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TOWN OF JEROME

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MINUTES

REGULAR MEETING OF THE JEROME TOWN COUNCIL
JEROME CIVIC CENTER - 600 CLARK STREET - COUNCIL CHAMBERS
TUESDAY, JULY 14, 2015 AT 7:00 P.M.

SEVENTH REGULAR MEETING OF 2015

<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 Lew Currier called the meeting to order at 7:00p.m. Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Currier, Vice Mayor Freund, and Councilmembers Barber and Vander Horst. Councilmember Stewart had an excused absence.</i></p> <p><i>Staff Present: Candace Gallagher, Town Manager/Clerk; Albert Sengstock, Zoning Administrator; Rusty Blair, Fire Chief; Joan Dwyer, Town Magistrate; Rebecca Cretti, Finance Director; and Joni Savage, Deputy Clerk.</i></p>	
<p>ITEM #2: 7:01</p>	<p>PLEDGE OF ALLEGIANCE</p> <p>Mayor/Chairperson to lead the Pledge.</p> <p><i>The Pledge of Allegiance was led by Mayor Currier.</i></p>	
<p>ITEM #3: 7:02</p>	<p>STAFF REPORTS</p> <p>Written staff reports by the Town Manager/Clerk, Deputy Town Clerk, Utilities Representative, Public Works Department, Building Inspector, Library, Municipal Court, Police Chief, and Fire Chief.</p> <p><i>Councilmember Vander Horst asked about the Accounts Receivable aging included in Ms. Tovrea's report, and the age of accounts represented by the categories "Age 2," "Age 3," etc. Mayor Currier explained that Age 1 is 0-30 days, Age 2 is 30-60 days, and so on. Mr. Vander Horst stated that the current balance due appears to be about \$42,000 and the amount in arrears about \$20,000. He asked if that is correct. The Mayor asked Ms. Cretti to comment.</i></p> <p><i>Ms. Cretti said that we have an allowance for bad debt, and have never written anything off. This debt goes back about seven years, she said. Prior to that, the landlords could be held responsible, so we didn't have as much bad debt.</i></p> <p><i>Councilmember Vander Horst estimated that bad debt runs about \$3,000 per year, and Ms. Cretti concurred.</i></p> <p><i>Mayor Currier said that he believes we should write that debt off and close it out. Ms. Cretti responded that we don't currently have a policy for that. "If you would like to create a policy," she said, "then we could handle that." Mayor Currier said that he was under the impression she was drafting some notes for such a policy, and suggested that she proceed with that.</i></p> <p>Motion: Councilmember Barber made a motion to accept the staff Reports. It was seconded by Vice Mayor Freund. The motion passed with 4 ayes, 0 nays and 0 abstentions.</p>	<p>Discussion/Possible Action</p>
<p>ITEM #4: 7:05</p>	<p>FINANCIAL REPORTS</p> <p>Issued checks and Budget to Actual reports for the month of June 2015. Figures included therein are presumed accurate as of the report's preparation date, but are subject to adjustment as further information is gained.</p> <p><i>Councilmember Vander Horst stated that he added up the excess revenues</i></p>	<p>Discussion/Possible Action</p>

	<p>and underspending of expenses and said that he believes that, for the month of June, we underspent our budget and collected excess revenue by a total of about \$166,000. He asked if that is correct.</p> <p>Mayor Currier noted that the year is not closed yet, and there will be closing entries, such as depreciation.</p> <p>Ms. Gallagher said that \$166,000 sounds like a lot for one month, and that figure is probably not accurate. She asked Councilmember Vander Horst to meet with her to explain what he is looking at so that they can go over it and straighten it out.</p> <p>Motion: Vice Mayor Freund made a motion to accept the financial reports. It was seconded by Mayor Currier. The motion passed with 4 ayes, 0 nays and 0 abstentions.</p>	
ITEM #5: 7:08	<p>PLANNING AND ZONING AND DESIGN REVIEW MINUTES/ RECOMMENDATIONS/ZONING ADMINISTRATOR'S REPORT</p> <p>Minutes are provided for the information of Council and do not require action.</p> <p>Mayor Currier commented that the Zoning Administrator's report was very good, and concise.</p> <p>Mr. Sengstock added that the Clubhouse has been sold to someone in Cottonwood. They are planning to use it as apartments and restore it historically.</p>	Discussion/Possible Direction
ITEM #6: 7:09	<p>COUNCIL MEETING MINUTES</p> <p>May 28 budget meeting; June 9 regular meeting</p> <p>Motion: Vice Mayor Freund moved to approve the minutes of June 9, 2015 it was seconded by Councilmember Vander Horst. The motion passed with 4 ayes, 0 nays and 0 abstentions.</p>	Discussion/Possible Action
ITEM #7: 7:10	<p>PETITIONS FROM THE PUBLIC</p> <p>Pursuant to A.R.S. § 38-431.01(H), public comment is permitted on matters not listed on the agenda but the subject matter must be within the jurisdiction of the Council. All comments are subject to reasonable time, place and manner restrictions. All petitioners must fill out a request form with their name and subject matter. When recognized by the chair, please step to the microphone, state your name and please observe the three (3) minute time limit. No petitioners will be recognized without a request. The Council's response to public comments is limited to asking staff to review a matter commented upon, asking that a matter be put on a future agenda, or responding to criticism.</p> <p>Mayor Currier recognized Mr. Tim Dixon and Mr. Sawyer.</p> <p>Mr. Dixon stated that he found and picked up construction debris that had been dumped near the Town's water plant on Route 89A. He was able to get the name of the company and the job site that it belonged to, and reported it to our Police Department. If there had been signs in place, he said, the Town would have made money on that.</p> <p>Ms. Gallagher noted that ADOT has agreed to put up "No Littering" signs, including the fines, on 89A at both entrances to Town. She did not know exactly when they would be put into place, but said that "it's in the works."</p>	Discussion/Possible Direction
ITEM #8:	PRESENTATION	
7:12	<p>ITEM #8A: HONORING DR. VIRGINIA KENNAWAY 7:11</p> <p>Mayor Lew Currier will read a Mayor's Proclamation honoring and thanking Dr. Virginia Kennaway for her dedication and exemplary work during the recent outbreak of Bubonic Plague, and declaring Thursday, July 16, 2015 as "Virginia Kennaway Day" in the Town of Jerome.</p> <p>Mayor Currier said that several cats with Bubonic Plague were brought to the Humane Society Clinic, and Dr. Kennaway took appropriate action.</p> <p>He and Council then proceeded to read aloud, in "round robin" fashion, a proclamation honoring Ms. Kennaway¹, and declaring July 16 as "Virginia</p>	Sponsored by Mayor Lew Currier Discussion; Possible Direction.

¹ The proclamation is included at the end of these 7/14/15 minutes.

	<p>Kennaway Day." Sally Dryer accepted the proclamation on Dr. Kennaway's behalf, and invited everyone to a potluck in her honor.</p>	
<p>ITEM #9: 7:16</p>	<p>NEW BUSINESS</p> <p>ITEM #9A: STATE OF THE COURT REPORT</p> <p>Town Magistrate Joan Dwyer will present the annual State of the Court report. Judge Dwyer provided and reviewed a handout with information regarding the court's activities over the past year. She stated that:</p> <ul style="list-style-type: none"> • We are now ranked #62 out of 83 municipal courts in Arizona. • From June 2014 to May 2015, there were 807 citations, 952 charges, and 1,127 receipts issued. • We are one of the few Courts that remove closed cases from the public system, which helps the offender; however, law enforcement still has access to the information. • She wants to improve the payment system so that payments can be made online. • She spoke about utilizing the FAIR program, wherein old cases where people don't want to pay are turned over to a collection service. The program includes a tax intercept, which intercepts Arizona tax refunds and pays the court what is owed. Last year, she said, we intercepted \$2,300. • We took in over \$194,000 during the past year, but most of that goes to the State. Jerome collected over \$80,000. That comes out to about two tickets a day, she said, which is not a lot considering the number of cars passing through. • The Court collects a Court Enhancement Fee of \$27 that is intended to provide revenue to the court for improvements. This will go toward the third floor courtroom. There is also about \$30,000 in the general fund representing Court Enhancement Fees collected up to 2011, which at that time were deposited by the Town. Since then, the Court has retained those funds in a separate account. • There was a brief discussion regarding the work to be undertaken on the new courtroom. The room has been stripped down and cleared, but some electrical work needs to be done. The Mayor said he would like to know, when it is decided, who on staff will be "carrying the ball" on that project. Previously, it had been Ms. Shemaitis. 	<p>Sponsored by Mayor Lew Currier Discussion only.</p>
<p>7:23</p>	<p>ITEM #9B: VERDE VALLEY FIRE DISTRICT REQUEST</p> <p>Council will review, and may approve (subject to any required zoning or building approvals), a request by the Verde Valley Fire District to locate two interoperability communication microwave antennas and receiver transmitters at the Hotel Jerome.</p> <p>Chief Blair introduced Chief Nazih Hazime and Ian James of the Verde Valley Fire District.</p> <p>Chief Hazime said that he has identified the Hotel Jerome as a great location for their communication antennas, and the Fire District is asking permission to place their equipment on the roof there. He assured the Council that he would make it as least visible as possible. The microwaves would extend just above the parapet, he said. It is a gravity mount system to the roof, so there will be no drilling or attachments to the roof.</p> <p>Chief Blair said that he had taken them up to the roof. The surface is a little bumpy, he said, but they should be able to secure it. He said that they would like to install a Knox Box for emergency entry, and Chief Hazime said that they would be happy to cover that cost.</p> <p>Vice Mayor Freund asked if this would need to go before the Design Review Board. Mr. Sengstock said that, because this is a matter of public health and safety, it would not. The Mayor agreed.</p> <p>Ms. Cretti asked who would pay for the liability insurance. Chief Blair commented that we may need to create an IGA for this, and Mr. Hazime said that he would work with whomever he needed to. Ms. Gallagher said that she would be his contact.</p> <p>Lee Christensen, a Jerome resident, expressed concern regarding the</p>	<p>Sponsored by Mayor Lew Currier Discussion; Possible Action</p>

	<p>strength of the microwave beam. He cited examples of people acquiring serious health issues.</p> <p>Mr. James assured Mr. Christensen that the array is very low power, not even close, he said, to what is emitted from a cell phone tower. It is "pushing 10 watts," he said, and once you get 30 feet away from the front of the dish, it is safe.</p> <p>Mr. Christensen said that there was an antenna tower on the high school some years back that interfered with TV reception. Mr. James said the microwave antenna is a lot less powerful than a radio station. He added that radio towers have a 360-degree radiation whereas theirs is a concentrated, very small beam.</p> <p>Mayor Currier asked if we could start with a test period to see if there are any unforeseen issues. Chief Hazime said that this would be no problem and it could be covered in the IGA. Mr. James said that he would be comfortable with that because he foresees no problems.</p> <p>Mayor Currier asked Mr. Christensen if that would calm his concern. Mr. Christensen replied that "people still fear these transmission devices." He asked if they had considered installing the equipment on Sunshine Hill, which is actually higher.</p> <p>Councilmember Vander Horst said that he has no qualms with the installation.</p> <p>Mayor Currier stated that, if we give it a try and have any problems, Council will revisit the topic.</p> <p>Motion: Councilmember Vander Horst moved to approve the project with a 30-day trial period included after installation, contingent upon the Intergovernmental Agreement. It was seconded by Vice Mayor Freund. The motion passed with 4 ayes, 0 nays and 0 abstentions.</p>	
	<p>At this time, Mayor Currier asked to move Item 9E in front of 9C.</p> <p>Motion: Vice Mayor Freund made a motion to move item 9E in front of 9C. It was seconded by Councilmember Vander Horst. The motion passed with 4 ayes, 0 nays and 0 abstentions.</p> <p>Item 9E was addressed at this time, but is recorded in the minutes in the order agendized.</p>	
<p>7:57</p>	<p>ITEM #9C: CONDITIONAL USE PERMIT – MICHAEL AND CANDACE GALLAGHER</p> <p>Council will review and may approve an application by Michael and Candace Gallagher for a Conditional Use Permit to operate a Bed and Breakfast at their home at 123 Beale Street. The application was approved by the Planning & Zoning Commission on July 1, 2015.</p> <p>Mr. Sengstock presented his interpretation and review of the Conditional Use Permit. The site has more than enough parking, he said, and meets the requirements of a bed and breakfast. The permit has been approved by the Planning and Zoning Commission.</p> <p>Vice Mayor Freund asked if Beale Street [a private road] had been improved, and Ms. Gallagher confirmed that Freeport-McMoran has improved part of the road.</p> <p>Vice Mayor Freund asked if there had been a neighborhood meeting to discuss this, and whether it was required. Mr. Sengstock stated that no neighborhood meeting was held or required.</p> <p>Vice Mayor Freund recognized a member of the audience wishing to make a statement.</p> <p>Sage Harvey, a tenant in a house located above the Gallaghers, stated that there is a neighborhood above them, and she feels there should be a neighborhood meeting.</p> <p>After brief discussion, Mr. Sengstock was asked to schedule a neighborhood meeting.</p> <p>Motion: Mayor Currier made a motion to table the item until the next regular meeting, it was seconded by Councilmember Vander Horst. The motion was approved unanimously.</p>	<p>Sponsored by Mayor Lew Currier Discussion; Possible Action</p>

<p>8:01</p>	<p>ITEM #9D: DESIGNATION OF NACOG REPRESENTATIVE(S)</p> <p>Council may appoint their representative to the NACOG Regional Council, as well as an alternate to vote in case of the absence of its official representative.</p> <p><i>Following a brief discussion,</i></p> <p>Motion: Vice Mayor Freund made a motion that Mayor Currier would remain as the Town's official representative to NACOG and Councilmember Vander Horst serve as the alternate. It was seconded by Councilmember Barber. The motion carried unanimously.</p>	<p>Sponsored by Mayor Lew Currier Discussion; Possible Action</p>
<p>7:37</p>	<p>ITEM #9E: 2015-16 BUDGET</p> <p>Council will review and may approve a tentative budget for the Town of Jerome for the fiscal year ending June 30, 2016. If approved, the public hearing and final adoption of the budget would take place at a special meeting to be held at 7:00 p.m. on July 28, 2014.</p> <p><i>Mayor Currier stated that Council has conducted eight budget workshops, and this meeting is not the time for debate – this is the time, he said, to vote on the issue of the budget because of the deadlines imposed by the State. He opened the Public Hearing, and expressed hope that the Chamber will have a representative to speak on their behalf.</i></p> <p><i>Donna Chessler, President of the Jerome Chamber of Commerce, said that Liz Gale and Eric Jurisin would speak.</i></p> <p><i>Liz Gale, a local business owner, acknowledged that eight public budget meetings were held, and noted the last two were well attended. She went on to say that a lot of people are concerned about the proposed sales tax increases, and there was some talk of dropping one percent. Regarding the tax on restaurants and bars, she said that she believes that Jerome will be an outlier in the Verde Valley, as no other towns here impose that. She asked who the taxes would apply to, and added that the tax increases should be applied evenly across the community.</i></p> <p><i>Mayor Currier explained that the bed tax will apply to anyone who rents a bed. It includes hotels, bed and breakfasts and vacation rentals in the commercial district. It does not include regular residential rentals. Regarding the restaurant/bar tax, the Mayor said that a question about wine tasting came up, and when wine is sold by the glass it should be taxed and reported separately on the TPT form. The tax would not apply to wines when sold by the bottle or case.</i></p> <p><i>Ellen Vojnic, another local business owner, noted that two bars in town sell packaged liquor, and asked how this would apply to them. Mayor Currier explained that the Department of Revenue had explained to us that there would be two different categories of sales at the wineries. Ms. Vojnic said that the bars should also not have to charge the added tax on packaged liquor. Ms. Gallagher said that she would check with ADOR on that issue.</i></p> <p><i>Kenny Cooper, a Jerome resident, asked why we are raising the taxes. Mayor Currier replied that this is not the time to discuss that.</i></p> <p><i>Mr. Cooper went on to say that the Council should "go back to the drawing table" as there are "thousands of dollars in the budget that could be cut." He also asked why the Town is allowing new businesses "when we aren't fixing the infrastructure," and suggested establishing impact fees.</i></p> <p><i>Larry Altherr, a local business owner, said that it appears that Council has chosen to attach the tax increases to those businesses that have paid the most taxes, and pointed out that what a business receives in gross sales has nothing to do with their profit. He said that he believes Council is being selective.</i></p> <p><i>Eric Jurisin, a local restaurant owner, said that he wished he had attended the first six budget meetings. He said that he believes the Town's numbers regarding sales tax revenues, but there was a recent article in the paper stating that restaurants and bar sales went down. He said that Jerome restaurants and bars are fighting for people to come up here at night, and he feels "singled out." Tourists should not pay a penalty, he said, for coming</i></p>	<p>Sponsored by Mayor Lew Currier Discussion; Possible Action</p>

	<p>to our town. He added that if he had not done a lot of marketing, his sales would not have gone up. "I am dead set against this," he said. "You're biting the hand that feeds you."</p> <p>Jane Moore, a Jerome resident, said that she has been in business in Jerome for 40 years, and has not had one person opt not to purchase something because of the sales tax. She said that she sees no problem with the proposed increases.</p> <p>As Ms. Moore was speaking, a gentleman who did not identify himself continually interrupted her. The Mayor raised his gavel and reminded him to address the chair.</p> <p>Kevin Savage, a Jerome resident and business owner, expressed agreement with Mr. Jurisin's comments and asked if Council has considered increasing the tax for every business in town by one half percent. He asked if that would bring in the revenue that we need. Mr. Savage also reminded all that, at the last meeting, it was agreed among Council that the increases would be for one year only, so everyone could be more involved in the process next year. Mayor Currier agreed.</p> <p>Ms. Chessler said that, while Ms. Moore said that people will not object, she feels it will become a factor when we increase the tax on food and bars. She said that she believes the increase should have been spread among all the businesses.</p> <p>At this time, Mayor Currier said that Council has heard the issues, and knows what they are. He closed the public hearing and called for a motion.</p> <p>Motion: Vice Mayor Freund moved to approve the tentative Budget.</p> <p>Mayor Currier added, "with a rider that this is a sunset tax."</p> <p>Ms. Gallagher clarified that, at this time, Council is approving only the tentative budget, not a tax increase. The notice of intent to increase taxes will be posted for 60 days, she said, and then Council will have a special meeting to take action on those. She added that the vote to approve the property tax levy will take place in August.</p> <p>Mayor Currier noted that, at this meeting, we adopt a tentative budget, and the final budget will be voted on at the July 28 meeting. Between now and then, we can reduce the revenue and expenses, but we cannot raise them. It will be up to the Council to decide whether we should have more workshops in the interim.</p> <p>The Mayor then seconded Mr. Freund's motion, and the motion carried with 3 ayes and 1 nay (by Councilmember Vander Horst). Councilmember Stewart was absent.</p>	
<p>8:05</p>	<p>ITEM #9F: INTERGOVERNMENTAL AGREEMENT WITH YAVAPAI COUNTY FLOOD CONTROL DISTRICT</p> <p>Council will review and may approve an IGA with the Yavapai County Flood Control District for FY 2015-16 regarding a \$30,000 financial contribution from the District to the Town for flood control improvements.</p> <p>Ms. Gallagher explained that this IGA will provide \$30,000 to the Town for unspecified drainage improvements. We can decide how we will use the funds. It was noted that none of the priority projects included in the recently completed Area Drainage Study could be completed for under \$30,000. After brief further discussion,</p> <p>Motion: Vice Mayor Freund moved to approve the IGA. The motion was seconded by Councilmember Vander Horst and unanimously approved.</p>	<p>Sponsored by Mayor Lew Currier Discussion; Possible Action</p>
<p>8:07</p>	<p>ITEM #9G: PROCEDURAL AGREEMENT: GOLDWATER INSTITUTE</p> <p>Council may opt to convene in executive session for the purpose of discussion, direction and consultation for legal advice with the Town Attorney, who may participate telephonically, pursuant to A.R.S. § 38-431.03 (A)(3) and (4) regarding a procedural agreement with the Goldwater Institute, on behalf of the Institute's four clients, with respect to appeals of the Zoning Administrator's decision regarding vacation rentals.</p>	<p>Sponsored by Mayor Lew Currier Discussion; Possible Action</p>

	Motion: A motion was made by Vice Mayor Freund and seconded by Mayor Currier to go into executive session. Motion carried unanimously.	
ITEM #10: 8:28	TO AND FROM THE COUNCIL Council may direct Staff as to items of pending importance that they would like placed on a future meeting agenda. <i>There were no items discussed.</i>	Discussion; Possible Direction
ITEM #11: 8:28	ADJOURNMENT <i>Upon motion by Vice Mayor Freund, seconded by Councilmember Barber and unanimously approved, the meeting was adjourned at 8:28 p.m.</i>	

Edited by Town Manager/Clerk Candace Gallagher from minutes taken and transcribed by Deputy Town Clerk Joni Savage.

APPROVE:

ATTEST:

Lew Currier, Mayor

Candace B. Gallagher, CMC, Town Manager/Clerk

Date: _____