other adjoining lands, building and any other facilities, to make repairs, improvements and changes to the Premises, whether or not beneficial to Tenant. Landlord shall have the right of ingress and egress in and to the Premises in connection with the foregoing. In the exercise by Landlord of the foregoing rights, Landlord will use its best efforts not to unreasonably interfere with Tenant's regular operations on the Premises. However, Landlord shall not in any event be liable for inconvenience, annoyance, disturbance or other damage to Tenant by reason of the exercise of the foregoing rights or any other rights of Landlord to enter into or use the Premises, and the obligations of Tenant under this Lease shall not be affected in any manner.

(b) Landlord shall have the right to sell or otherwise dispose of the Premises during the term of the Lease. In such event, Tenant shall vacate the Premises if requested by Landlord, upon thirty (30) days' notice by Landlord, subject to Tenant's obligations under this Lease, including Sections 7 and 9.

(c) Tenant shall cooperate with Landlord in the coordination of Landlord's uses of the Premises. Landlord, its officers, employees, agents and representatives, may enter the Premises at reasonable times for any purpose, including, without limitation, inspection of the condition of the Premises and of any activities or operations conducted by Tenant.

(d) All rights and remedies provided Landlord herein are in addition to all other rights and remedies that Landlord may have at law or in equity.

20. **Holdover.** Should Tenant remain in possession of the Premises after the Termination Date, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant, and Tenant hereby agrees to pay monthly rent equal to one hundred twenty-five percent (125%) of the monthly rent that is applicable on the last day of the Term of the Lease. The holder

tenancy will otherwise be subject to the same terms and conditions set forth in this Lease. A holdover tenancy at will is terminable at any time by either party without notice, regardless of whether Rent has been paid in advance.

21. **Modification.** No modification or amendment of this Lease shall be effective unless in writing and by both Landlord and Tenant.

22. **Successors and Assigns.** Tenant may not assign or delegate performance of all or any portion of its obligations hereunder without the prior written consent of Landlord, which consent may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. Except as provided in the previous sentence, this Lease shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

23. **Counterparts; Facsimile Signature.** This Lease may be executed in any number of counterparts and by facsimile signature of the Parties hereto, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

24. **Assignment and Sublease.** Tenant shall not assign or sublet or otherwise transfer the Premises, in whole or in part, without the prior written consent of Landlord. Any assignment or subletting without such consent shall be void.

25. **Waiver.** No waiver by Landlord of any breach by Tenant nor any failure by Landlord to insist on strict performance by Tenant of this Lease shall be construed to be a waiver of any future breach by Tenant or bar the right of Landlord to insist on strict performance by Tenant in the future.

26. **Severability.** If any provision hereof is held invalid, the remainder of this Lease shall remain in full force and effect.

27. **Authority.** Tenant represents and warrants to Landlord that Tenant has the statutory power and authority to bind itself to the terms of this Lease and that all such power has been properly delegated to the controlling individual Lease signing on behalf of Tenant.

28. **Governing Law; Venue.** The formation, interpretation and performance of this Lease shall be governed by and construed in accordance with the laws of the State of Arizona.

29. **Resolution of Disputes.** Any dispute arising out of or relating to this Lease (or its breach, termination or validity) is to be resolved by referral to state or federal courts sitting in Maricopa County, Arizona, which shall have sole and exclusive jurisdiction over all litigation arising hereunder, and each Party hereto consents to and attorns to the jurisdiction of such courts and waives any objection to venue in such courts.

30. **Attorneys' Fees.** If legal action is instituted by either Party to compel performance or to recover for breach of any covenant, agreement or condition herein contained, the losing Party shall reimburse the prevailing Party for its reasonable attorneys' fees, witness fees (including expert witness fees), and other litigation-related expenses and disbursements as determined by the court in which such action is prosecuted.

31. **Entire Agreement.** This Lease constitutes the sole understanding and entire agreement of the parties hereto and supersedes any and all representations or agreements, oral or written, made prior or contemporaneous hereto pertaining to the Premises.

32. **Notices.** All notices and other communications to either Party shall be in writing and shall be sufficiently given if delivered in person or sent by certified or registered mail, return receipt requested, addressed as hereinafter set forth. Notices given by mail shall be deemed delivered as of the date of receipt. Until a change of address is communicated as indicated above,

All notices to Tenant shall be addressed to:

Town of Jerome
P.O. Box 335
Jerome, Arizona 86331
Attn: Town Manager

All notices to Landlord shall be addressed to:

Freeport Minerals Corporation
Attn: Land & Water Department
333 N. Central Avenue
Phoenix, Arizona 85004

33. **Landlord Authority.** Unless specifically stated to the contrary in this Lease, if Landlord's consent is required under any provision of this Lease, Landlord may provide, withhold, condition or delay its consent in its sole and absolute discretion.

IN WITNESS WHEREOF, this Lease has been executed as of the date first set forth above.

Approved as to form: _____

LANDLORD:

FREEPORT MINERALS CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

TENANT:

THE TOWN OF JEROME, a political
subdivision of the State of Arizona

By: _____
Name: _____
Title: _____

Approved by: _____
Name: _____
Town Attorney

Witnessed by: _____
Name: _____
Town Manager

EXHIBIT "A"
Legal Description of the Premises.

EXHIBIT "A"
Page 1 of 2

Parking Lot Lease - A portion of the Southwest Quarter of the Northeast Quarter of Section 22, Township 16 North, Range 2 East, G&SRB&M, Yavapai County, Arizona as depicted on the attached aerial photo, located on Perkinsville Road, outside the United Verde Mine 300' level fence line and limited to the improved, paved and landscaped parking area.

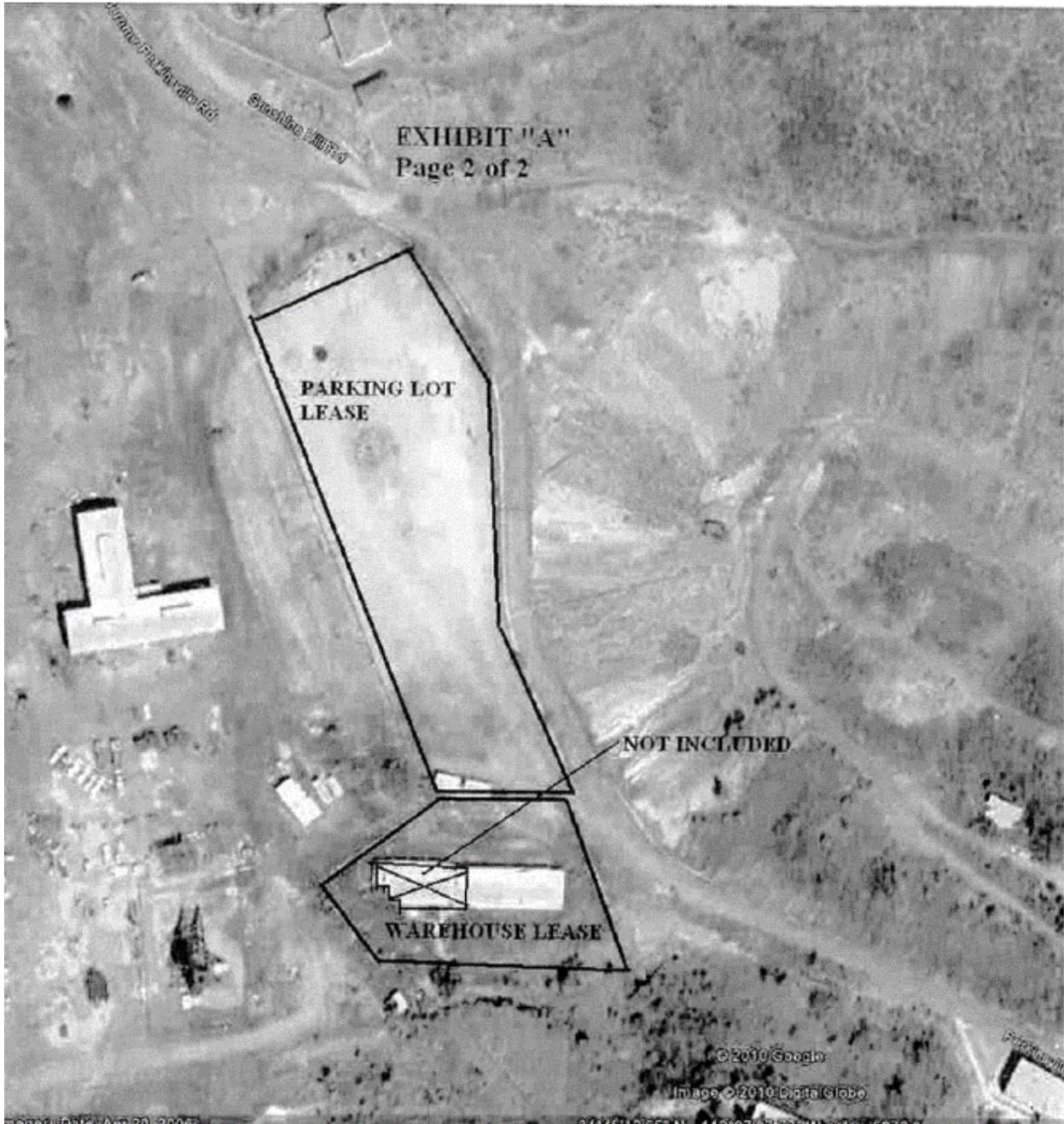


EXHIBIT “B”
Insurance Requirements

At all times while present on the Premises, Tenant shall carry and maintain, at its own expense, with insurance companies having an A.M. Best rating of at least “A-minus IX”, the insurance coverages described below (the territorial limits of which shall include all geographic areas of the Premises, and which shall include coverage for claims occurring during the term of this Lease but not reported until a later date).

(a) Worker’s Compensation and Employer’s Liability. Workers’ compensation insurance, including without limitation occupational disease, covering all activities of Tenant’s employees hereunder in accordance with the laws applicable to the Premises and all jurisdictions of hire or origin of Tenant’s employees. Employer’s liability coverage with a limit of not less than \$1,000,000 shall also be maintained by Tenant.

(b) Commercial General Liability. General public liability insurance with a combined single limit for bodily injury (including illness and death at any time resulting therefrom) and property damage of such amount as Tenant customarily carries, without charge to its customers, for contracts of this type; however, not less than \$2,000,000 of such coverage shall be maintained. Such insurance shall provide blanket contractual coverage for Tenant’s undertakings under this Agreement.

(c) Other Insurance. Such other types of insurance, and coverage amounts, as may be reasonably required by Landlord or required by applicable law.

(d) Automobile Liability Insurance. If while present on the Premises, Tenant will utilize licensed vehicles, automobile public liability insurance (including but not limited to passenger liability) in accordance with any local legislation on all owned, non-owned and hired vehicles used in connection with the Premises, with a combined single limit per occurrence of not less than \$1,000,000 per vehicle for injuries or death of one or more persons or loss or damage to property.

Each of the commercial general liability and automobile liability policies shall be endorsed to include the Covered Parties as additional insureds and to apply on a primary basis as to other insurance available to the Covered Parties. All policies required to be maintained by Tenant shall include a waiver of subrogation provision in favor of the Covered Parties; the waiver of subrogation on the worker’s compensation policy shall not be required, however, if prohibited by the applicable regulatory authority. Prior to entering upon the Premises, Tenant shall provide to Landlord certificate(s) of insurance and/or copies of policies evidencing compliance with the provisions of this Exhibit. Such certificate(s) shall contain a provision whereby Landlord will be provided thirty (30) days prior written notice of cancellation or material change of the referenced insurance. Tenant shall be liable for any retentions or deductibles under the required insurance coverages. Tenant shall require, and confirm to Landlord, that all of its contractors, consultants and representatives are also insured in accordance with the provisions of this Exhibit. Upon request, Tenant agrees to provide Landlord insurance certificates confirming that the coverages required of such contractors, consultants and representatives are in full force and effect. Tenant shall, and does hereby, take full responsibility for, defend and hold harmless the Covered Parties

against any losses suffered by any such party which would have been covered by insurance required hereunder for contractors, consultants and representatives, but was not covered because a contractor, consultant or representative failed to maintain such insurance.

Landlord and Tenant intend that Tenant's obligations pursuant to this Exhibit be enforceable to the fullest extent permitted by applicable law. If Tenant's obligations are void or unenforceable in any respect by reason of any provision of applicable law, then Tenant will be relieved of its obligations only in that respect and its obligations will survive in all other respects. No limitation on the enforceability of Tenant's obligations hereunder will affect in any way Tenant's obligation to procure and maintain insurance covering the obligations described in the Lease. Landlord in no way represents or warrants that the minimum coverage limits specified in the Lease are sufficient to protect Tenant from liabilities that may arise out of the performance of the Services by Tenant, its employees, contractors, consultants and representatives, and it is Tenant's responsibility to procure any such additional insurance that Tenant may determine to be necessary or advisable.