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TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331
(928) 634-7943 FAX (928) 634-0715

MINUTES

REGULAR MEETING OF THE JEROME TOWN COUNCIL
JEROME CIVIC CENTER - 600 CLARK STREET - COUNCIL CHAMBERS
TUESDAY, SEPTEMBER 8, 2015 AT 7:00 P.M.

NINTH 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 7:00 p.m.</i></p> <p><i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Currier, Vice Mayor Doug Freund and Councilmembers Abe Stewart, Alex Barber and Frank Vander Horst.</i></p> <p><i>Other staff in attendance at roll call included Zoning Administrator Albert Sengstock and Deputy Town Clerk Joni Savage.</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>Referencing the Police Chief's report, Vice Mayor Freund expressed concern regarding a significant increase in the number of traffic stops listed in this month's report (120), as compared to prior months (79 in the August report, 81 in June, 48 in May, 76 in April, 76 in March, 64 in February and 83 in January). Mayor Currier suggested that we ask Chief Muma about this.</i></p> <p><i>Referencing Ms. Tovrea's report, Councilmember Vander Horst expressed appreciation for the effort put into making the report more understandable, and noted that our bad debt, according to that report, is in excess of \$16,000. He asked if we require deposits for utility accounts. Ms. Gallagher said that we do require a one-month deposit, and we shut off service when an account is delinquent for over three months. Mr. Vander Horst suggested that perhaps we should shut off service after one month, or require a three-month deposit. The Mayor noted that the \$16,000 is an accumulation of debt over many years. Councilmember Vander Horst stated that our allowance for bad debt is \$7,000 per year. Mayor Currier said that he does not believe we actually lose that much in a year. Mr. Vander Horst noted that it appears that there are four accounts in one month that have not paid. Ms. Gallagher explained that some people routinely pay every three months.</i></p> <p><i>Ms. Gallagher recommended that Council not go further with this discussion until it could be agendized. It was discussed and agreed to put this on a special daytime meeting agenda, and that Becky Cretti and Peggy Tovrea would be asked to attend.</i></p> <p><i>Councilmember Vander Horst noted that he would be attending the October meeting by phone.</i></p> <p><i>Mayor Currier asked for a motion to accept the staff reports.</i></p>

	<p>Councilmember Vander Horst asked about the sales tax revenue spreadsheet attached to the manager's report, as the totals are different than the amounts shown in the budget to actual reports. Ms. Gallagher explained that she uses data from the State's online reports, which show actual taxes received by the State on our behalf during the prior month. The budget to actual reports show monies received by the Town from the State during the prior month. In addition, the budget to actual report is through August, and Ms. Gallagher's spreadsheet shows just July figures, as the numbers are not available from the State until after the 20th of the following month.</p> <p>Motion: Vice Mayor Freund made a motion to accept the staff reports. It was seconded by Councilmember Barber. Motion carried, 5-0.</p>
<p>ITEM #4: 7:07</p>	<p>FINANCIAL REPORTS</p> <p>Issued checks and Budget to Actual reports for the month of May 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>Councilmember Vander Horst had two questions:</p> <ul style="list-style-type: none"> • He noted a payment to Charles Christiansen, and asked what that was for. Ms. Gallagher explained that he had worked on one of the Town vehicles. • He noted that, on the budget to actual reports, the "budget" column appears to be divided by 12 to come up with each month's budgeted amount. He asked if it is possible within CYMA to divide the budget for each line item manually, similar to the Manager's spreadsheet for sales taxes, rather than just dividing the total by 12. As it is, he said, until we approach year end, we really don't understand how we are doing. Ms. Gallagher will find out from Ms. Cretti if this is possible within CYMA. <p>Motion: Councilmember Vander Horst moved to accept the financial reports. It was seconded by Councilmember Stewart. Motion carried, 5-0.</p>
<p>ITEM #5: 7:12</p>	<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>There were no questions or comments.</p>
<p>ITEM #6: 7:13</p>	<p>COUNCIL MEETING MINUTES</p> <p>May 28 budget meeting; June 4 budget meeting; June 11 budget meeting; August 11 regular meeting</p> <p>Councilmember Vander Horst referenced Item 8 of the August 11th minutes (discussion regarding the leaning wall), and said that he recalled that, at that meeting, staff was directed to go to bid for the work on the wall. It was agreed that staff would listen to the recording and correct the minutes if needed.</p> <p>Motion: Councilmember Barber moved to approve the minutes of May 28, June 4, June 11 and August 11, 2015. The motion was seconded by Vice Mayor Freund.</p> <p>Discussion continued. Mayor Currier noted that, at the August 11th meeting, Councilmember Vander Horst had asked about the flag being lit at night, and asked if that had been taken care of. Ms. Gallagher said that there is electricity there already but the fixture needs attention. Chief Blair is assisting her with this, and it should be repaired within the next couple of weeks.</p> <p>Mayor Currier also noted that, at the same meeting, Town Engineer Richard Aldridge was asked to provide an improved disk of the Drainage Master Plan. In the prior version provided, some parts were illegible. Ms. Gallagher confirmed that she has received the revised disk from Mr. Aldridge and she will provide copies for each Councilmember.</p> <p>At this time, the Mayor called the question, and the motion carried, 5-0.</p>

<p>ITEM #7: 7:17</p>	<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><i>There were no petitions from the public.</i></p>
<p>ITEM #8:</p>	<p>PRESENTATIONS</p>
<p>7:18</p>	<p>ITEM #8A: MINGUS UNION HIGH SCHOOL CAPITAL BOND ELECTION</p> <p>Kirk Waddle, Business Manager at Mingus Union High School District #4, will address the Council to provide information regarding their upcoming capital bond election.</p> <p><i>Mr. Waddle introduced himself as the Finance Director at Mingus Union High School. He said that they are running a bond election to supplement funding that has been cut by the State. Last year's override election was unsuccessful, he said, and they believe that was partly due to the fact that the language used is very constricted. In addition, their facility looks so nice that it's hard for people to believe that they need anything.</i></p> <p><i>In November they will ask the voters to approve a bond for the purchase of capital items, which will include chairs, desks and buses. He explained that the average age in their bus fleet is 17 years, and most of the vehicles have more than 150,000 miles on them. They are asking for just under \$6 million. The district's bonding capacity is \$30 million, and in 2006 the voters approved a \$15 million bond for Mingus. With those funds, they made renovations and repaired infrastructure. "We challenge the public to come into any classroom and find matching desks," Mr. Waddle said, adding that they have incurred close to \$3 million in capital cuts since 2008. The new bonds would be phased in over a five-year period, and the cost to an average homeowner in the valley is about \$1.50 per month for each \$100,000 in assessed value. The funds cannot be used for salaries or benefits, and are only for capital equipment. "We don't want the safety of our students compromised," Mr. Waddle said. "If we can't get this passed, we will have to start cutting programs, and they will be the ones everybody likes—for example, drama, art, music and sports."</i></p> <p><i>Mr. Waddle provided handouts for the Council, and invited them to contact the Superintendent of Schools, Dr. Tighe, with any questions.</i></p> <p><i>Councilmember Vander Horst asked how long these funds would last, and when they would likely be back for another bond issue. Mr. Waddle said that the funds should cover them for about ten years.</i></p> <p><i>Michael Thompson, a Jerome citizen, referred to a statement in the pamphlet distributed by Mr. Waddle, and asked how the school could be asking for investors. Mr. Waddle explained the bonding process. They are sold in lots, he said, and in phases.</i></p> <p><i>There were no other questions, and Mayor Currier thanked Mr. Waddle for his presentation.</i></p>
<p>7:30</p>	<p>ITEM #8B: NATIONAL HISTORIC DISTRICT STATUS</p> <p>Zoning Administrator Al Sengstock will give an informational presentation regarding the Town's status as a National Historic District – how it was achieved, what it means to the Town, what it requires of us, and what would put it at risk.</p> <p><i>Mr. Sengstock presented his research findings on maintaining our historic status. There has been concern, he said, that, with development, we are in some way jeopardizing our status. "I am pleased to announce," he said, "that we are not."</i></p> <p><i>Mr. Sengstock went on to explain that, when a property owner has or wants to achieve historic status, that is between the property owner, the "feds," and the State Historic Preservation Office (SHPO). Someone could develop a property, he said, and not do it</i></p>

exactly as the original historic building was, yet it would have no impact at all on the town's status. He asked SHPO, "If someone were to come in and put in vinyl windows that look the same, does that have any impact on our historic status?" He was told, "not at all." However, it could affect the property owner's tax break with the State.

Jerome has done a good job of keeping up with the visual impact in order to insure our historic status, Mr. Sengstock said. Homeowners should always be directed to SHPO. He added that income-producing buildings don't get a tax break unless they spend a lot of money on the restoration of the building.

Mayor Currier asked, at what point our historic status becomes jeopardized because things are no longer what they once were. Our Boards have approved garage doors and picture windows, he said, when they shouldn't have. "How many of those mistakes do we get away with?" Mr. Sengstock said that those approvals were mistakes, however we're still in good standing. SHPO is relieved, he said, that we are investigating these things.

Mr. Sengstock went on to say that he is in the process of creating specific guidelines that he can pass on and which can evolve into consistent processes and procedures that any future Zoning Administrator can follow. "People can't expect to be putting in Victorian arched windows where it had been basic simple architecture," he said. One property in this Town went through the DRB, and by the time they were finished it looked old, but it looked completely different from when they started out. If someone wants the tax break, he said, they have to use the literal methods of reproduction. He said again that Jerome is in good standing with SHPO, and noted that SHPO does not want a garage or accessory building to be made to look like it was a historical building. Tombstone tried that, and was warned that they could lose their historic status. He said that he had been concerned that we could make a single mistake and jeopardize our status; however, that is not the case according to the SHPO representative he has spoken with.

Councilmember Vander Horst asked how this would apply to brand new buildings. Mr. Sengstock said there is one newer building in town that is actually a replica of a Victorian. We would not have that now, he said. The two new projects he is currently working with, he said, will use aspects of historical buildings around town, but will not be made to look historic. "We want it to fit in," he said, "but we don't want it to look like an old building."

Councilmember Vander Horst said that it sounds like the Design Review Board (DRB) is "the police officer of this," and not the Council. He asked if there are decisions that Council could make. "As we work through this process and develop guidelines," Mr. Sengstock replied, "we might want to look at some ordinances." He recommended that any appeals from the DRB go to Superior Court rather than to Council. "I would not want you to be judge and jury of your own constituents," he said.

Mr. Sengstock went on to say that each historic town does things differently. In Bisbee and Phoenix, the building inspector can approve changing windows with no DRB review and no permits. In Prescott, one doesn't go before the DRB unless the property is in the historic district.

He closed by repeating: According to SHPO, we have done nothing to jeopardize the Town's historical status.

Mayor Currier thanked Mr. Sengstock for his report.

ITEM #9:	UNFINISHED BUSINESS
7:47	<p>ITEM #9A: 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, and a Neighborhood Meeting was conducted on August 18, 2015.</p> <p><i>Mr. Sengstock stated that no one showed up for the neighborhood meeting that was held; however, he did receive three phone calls in support of this use permit. He recommended its approval.</i></p> <p>Motion: Councilmember Vander Horst made a motion to approve the use permit.</p> <p><i>Councilmember Stewart asked if there is a difference between a use permit and a conditional use permit. Mr. Sengstock replied, "In our world it is just a 'use permit.' 'Conditional' is more for the County."</i></p> <p><i>The motion was seconded by Vice Mayor Freund. Motion carried, 5-0.</i></p>
7:49	<p>ITEM #9B: PROFESSIONAL AUDITING SERVICES</p> <p>The Town's contract with Colby & Powell, LLC, has expired with the completion of the 2013-14 audit. Council will discuss whether to enter into a renewed agreement with that firm or send out RFQs (Requests for Qualifications) to other firms.</p> <p><i>Mayor Currier asked if the Council would like to continue with our current auditors. Councilmember Vander Horst thanked the Mayor for letting this decision be tabled for a month (until after presentation of the 2013-14 audit). He said that he felt the auditors did a thorough job, and added that it is interesting that this firm audits four out of the five smallest towns in Arizona.</i></p> <p><i>Vice Mayor Freund said that he was pleased that they would expedite the process in the future.</i></p> <p>Motion: Councilmember Vander Horst moved that we allow Colby & Powell to continue as our auditors for the next three years. The motion was seconded by Vice Mayor Freund. Motion carried, 5-0.</p>
ITEM #10	NEW BUSINESS
7:50	<p>ITEM #10A: SERIES 12 LIQUOR LICENSE – THE MINE CAFÉ</p> <p>Council will review and may recommend approval or disapproval of a Series 12 (Restaurant) Liquor License for The Mine Café, located at 115 Jerome Avenue.</p> <p><i>Mayor Currier commented that, when he had a restaurant at that location, he didn't know where he would keep liquor. Kevin Savage, one of the owners, said that they would "squeeze it in the back room."</i></p> <p>Motion: Councilmember Vander Horst moved to approve the series 12 liquor license. The motion was seconded by Councilmember Barber. Motion carried, 5-0.</p>
7:52	<p>ITEM #10B: AGREEMENT FOR E-RATE SERVICES</p> <p>Council will review, and may approve, a Letter of Agency and Agreement between the Town of Jerome Library and the Yavapai County School Superintendent for E-Rate Services, providing discounts for telecommunications and internet access.</p> <p><i>Councilmember Vander Horst left the dais at this time and sat in the audience.</i></p> <p><i>Mayor Currier asked Ms. Gallagher if she could explain this to the Council. Ms. Gallagher in turn asked if Councilmember Vander Horst could speak as a member of the public to explain the details, and added that she would encourage approval of the agreement as it will save money for the town.</i></p> <p><i>Mr. Vander Horst explained that he works for a consulting business owned by Yavapai County. In that capacity, he helps schools and libraries obtain federal funds for</i></p>

	<p>technology. They have secured about \$7,000 in funding for our library for technology, and their charge to do so is \$200 a year. He added that this is the lowest cost contract he has anywhere in the State. It is a three-year contract with a clause that would allow the Town to terminate the contract if we are ever unhappy.</p> <p>After brief further discussion,</p> <p>Motion: Vice Mayor Freund made a motion to approve the Agreement with the Yavapai County School Superintendent. It was seconded by Councilmember Stewart. Motion carried, 5-0.</p> <p>Councilmember Vander Horst returned to the dais.</p>
<p>ITEM #11: 7:55</p>	<p>TO AND FROM THE COUNCIL</p> <p>Council may direct Staff as to items of pending importance that they would like placed on a future meeting agenda.</p> <p>Mayor Currier asked Councilmember Stewart for an update on the leaning wall. Mr. Stewart said that he expected construction to begin the next day.</p> <p>Vice Mayor Freund reported that the General Plan Steering Committee is starting to consider the Economic Element.</p> <p>Councilmember Vander Horst had three items:</p> <ul style="list-style-type: none"> • He reported that he volunteered to drive the shuttle over the past weekend and he met 138 people he had never met before. "It was very interesting and enlightening to hear what the tourists had to say about our town, and the things they like," he said, and he plans to do this every month. • He said that he would like to understand the legal status of our Fire Department. He believes that they are their own 501C, and they decide who the Fire Chief is; however, he believes that it is our equipment and our station. He would like to know what our legal arrangement is with the Fire Department. It was briefly discussed and the Mayor said that he would like a report from Chief Blair and our Town Attorney about this, and that a special meeting could be scheduled to review it. • He read a statement regarding policy and procedure: "Between the dates of April 9, 2013 and August 13, 2015, a period of over two years and four months, this body has met a total of at least eight times to discuss the leaning wall. At the January 13th meeting, a 29-year-old photo was shown, showing little if any change in the wall during that 29-year period. At the last regular meeting on August 11th, I believe staff was directed to solicit bids for the construction work required to save the leaning wall. Any bids received were to have been discussed at tonight's Council meeting, resulting in a decision to go with one of the bidders for this construction. The very next day, on August 12th, a special meeting was called for August 13th, to discuss a quote that had been received. This quote was not received due to the decision to solicit bids. At that special Council meeting of August 13th, a motion was made and seconded declaring the wall an emergency - an emergency after over two years and four months of no action. An emergency is defined as a sudden, unexpected or impending situation. After two years and four months, the leaning wall situation is certainly not one of those. What the Council did was to use the emergency clause as a matter of convenience to get this matter behind them, ignoring the long standing procedure, procurement policies and procedures the Town of Jerome has in place. The previous lack of action taken by this Council and those that proceeded it does not mean we couldn't have waited the 29 days until tonight's meeting. And then there is the matter of the budget. The Town budgeted \$39,000.00 to repair the leaning wall, the sandstone wall in front of it and the horseshoe pits. The leaning wall alone would be over \$10,000.00 more than the budget for all three. When I was asked where this additional money would come from, I was told not to worry about it. Well I do worry about it, this money does not

	<p>belong to the Council, but rather the citizens of Jerome. I believe the Council has the fiduciary responsibility of being good stewards of the citizens' money. 29 days - after over two years and four months of discussion and a lack of action."</p> <p>Councilmember Vander Horst asked if a written determination of the basis for the emergency and for the selection of the particular contractor had been placed in the contract file as required by our Town Code. Ms. Gallagher replied that it had not yet been done. Mr. Vander Horst noted that our Town Code also requires that documentation of the emergency must be made a matter of public record at the next Council meeting, which would have been this meeting. He said that he has seen a trend over the last couple of months where we do not follow our own policies and procedures as a matter of convenience, and he hopes that trend will not become the norm. He is concerned about "future litigation brought about by our own lack of action regarding our written policies and procedures."</p> <p>Ms. Gallagher said that she would make sure that the documentation is provided.</p> <p>Mayor Currier reported that he has asked Vice Mayor Freund to sit in on the ADOT meeting, and he has asked Councilmember Vander Horst to take a seat on the Firemen's pension board.</p>
<p>ITEM #12: 8:04</p>	<p>APPROVAL OF CLOSED SESSION MINUTES</p> <p>August 11, 2015 executive session.</p> <p>If necessary, Council may enter into executive session, pursuant to A.R.S. §38-431.01(A)(2), for the purpose of discussion or consideration of records exempt by law from public inspection.</p> <p>Motion: Councilmember Stewart made a motion to approve the closed session minutes of August 11, 2015. It was seconded by Vice Mayor Freund. Motion carried, 5-0.</p>
<p>ITEM #13:</p>	<p>ADJOURNMENT</p> <p>Upon motion by Vice Mayor Freund, seconded by Councilmember Barber and unanimously approved, the meeting was adjourned at 8:05 p.m.</p>

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: _____