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TOWN OF JEROME, ARIZONA

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MINUTES

SPECIAL MEETING OF THE JEROME TOWN COUNCIL JEROME CIVIC CENTER - 600 CLARK STREET - COUNCIL CHAMBERS WEDNESDAY, JUNE 18, 2014 AT 6:00 P.M.

<p>ITEM #1:</p>	<p>CALL TO ORDER/ROLL CALL</p> <p>Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll.</p> <p><i>Mayor Check called the meeting to order at 6:05 p.m.</i></p> <p><i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Nikki Check, Vice Mayor Lew Currier and Councilmembers Anne Bassett and Bill Phinney. Councilmember Randall Hunt was not present at roll call but arrived later in the meeting.</i></p> <p><i>Other staff in attendance at roll call included Fire Chief Rusty Blair and Deputy Town Clerk Rosemarie Shemaitis.</i></p>
<p>ITEM #2:</p>	<p>2014-15 BUDGET</p> <p>The Mayor and Council will continue their work on the 2014-15 municipal budget. Work will take place in roundtable format. Discussion is expected to include:</p> <ul style="list-style-type: none"> • Revenues • General government <ul style="list-style-type: none"> ◦ Discussion will include a request by the Chamber of Commerce for the Town to join other Verde Valley municipalities in a regional promotion of the area. • Municipal Court • Planning and Zoning • Properties • Parks • Staff salaries <p>Other portions of the budget may be discussed as well.</p> <p><i>Ms. Gallagher reported that the main change made since the last budget meeting was the addition of all of the capital projects discussed at that meeting, utilizing \$87,000 in fund balance.</i></p> <p><i>Vice Mayor Currier asked if Liz Gale, president of the Jerome Chamber of Commerce, could address Council before they discuss the other budget items. Ms. Gale was permitted to present her request. (Councilmember Hunt arrived during Ms. Gale's presentation.)</i></p> <p>CHAMBER OF COMMERCE:</p> <p><i>Ms. Gale explained that there is a regional push from Camp Verde, Cottonwood, Sedona, Clarkdale and possibly Jerome, to solicit a Walton Family Foundation grant, because they are committed to the tributaries of the Colorado River, and the Verde</i></p>

River is one of them. She explained that the grant would be used to promote the value of the Verde River, its use and its importance. This promotion would include "branding" the Verde Valley.

Ms. Gale said that one of things asked of us is that we participate financially. Jerome and these other towns must come up with a good faith amount of \$30,000 in order to possibly receive \$100,000, so Sedona would contribute \$15,000, Cottonwood and Camp Verde would each contribute \$5,000, and Jerome and Clarkdale would each contribute \$2,500.

Ms. Gale said that she is asking if the Town of Jerome can help by providing one-third of the amount Jerome has been requested to contribute, which would be \$833. She plans to ask the Jerome Historical Society to give the same amount.

Mayor Check said that she had attended one of the meetings about this concept and approach, and she thinks that it would work well for Jerome – it is promoting the concept of eco-tourism. Ms. Gale agreed, and said that this would attract visitors who would value the businesses that value the environment. They would visit here to appreciate and honor the area, not use it up and destroy it.

Ms. Gale noted that Council had been kind enough to support the Chamber in the 2013-14 budget by offering \$1,500 to help with some projects, including repairs to the trolley building (Visitor's Center) and the kiosk. She said that the kiosk design is being reworked by resident Brice Wood and, once it is complete, they will begin work. There was discussion regarding what needed to be done to repair the building, and that would include the outside, the siding, the roof and primarily the deck, which could be considered a safety hazard. It is in bad shape but can be repaired.

It was discussed briefly that amounts included in the current year's budget for work on the kiosk and Visitor's Center will need to be spent before the end of the fiscal year or they will expire. Ms. Gale said that the most pressing need is to repair the deck at the Visitor's Center. She was encouraged to at least purchase the materials now and submit the receipts.

Ms. Gallagher was directed to include \$833 in the 2014-15 budget to cover one third of the cost for the regional promotion.

Following the discussion with Ms. Gale, Council moved on to discussion of other aspects of the budget. Highlights are presented below, and are not necessarily in chronological order. A brief recess was taken between 7:35 p.m. and 7:45 p.m.

FUND BALANCE/CAPITAL PROJECTS:

Ms. Gallagher provided and explained a spreadsheet recapping the use of fund balance. She said that, in the 2013-14 budget, we anticipated using \$60,000 of available fund balance; however, it now appears that it will not be needed and that we may in fact be generating a small surplus. The auditor's estimate of the fund balance as of June 30, 2013, was \$556,886. At this time, it appears that we may generate another \$11,600 during the 2013-14 fiscal year, bringing the total available at July 1, 2014 to about \$568,500. In this draft of the budget, she said, she has included ALL of the capital improvement projects that have been discussed, which would require the use of \$87,000 in fund balance. That would leave us with about \$481,500, which 32.2 percent of the general fund expenditures.

The budget now includes, she said, the following: \$30,000 to utilize Court Enhancement Fees that have accumulated in the fund balance over several years, and which may

only be used for court-related expenditures; \$45,000 for the Gulch septic system upgrade; \$42,000 for the School Street, Clark Street and Gulch Road regulators; \$20,000 for water line replacement on Hampshire Avenue; \$9,500 for installation of a new furnace for the rental spaces at the Civic Center; \$9,000 for repairs to the red stone and dry stack walls at the public parking area across from the Spirit Room; and \$3,500 as the Town match for the Horseshoe Pit restoration project. She summarized that this represents \$159,000 in capital expenditures, which the \$87,000 of fund balance will help to fund. The remaining \$72,000 would be funded with operating revenues.

In response to questions from Council, Ms. Gallagher explained that, until fund balance utilized in the budget exceeds \$159,000 (the total of the capital projects included so far in this budget), it is only being used to fund capital projects, not salary increases or additional personnel.

PERSONNEL REQUESTS:

Ms. Gallagher went on to explain that the budget does NOT YET include the Fire Department Duty Officer, part-time help requested by the Planning & Zoning office, or a request by the Finance Department to utilize Joni Savage full time. In addition, she said, the budget does not yet include an increase for the library staff requested by Ms. Jarvis for an additional 1.5% salary increase (above the 1.5% already budgeted), a \$2,000 salary increase requested by the Public Works Director, and the Chamber's request of \$833 for the regional promotion campaign.

Mayor Check asked if there were any new positions added during the past year. Ms. Gallagher replied that we have added one full time member of the Town Crew, and one part-time aide for the police department (which had existed in prior years, but had been discontinued for awhile). The Mayor expressed concern about adding new help each year.

Fire Department: Chief Blair presented his request for a new Duty Officer. He explained that he needs this person to help facilitate running the department, and to give him "a bit of a break." He distributed a job description and list of qualifications, which included a requirement to reside in the Town of Jerome, possess a current Arizona EMT certification and Firefighter 1 and 2 certifications, and hold the rank of Captain or higher. Chief Blair explained the need for those qualifications, and said that there are four possible candidates for the position. Proposed pay would be equivalent to \$16 per hour, and the new officer would be asked to work 22 hours per week. Ms. Gallagher estimated that the budget impact, with payroll taxes included, would be approximately \$17,000 per year. She expressed support for the new position, noting that Chief Blair does a great job with the Fire Department and needs this type of support. She added that it can also help prepare a future Fire Chief. It was generally agreed to include the new position in the budget as requested by Chief Blair.

Added help in finance and zoning departments: Ms. Shemaitis stated that Ms. Cretti and Ms. Tovrea, who are both involved with the finances, need back up because there is a need for separation of duties. Ms. Gallagher said that Ms. Savage has learned Ms. Tovrea's duties and is in the process of learning Ms. Cretti's duties. It is really good to have a back up for both of these positions, she said.

Mr. Currier said that he had asked Zoning Administrator Rebecca Borowski why she needed help and she had replied that there is a lot to do, including a lot of filing, and she needs to do the research and preparation. Mr. Currier noted that she was hired to do the "grunt work" also. Ms. Shemaitis explained that previous zoning administrators had dropped the ball when it came to records management and filing. Now, Ms.

Borowski is having to deal with getting the records cleaned up as well as doing the other parts of her job. Ms. Savage has been helping her to get caught up.

Mayor Check suggested that part-time help could be provided just temporarily, until the records are caught up. Vice Mayor Currier said that that position went from part time to full time just within the last two years for that reason. Current staffing in that department was discussed. Ms. Gallagher explained that Ms. Borowski is the only full time person in that department and that Ms. Savage has recently been helping out. The intern we have at present is only there to assist with the comprehensive plan, and that position is grant-funded.

Discussion moved to the timeliness of minutes and the legal requirements for same. Ms. Gallagher explained that, legally, an audio recording can serve as the official record of the meeting, and our audio recordings are available upon request immediately after the meeting. She further explained that, as long as a recording is available, there is actually no legal requirement that minutes be taken at all. Ms. Gallagher added that the minutes provided now are more comprehensive than in years past, and take longer to prepare.

Councilmember Bassett expressed support for providing part-time assistance for the Planning and Zoning office until the records are filed and more easily located. Mayor Check and Councilmember Phinney agreed.

Ms. Gallagher said that, if made full-time as requested by Ms. Cretti, Ms. Savage could spend part of that time assisting in Planning & Zoning.

This was discussed at some length, and it was generally agreed to increase Ms. Savage's hours by 10 hours a week (remaining just under full time) during the coming year, and that she would divide her time to provide assistance in the Zoning office.

Mayor Check asked why neither Ms. Borowski nor Ms. Cretti were here to explain their requests. Ms. Gallagher explained that both had planned to be in attendance but Ms. Borowski was taking care of a family issue and Ms. Cretti had a medical issue. Mayor Check said that if Ms. Cretti has a problem with this decision, she could come and discuss it with Council at the next budget meeting.

Public Works: Council discussed the request by Public Works Director Dwain Dement for a \$2,000 salary increase. Councilmember Phinney commented that Mr. Dement has proven himself. Ms. Gallagher agreed, and expressed support for the increase. She noted that it would increase the budget, including payroll taxes, by about \$2,500 per year. It was discussed and generally agreed to grant this increase.

Library: Vice Mayor Currier commented that Ms. Jarvis has requested a 3% increase for the library staff, and Ms. Gallagher noted that, at present, the budget contains only a 1.5% across the board increase. In response to questions from Council, she explained who the library employees are and how much they earn. There was also discussion regarding the volunteers, and Ms. Shemaitis explained that there is a difference in the workload between paid staff and volunteers: the volunteers take care of the desk (checking books out or in) and doing shelving, while the paid employees do more administrative type of work, including interlibrary loans and interaction with the County and the other libraries. Mr. Hunt said that he would like to see a breakdown of the hours put in by paid staff and volunteers. It was suggested that he speak directly with Ms. Jarvis to obtain that information. It was clarified for Mr. Hunt that Ms. Jarvis is not looking for more staff, she is looking for a wage increase for her existing staff.

Ms. Jarvis's request for a 3% increase for library staff was discussed, and Mayor Check noted that there did not seem to be support among Council to grant that increase.

1.5% COLA: Mayor Check said that she now supports the 1.5% across the board increase and asked if any others on Council had an opinion. Ms. Gallagher noted that it would add up to about \$10,000 in the budget. Vice Mayor Currier said that the inflation this year is actually 2%, so the COLA doesn't quite keep up with it. Ms. Gallagher said that she used the social security increase for 2014, which is 1.5%. Councilmember Phinney said that some people will complain about that, but Council should follow the government standards. Mayor Check noted that the Town is not offering competitive salaries. It was generally agreed to retain the 1.5% across the board increase that had been included in the draft budget.

UTILITY RATES:

Vice Mayor Currier said that, if we are going to give the Town's employees a cost of living increase of 1.5%, he would like to also give the residents a break of 1.5%. If utility rates are reduced by that percentage, he said, it would reduce the Town's revenue by a little less than \$10,000, which he feels would be a good thing to do. It would let the residents know, he said, that we are "not just here to rip them off," and are not busy giving away their money. We would be trying to give this break across the board. Discussion ensued.

Mayor Check said that she doesn't think that anybody goes a day without seeing our public tax dollars at work out in the street. She doesn't think that people here feel ripped off -- she doesn't feel ripped off. Councilmember Hunt said that he gets comments from people all over town grumbling about where all the money is going. Mr. Currier said that people ask when their street is going to be fixed. Not everybody is totally happy, he said, and he thinks that, for \$10,000, they could make people feel a little better.

Mayor Check said that she understands that, but, as elected officials, Council needs to look at the bigger picture of what the town needs, such as repairs to the infrastructure. She is concerned that going in that direction would give the wrong impression of the town's actual reality.

Mr. Currier said that \$500,000 in the fund balance is too much -- that money should go back to the people. Councilmember Phinney said that, for most folks, it would only come to about \$1 per month, and they may consider that a slap in the face. Ms. Bassett noted that people commented favorably when the utility bills were reduced after sales taxes went down, and that only amounted to about fifteen cents a month. Mr. Hunt suggested that the response would depend on the way in which it was presented.

Mr. Phinney commented that many of the townspeople are satisfied seeing the work being done.

Mayor Check said that it is good to have a healthy fund balance -- when projects need to be done, we will have the money and won't need to go to bonding.

Mr. Currier agreed and said that he does not want to fritter it away, but on the low end of the economic scale, some people are still having a hard time. A tip of the hat to them would be a good move, he said, although not critical.

Ms. Gallagher pointed out that, when a town wants to increase water and sewer rates, there is a process that it needs to go through, including public hearings, and it requires

solid justification of the need to raise the rates. If Council were to lower rates, she said, it could work against whatever argument we may have in the future for raising them. She added that we would actually have justification right now to RAISE the rates, based on the general fund's subsidy of the utility funds, and noted that, in 2010, Council did reduce property taxes.

It was discussed and generally agreed that this item will be discussed again at the next budget meeting, and Council can decide how they would like to proceed at that time.

PROPERTIES

Town Hall rentals: Ms. Shemaitis explained that Ms. Gallagher put together a notice regarding available rentals at Town Hall that was posted around town, on the town website and on Facebook. Ms. Gallagher added it has not yet been advertised in a newspaper or given to a real estate agent – she's not sure how much good that is going to do and it is expensive to advertise in the paper. She noted that the budget anticipates this rental income, and it is important to get the spaces rented.

The possibility of using a rental agent was discussed, as was the possibility of reducing the rental rates or improving the spaces. Ms. Shemaitis noted that it had previously been mentioned that, if there could be access through the front door outside of business hours, it would be a benefit. The issue is that, if clients come to these offices, they may be put off by having to use the rear entrance.

Maintenance projects: Ms. Shemaitis reviewed the items included in the draft properties budget, which were primarily maintenance items and included separating the furnace in the area of the Humane Society from the three rental spaces. She noted also that, at the Artist's Co-op, a wall or some sort of separation needs to be created to keep the heating and cooling from going up the stairwell.

Ms. Shemaitis said that it is hard to anticipate the need for repairs that come up, but, she noted, we are replacing an air conditioning condenser about every other year, and Freon is more expensive now.

Ms. Gallagher commented that the budget line right now for R and M for buildings is \$29,500, including \$9,500 for the furnace project and an allowance for emergency repairs. Not all of the costs listed by Ms. Shemaitis are hard costs, she explained, because some of the work can be done by our crew. Mr. Currier questioned whether our crew has the time to do that, and Ms. Gallagher said that it is a challenge, but they tend to work these projects in around the other work. She added that, if necessary, we could contract it out. Mr. Currier suggested that we find a way to encourage local handymen to get licensed.

Town Hall signage: There was discussion regarding replacing the Town Hall sign by the driveway entrance if there is money left at the end of the fiscal year. Ms. Gallagher pointed out that if we replace the sign rather than just repaint it, it would have to go through Design Review. Mr. Phinney suggested that the Town conduct a contest with the townsfolk to redesign it, with a \$100 prize for the winning design, which would go through Design Review. It was opined that to have a sign made elsewhere would be expensive, and there are many volunteers in town.

Mr. Hunt said that he doesn't understand the need for a new sign – he feels that the one that is there is fine. Mayor Check said that she doesn't think that the current black and white sign fits in with the design of the building. Ms. Bassett noted that any color sign in that position is going to fade. There was further discussion of other types of signage. The Mayor said that she hasn't seen any other black and white signage in

	<p>town.</p> <p>Mayor Check also brought up the signage at the Old Town Hall. The judge said that there has been confusion when people need to come to court. There was discussion that a plaque, done by the Jerome Historical Society, could be placed on the old building. It could include the building's history and directions to the current Town Hall. Vice Mayor Currier suggested that we add a line, if there is room for it, under the current sign, which would say "1899 to 1995," and be legible from the street. The Mayor commented that the Historical Society might even provide the plaque. Ms. Gallagher said that she would talk to Jay Kinsella about that.</p> <p>OTHER ITEMS:</p> <ul style="list-style-type: none"> • Vice Mayor Currier asked if a new tree is going to be planted in Middle Park. Ms. Gallagher explained that they had cut down a large dead paradise tree, and would like to replace it with a ten- or twelve-foot sycamore or Arizona ash. When they are ready to do that, she said, she will bring it before Council. • Councilmember Hunt noted that, in General Government, only \$15,000 has been budgeted for litigation. It was discussed and agreed to place funds in the contingency budget for this, which would come out of fund balance if needed. Ms. Gallagher will place \$50,000 there for now, and it can be discussed further at the next budget meeting. • Ms. Bassett read a brief statement as follows: "My first term on Council was in '84 when I served, and I have served on several Councils since. During most of that time, we could only keep on bandaging sections of infrastructure that cried out for replacement. Lately, we have been taking care of chronic dire needs and that's a wonderful thing. We have planned and budgeted for taking care of other projects this next year, like the recurring water line leaks on Hampshire and the Gulch septic situation. Good job staff and Council! But now we need to discuss the elephant in the room. Shall we scrap all planned repairs we made and our matching funds for the leaning wall and sidewalk grants? And decimate all funds to set aside a couple hundred thousand dollars for legal fees? If Proposition 428 fails and those who imagine themselves smarter than our legal counsel are elected, these funds will be wasted to fight doomed legal battles, which will result from trying to shutdown grandfathered uses and trying to forbid new uses without enforceable laws. What a damn pity. Perhaps Councils that ignore legal advice can be personally accountable for the debts they incur. Thank you." • Ms. Shemaitis said that she had found the original plan book for renovating the Jerome Civic Center. There were supposed to be rooms and offices for AHCSS, a visiting nurse, the RSVP group, county functions and kid's training classes. It was briefly discussed and agreed that current facilities are sufficient. <p>It was discussed and agreed that the next budget meeting would be held at 10:00 a.m. on Wednesday, June 25, and will include discussion of reducing utility rates, as suggested by Vice Mayor Currier.</p>
<p>ITEM #3:</p>	<p>ADJOURNMENT</p> <p>Upon motion by Councilmember Bassett seconded by Vice Mayor Currier and unanimously approved, the meeting was adjourned at 8:17 p.m.</p>

Edited by Town Manager/Clerk Candace Gallagher from minutes taken and transcribed by Deputy Town Clerk Rosemarie Shemaitis.

APPROVE:

ATTEST:

Nikki Check, Mayor

Candace B. Gallagher, CMC, Town Manager/Clerk

Date: _____