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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, JANUARY 12, 2016, AT 7:00 P.M.

<b>ITEM #1:</b>	<b>CALL TO ORDER/ROLL CALL</b> Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll.  <i>Mayor Currier called the meeting to order at 7:00 p.m.</i> <i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Currier, Vice Mayor Freund, Councilmember Stewart, Councilmember Barber and Councilmember Vander Horst.</i> <i>Other staff present were Fire Chief Rusty Blair and Joni Savage, Deputy Clerk.</i>
<b>ITEM #2:</b> 7:01	<b>PLEDGE OF ALLEGIANCE</b> Mayor/Chairperson to lead the Pledge.  <i>Mayor Currier led the Pledge of Allegiance.</i>
<b>ITEM #3:</b> 7:02	<b>STAFF REPORTS</b> 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.  <i>Councilmember Vander Horst asked about a recurring item on the Town Manager's report regarding installation of chain link fencing at the subsidence near the Sliding Jail. Ms. Gallagher explained that we are holding off on that while exploring other options with the Jerome Historical Society. Mr. Vander Horst asked that she change that item on her report.</i> <i>Councilmember Vander Horst also commented that 25 utility accounts were given shutoff notices, and said that seemed to be a high number. Ms. Gallagher said that some accounts routinely wait to pay until they receive the shut-off notice. Mayor Currier opined that some of that may be a result of holiday spending.</i> <i>Lastly, Councilmember Vander Horst noted that the year-end Fire Department report was very thorough. Mayor Currier agreed, and noted the graph showing the increase in medical calls. He thanked the department for the thorough job that they are doing.</i> <b>Motion:</b> Vice Mayor Freund made a motion <b>to accept the staff reports</b> . It was seconded by Councilmember Stewart. <b>The motion passed, 5-0.</b>
<b>ITEM #4:</b> 7:04	<b>FINANCIAL REPORTS</b> Issued checks and financial reports for the month of December 2015. Figures included therein are presumed accurate as of the report's preparation date, but are subject to adjustment as further information is gained.  <i>Mayor Currier commented favorably on the one-page summary that was provided.</i> <i>Councilmember Vander Horst noted that police department expenses are significantly under budget so far this year. Ms. Gallagher pointed out that dispatch fees are part of the reason for that. They accumulate monthly in the budget but are paid less frequently.</i> <i>Vice Mayor Freund noted that we maintain a balance of \$5 in a business savings account and asked if we were being charged a fee for that. Ms. Gallagher explained that it is an account that the bank requires us to maintain, and there is no fee involved in having it.</i> <b>Motion:</b> Mayor Currier made a motion <b>to accept the financial reports</b> . It was seconded by Vice Mayor Freund. <b>The motion passed, 5-0.</b>

<p><b>ITEM #5:</b> 7:07</p>	<p><b>PLANNING AND ZONING AND DESIGN REVIEW MINUTES/ RECOMMENDATIONS/ZONING ADMINISTRATOR'S REPORT</b></p> <p>Minutes are provided for the information of Council and do not require action.</p> <p><i>Councilmember Vander Horst asked about the General Plan Steering Committee's adding a second meeting every month. Vice Mayor Freund, who chairs that committee, said that the meetings will take place on the second and fourth Wednesday of each month, with the exception of this month (January), when they will take place on the second and third Wednesday. He said that they want to "pick up the pace," and Mayor Currier said that was a fine idea.</i></p>
<p><b>ITEM #6:</b> 7:08</p>	<p><b>COUNCIL MEETING MINUTES</b></p> <p>November 10 regular meeting; December 8 regular meeting</p> <p><b>November 10, 2015:</b></p> <p><i>Ms. Gallagher noted a typo on page 2, Item #4, where the fifth line down in the first paragraph should read "placed" and not "place."</i></p> <p><i>Councilmember Vander Horst noted on page 7, Item #8, after the Motion: "Frank" should read "Councilmember Vander Horst."</i></p> <p><b>Motion:</b> Councilmember Vander Horst made a motion <b>to accept the minutes of November 10, 2015</b> (with the corrections noted). Vice Mayor Freund seconded it. <b>The motion passed, 5-0.</b></p> <p><b>December 8, 2015:</b></p> <p><i>Mayor Currier had not seen the minutes of December 8, 2015 and asked that they be held until the next meeting.</i></p>
<p><b>ITEM #7:</b></p>	<p><b>PETITIONS FROM THE PUBLIC</b></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><b>ITEM #8</b> 7:10</p>	<p><b>UNFINISHED BUSINESS</b></p> <p><b>ITEM #8A: PUBLIC HEARING – 2016 CDBG FUNDING PROPOSALS</b></p> <p>The Town is expected to receive approximately \$309,000 in FY16 federal CDBG funds which must be used to benefit low-income persons and areas, alleviate slum and blight, or address urgent need. Several potential projects have been discussed, including:</p> <p><i>Mayor Currier reviewed the following possible projects discussed previously:</i></p> <ul style="list-style-type: none"> <li>• <i>Deception Lane improvements, including road improvements, water line improvements and addition of fire hydrants.</i></li> <li>• <i>Hotel Jerome renovation – to create affordable housing units.</i></li> <li>• <i>Center Street improvements – including road and sidewalk improvements, drainage improvements and repairs to utilities below roadway</i></li> <li>• <i>Drainage improvements in the Gulch.</i></li> <li>• <i>Fifth Street improvements – including road improvements, drainage improvements and repairs to utilities below roadway.</i></li> <li>• <i>Housing Rehabilitation – to address housing rehabilitation needs for individually qualified residents throughout town.</i></li> </ul> <p><i>At this meeting, he said, Council will try to make a decision as to which project to pursue. He noted that Isabel Rollins of the Northern Arizona Council Of Governments (NACOG) was present to answer any questions.</i></p> <p><i>Mayor Currier then opened the public hearing.</i></p> <p><i>Noel Fray, a resident on Deception Lane, stated that he was pleased to see the Deception Lane improvements suggested. All of the houses there have propane, he said, and there is an abundance of dead and decaying trees. An additional hydrant would be a great thing for them, he said, and he supports that wholeheartedly.</i></p>

Mayor Currier asked Mr. Fray how he would feel about improving the road. Mr. Fray said that, as long as it is done correctly and does not affect the drainage, he does not believe anyone in the Gulch would have a problem with it.

Carol Yacht, a Jerome resident, asked if the grant could be divided between housing rehab and Deception Lane improvements. She added that she thinks it is good for the residents to have some help with things, and believes that there are people who could benefit from housing rehab funds.

Michael McDonald, a Jerome resident, said that he has a house that is deteriorating and he does not believe that his roof will last another year. He could use the help, he said.

Isabel Rollins responded to the question posed by Ms. Yacht. In the past, she said, we were able to divide the funds into various projects, but the funder is now allowing only one project per community. The funds have been cut over the years, and they don't have as many people at the State level to help with the administration.

Ms. Yacht stated that Jerome is such a unique community, with some old houses, and she believes it is extremely important to support our residents. She wondered if a Fire Department grant could be used to address the issues on Deception Lane.

Mr. Fray said that, since the grant cannot be divided, he is in favor of helping individual residents rather than using the funds for fire hydrants.

Mr. MacDonald asked if there are two grants. Ms. Rollins explained that there is only one grant, but there are different projects that can be chosen. It would either be a road project or housing rehabilitation.

Chief Rusty Blair asked what we would need to have in place in order to facilitate doing an infrastructure project. Ms. Rollins replied that the area benefitting would have to income qualify. These grants are meant to serve low- to moderate-income, she said. At the time the water tanks were done, Jerome as a whole was eligible, but the census now shows that the Town no longer qualifies as low to moderate income. At least half of the people in the area served by an infrastructure project would have to qualify as low to moderate income.

Chief Blair asked if the project had to be shovel ready. Ms. Rollins replied that, for competitive grants, it does.

Mr. Fray asked, if the decision was made to fund residential rehabilitation, would all of the residents have to be in the same neighborhood? Ms. Rollins said that housing rehab is done on an individual basis, with each individual qualifying as low to moderate income. In that case, she said, we don't have to do an income qualification of the area.

Mayor Currier explained that, for an infrastructure project, an entire area would have to qualify. For housing rehab, only the homeowner would need to meet the income guidelines.

The Mayor asked Chief Blair about fire protection in the Gulch, and noted that the fire department is working in that area now, and has separate funding for that. Chief Blair said that this is "Firewise money," and they are taking care of dead trees in the Gulch right now. That needs to be done in place as much as possible, he said, because it is too labor intensive to move fuels (dead trees). He added that he still supports fire hydrants and water line work for Deception Lane, as that is one of our problematic areas. We would still have funds left for rehabilitation of the road, he said.

Mr. Fray said again that he believes that more people could benefit from housing rehabilitation.

Mayor Currier said that a flyer had been mailed and information included in the newsletter. Ms. Gallagher said that 10 people have expressed interest so far, including three that couldn't be here at the meeting.

Mansel Mathews, a Jerome resident, said that he too is interested, "so make it eleven."

Mr. Fray added that he was also here representing a neighbor.

Ms. Rollins emphasized that this is a slow process. It takes about a year. Applications would probably be collected late this year, in the fall. The contract won't be in place until October, 2016. Also, she said, the \$309,000 funding level is an estimate right now based on what was distributed last year. We have to wait until Congress comes out with their final number, but it will probably change.

Chief Blair said that he is not opposed to housing rehabilitation, but he would like Council to consider putting the Deception Lane work on a list for competitive funding down the road. Overall extension of waterlines throughout the community is a good thing, he said. It could be put on a five- or ten-year plan. Mayor Currier agreed.

Mr. McDonald asked about the application process and how the decisions would be made.

Ms. Rollins said that the Town will need to put together guidelines for the program, rank applications, and cap the amounts. In the next two months, housing rehabilitation guidelines would be put together and approved by Council. The application form they generally use, she said, is about five pages long, and asks for information about family members and problems with the home. We would need to get financial information as well. In terms of scoring, she said, extra points are awarded for lower income households and those with elderly, disabled, or children in the home.

Mayor Currier suggested that we look at what other communities have done. We will then draft a list of criteria and determine what the maximum funding level should be.

Ms. Yacht asked if it would be possible to have a notice in the utility bill about the process. Ms. Gallagher said that, once Council commits to the housing rehab option, the outreach will continue, and Ms. Rollins pointed out that we don't need applications until the fall.

Mr. Mathews asked about the income qualifications. Ms. Rollins said that the guideline for a one person household is \$27,900 and for two persons, \$31, 900. It goes up from there.

Chief Blair asked, for infrastructure projects, how we determine the area of benefit for income surveys. Ms. Rollins said that you would use a map and draw a circle around the area that would most benefit from the project.

Brice Wood, a Jerome resident, asked Ms. Rollins how this is administered so that the income from the grant doesn't disrupt the situation for the resident. He asked if the contracts are paid in advance. Ms. Rollins replied, "We have to follow rules. We have somebody who puts the bid specifications together and then we get bids from several contractors. It generally goes to the low bidder. If the homeowner wants to go with the second to lowest, they would have to pay the difference."

Mr. Wood clarified his question by saying that low-income people sometimes have to be careful about what money is in their accounts. They could lose their qualification for AHCCCS. Ms. Rollins explained that no money goes into the homeowner's account. All of the funding goes through the Town. Chief Blair asked about the turnaround time for reimbursements, and Ms. Rollins said, "It is pretty quick, usually a few weeks."

Councilmember Stewart asked if the work has to be done by licensed contractors. Ms. Rollins answered, "Yes."

Councilmember Vander Horst said that housing rehab is a good use of the funds and will help a lot of people in Town. He added that he would like to get an earlier start for the next grant cycle.

Mayor Currier said that the next funds coming through NACOG will be for a competitive grant. Ms. Gallagher explained that, every year, we have an opportunity to apply for a competitive grant. However, there is a lot that has to be done ahead of time, which costs money, and the grant is very competitive, so there is a significant financial risk.

Mayor Currier closed the public hearing at 7:40 p.m.

7:41

**ITEM #8B: RESOLUTION NO. 532 - "A Resolution of the Mayor and Town Council of the Town of Jerome Authorizing the Submission of an Application for FY16 State Community Development Block Grant Funds, Certifying That Said Application Meets the Community's Previously Identified Housing and Community Development Needs and the Requirements of the State CDBG Program, and Authorizing All Actions Necessary to Implement and Complete the Activities Outlined in Said Application"**

Council may approve Resolution No. 532, authorizing the submission of an application for FY16 CDBG funds for a project to be determined at this meeting.

Mayor Currier read Resolution No. 532 in title only.

**Motion:** Vice Mayor Freund said that he is very much in favor of the housing rehabilitation program, and made a motion to **approve Resolution 532, with housing rehabilitation as the project to be funded.** It was seconded by Councilmember Stewart.

Councilmember Vander Horst noted that some of rehab work may require DRB approval – paint colors, etc. Mayor Currier said that this is conceivable, but he's under the impression that painting one's house is not really what we're looking to fund. Ms. Rollins agreed, and said that this would not be a high priority, as generally they focus on health and safety items. That is something that Council could decide in their guidelines, she said.

Mayor Currier called the question, and the **motion passed, 5-0.**

	<p>Mayor Currier decided to address item #9B at this time. It is included in these minutes, however, in the order agendized.</p>
<p>8:19</p>	<p><b>ITEM #8C: ON-CALL ENGINEERING SERVICES</b></p> <p>Council may approve an agreement with Westland Resources of Flagstaff, Arizona, for on-call engineering services.</p> <p><i>Ms. Gallagher stated that negotiations with Westland Resources went very smoothly, and the rate for Doug Slover, who would serve as our Town Engineer, is quite reasonable at \$126 per hour. She noted that the contract will be retroactive to January 1<sup>st</sup>.</i></p> <p><i>Chief Blair said that he has already had interaction with the firm and he believes that they are "on top of their game."</i></p> <p><b>Motion:</b> Vice Mayor Freund made a motion <b>to approve the engineering services contract with Westland Resources</b>, and it was seconded by Councilmember Barber. <b>The motion passed, 5-0.</b></p>
<p>8:21</p>	<p><b>ITEM #8D: LEANING WALL</b></p> <p>Council will discuss their options for completion of the leaning wall project, which may include expending monies pursuant to change order for additional work specified by Core Structure Group as necessary to complete its stabilization, removing the top portion of the wall, or installing fencing around the structure, and may determine how to proceed.</p> <p><i>Mayor Currier asked Ms. Gallagher to bring the Council up to date on the leaning wall.</i></p> <p><i>Ms. Gallagher said that she met with the former engineers and with the structural engineer, Councilmember Stewart was there along with our Building Inspector, Barry Wolstencroft. We tried to make some headway, she said, however it wasn't very successful. We are left with three options. One would be to complete the work that Core Structures Group has recommended for stability, although they informed us at that meeting that they will not sign off on the project regardless. The contractor has proposed a price of approximately \$19,000 to complete that work. The second option would be to remove the top portion of the wall. The third option is to install fencing around the structure. Our former engineer provided some information regarding types and cost of fencing material, which was included in the meeting packet, and indicated that the setback should be 21 feet. Councilmember Stewart said that the only part of that wall that would ever fall is the top four feet, so the fall zone would only be six feet. Twenty-one feet is excessive, he said.</i></p> <p><i>Ms. Gallagher said that the crew could install the fencing, which would cost, according to the former engineer's estimate, between \$1,500 and \$2,000.</i></p> <p><i>The newly appointed Town Engineer, Doug Slover, was present, and Mayor Currier asked him if he had any input. He said that he had not looked at this wall as of yet.</i></p> <p><i>Vice Mayor Freund asked if we have consulted the attorney regarding our recourse against those (prior) engineering firms. Ms. Gallagher said that we have not.</i></p> <p><i>Mayor Currier concluded that he would like to put up a fence and go forward.</i></p> <p><b>Motion:</b> Mayor Currier moved to <b>install a fence around the leaning wall.</b></p> <p><i>Councilmember Stewart asked for clarification regarding the location of the fence. He suggested that it be placed in front of the buttresses. Mayor Currier asked about the lower parking lot, and whether the wall falling would pose a threat to that area. Tracy Freund, a Jerome resident, suggested that we ask our new engineering firm to look at this before making a decision.</i></p> <p><i>Councilmember Stewart said that, at this point, it is beyond any kind of engineering—it is just a decision we need to make. He doesn't believe an engineer at this time is necessary except for determining the fall zone.</i></p> <p><i>Ms. Freund asked if the new engineer may be able to come up with a different idea. Mayor Currier said, "We have spent more money then we should have on that wall, and I am not willing to spend any more on that wall other than to fence it. At the end of the day, no other engineer will sign off on it."</i></p> <p><i>Mayor Currier repeated his motion to install a fence. Vice Mayor Freund <b>seconded the motion.</b></i></p> <p><i>Councilmember Vander Horst said that he is concerned that we have an engineer saying that the fence needs to be 21 feet away from the wall. "I don't want us as a Council to be engineers and say that it needs to be six feet away," he said.</i></p> <p><i>Councilmember Stewart explained that 21 feet was based on the general rule for fire</i></p>

collapse.

Jane Moore, a Jerome resident, asked if the sandstone wall below the leaning wall will be rebuilt. Mayor Currier replied that it would, but the upper wall has to be repaired first. If now appears, he said, that under no circumstances will that wall fall behind the buttresses. The top few feet are the only part that would move, he said, adding, "The reason we keep throwing money at this is because everyone keeps coming up with an alternative."

Councilmember Vander Horst asked that the motion address what the distance of the fence from the wall will be.

Councilmember Stewart answered, "the base of the buttresses. They are approximately seven and a half feet out from the base of the wall, which is one and half times the fall zone for the part that might possibly fall."

Councilmember Barber asked if the new fence is going to match the old fence. "Maybe the fence shouldn't go up until the engineer looks at it," she said. "We would hate to have it moved."

Councilmember Stewart said that he would have no problem with having the new engineer look at this.

Town Engineer Doug Slover was instructed to look at the wall and give his recommendation as to the placement of the fence.

Councilmember Vander Horst asked if the fence will need to go before the Design Review Board. Mayor Currier said that this would be considered a health and safety issue, and so would not need to go to DRB.

The nature and appearance of the fence to be constructed was discussed briefly, and Vice Mayor Freund said that he might be able to replicate the original fence.

Mayor Currier amended his motion to include that we want to hear from the new engineers regarding the fall zone and placement of the fence. Vice Mayor Freund so amended his second.

Councilmember Stewart commented that maybe the engineer will say that we don't need a fence.

Doree Christensen, a Jerome resident, suggested putting Police tape up in that area.

Mayor Currier then **withdrew his Motion**.

**Motion:** Vice Mayor Freund then moved to **table this discussion**. Mayor Currier seconded the motion, and the **motion passed, 5-0**.

Staff was directed to have the Town Engineer review the fall zone for the leaning wall.

8:39

**ITEM #8E: UPDATE REGARDING ACTION ON AUDIT RECOMMENDATIONS**

Staff will update Council regarding the status of actions being taken to fulfill recommendations made in the FY2014 audit.

Mayor Currier asked Ms. Gallagher to present her information.

Ms. Gallagher reviewed the information she had provided in a staff report to Council, set forth below:

Item 13-01 - Accounting policies and procedures manual:

1. Day to day practices have been documented and on file for some time regarding various functions of the front desk and finance office, and will be reviewed periodically and updated as needed.
2. A policy for debt collection and write off of uncollectible accounts was adopted by Council 11/10/15. That will be part of the manual.
3. I instituted an administrative procedure for purchasing and purchasing requisitions in 2011 that will also be a part of the manual.
4. I have requested, and just received, a copy of Clarkdale's Financial Operations Guide. It was recommended by our auditor as a reference to use in developing our own manual.
5. Becky has been working on this, but advised me that other things (switching to a new timekeeping system and preparing for the auditors) are taking precedence right now.
6. On a related note, Becky has provided input regarding her recommended changes to the Town Code regarding water billing. (The Code was referenced in the adopted debt collection policy.) We will be presenting a draft ordinance to Council at the February meeting.

*Item 13-02 - Capital assets:*

Staff was reminded at our most recent staff meeting, and a follow-up communication emailed regarding submission of fixed asset inventories for each department. Forms have been provided, and their return requested by January 15. We intend to have the information compiled and ready for the auditors when they begin work in February.

*Item 14-01- Segregation of duties:*

This item dealt with billing and collection for fire, rescue and EMS services. According to the audit, "it appears that, due to the size of the Town and convenience, the Town has allowed for these functions to be performed by the same person," and the auditors recommend that the duties of billing, recording, and cash collections for these services "be segregated to the greatest extent possible." Currently, wildlands billing is handled by the Fire Department and monies deposited directly into our bank account. All other billing is done through an outside agency. I need more guidance from our auditor as to what they are looking for, and plan to speak with them within the next month, after which I will meet with Becky and Chief Blair to be certain we are complying with the auditor's recommendations.

Discussion ensued.

Mayor Currier said that he would like to see the Financial Policy done before the audit begins. This was discussed briefly, and Ms. Gallagher promised the Council that the Policy will be drafted before the audit is complete.

Regarding the capital assets listing, Councilmember Vander Horst noted that, per Ms. Gallagher's report, staff was recently reminded again that this needs to be done, and said that he doesn't understand why it has taken so long. He and Mayor Currier stressed that audit recommendations should be taken seriously. Ms. Gallagher said that this also will be done before the audit is complete.

Ms. Gallagher mentioned the third item, which dealt with billing for fire and EMS services. She explained that she feels that the Town may already be in compliance, and needs more guidance from the auditor.

Councilmember Stewart said that his understanding was that the outside agency handled only collections. Ms. Gallagher said that she believes they are handling all billings except wildlands.

Councilmember Vander Horst explained that the fire department determines the amount to be charged for a call and they tell the outside agency to bill it at that amount.

Councilmember Stewart and Mayor Currier suggested that we review the agreement on file with the outside agency to clarify what they are handling.

Councilmember Vander Horst asked if there is a written policy regarding who gets billed and who does not. He noted that citizens of the Town are not billed, but everyone else is, and asked if that is written in a policy somewhere. Ms. Gallagher said that it may be referenced in the Town Code, where the rates are listed.

Mayor Currier said that it may be that the fire department does not have a Standard Operating Procedure (SOP) about this, and perhaps they should.

Jane Moore commented that she remembers that there is something in place to bill out of town people, but was not sure if it was in the Town Code.

Councilmember Vander Horst noted that this is mentioned in Chief Blair's report. It is noted as revenue from third party billing.

**ITEM #9**

**NEW BUSINESS**

**8:52**

**ITEM #9A: REGULATION OF DRONES**

Council will discuss the issue of drones in the air space over Jerome, and options for their regulation.

Vice Mayor Freund stated that the FAA has recently passed rules that all unmanned vehicles between .55 pounds and 55 pounds must be registered and marked. The drone that crashed into the Little Daisy was not marked, he said.

Paradise Valley recently passed an ordinance about drones, Mr. Freund said, and he really likes what they have done. He would like Council to take a look at it. Drones, he said, could interfere with our view, distract our tourists, damage our utility lines, frighten our

animals and infringe upon our privacy. He added that he feels it is appropriate to use them on one's own property, and he thinks commercial uses can be valid. Aerial photos of the town from drones are stunning, he said, but they should be controlled. He noted that, in order to fly a drone within five miles of an airport, one must notify the airport and get their permission. He found a site online that tells us we are 4.53 miles from the Cottonwood airport. This information should be posted so that drone operators are aware of this. Mayor Currier suggested that we put it on our website and Facebook page. Vice Mayor Freund mentioned trespassing, which starts out as a civil violation and turns into a misdemeanor. The idea, he said, is to inform those that have drones that it is inappropriate to fly over private property.

Ms. Moore said that she would like to see the entire town be a "No Drone Zone."

Councilmember Vander Horst said that he does not know if we would want to regulate drones to the extent that our police department would have to give them a license, or have them approved by Council. He asked who would make that decision.

Mayor Currier said that we already charge for film permits, and should therefore be able to charge a fee for drones. Ms. Gallagher noted that, if Council were to establish a fee for drones, we would be specifically allowing them.

Councilmember Vander Horst said that we could limit them to commercial purposes. Ms. Christensen agreed, saying, "Limit them to commercial and a special event type of thing. And a No Fly Zone in residential areas."

Mayor Currier suggested that we could get our own "falcon" drone to capture illegal drones.

Councilmember Vander Horst asked who approves film permits. Ms. Gallagher said that this is primarily done administratively.

Councilmember Stewart said that Jerome could be a drone-free zone, except if the operator has a commercial filming permit. Ms. Gallagher said that she believes that there would be more to this than simply changing the fee structure of our film permits to include drones.

Vice Mayor Freund noted that the Paradise Valley ordinance states that people can only fly a drone on their own property. It was noted that they would still need to get permission from any airport within five miles.

Ms. Christensen brought up anonymous drones, and said that there is really no way to regulate those. Vice Mayor Freund noted that the FAA has said that all drones must be registered. Councilmember Stewart interjected, "unless you're thirteen or under." Mayor Currier commented that manufacturers have to put a serial number on them.

Donna Chesler, a local business owner and realtor, asked if a realtor could use a drone to get a picture of a house they're selling. Councilmember Vander Horst said that he believes that would be allowed. Mayor Currier agreed, and said that would be a reasonable commercial use.

It was noted that there is a "peeping Tom law" which makes that a felony.

Vice Mayor Freund said that the FAA is anticipating that communities will come up with their own regulations.

Mayor Currier asked Council where they wish to go with this. "Do we need to draft an ordinance?" he asked. Vice Mayor Freund said that he thinks it is too soon for that.

Ms. Gallagher suggested that we bring this up at a future meeting attended by our Town Attorney, and Mayor Currier agreed.

7:44

**ITEM #9B: OUTSOURCING SERVICES AND NEW REVENUE STREAMS**

In accordance with Council's budget discussions, Council will discuss the possibility of outsourcing various services, including (but not limited to) police, fire, EMS and garbage collection, as well as the identification of new revenue streams for the Town.

As this item was sponsored by Councilmember Vander Horst, Mayor Currier asked him to lead this discussion.

Councilmember Vander Horst said that the idea is to understand what our options are. We know that, in a short period of time, we're going to have to come up with a quarter of a million dollars to replace our garbage truck, he said, and he believes that we should get quotes from private haulers before spending that money.

Chief Blair said that, in the past, we have purchased fire trucks with grant monies, and it may be possible to get a grant for a new garbage truck.



Carol Yacht said that one of the things that is unique about Jerome is that we're a close knit community. "I can't see outsourcing here," she said.

Councilmember Vander Horst clarified, "Outsourcing doesn't mean that the service is not in town. It means that the Town doesn't provide the service. We're talking about garbage service right now. I'm thinking we're probably one of the few towns that does their own garbage."

Ms. Yacht said that people would lose their jobs if we outsourced.

Jane Moore urged the council not to privatize any of our services. "We have talked about this before," she said, "and people could opt out of that." She said that she is concerned that there would be people who couldn't afford this, and there would be trash all over the place. She added that another concern is regarding water and sewer. "Please don't ever put those in private hands," she said. She added, regarding outsourcing fire and police services, "That would be a lot of discussion." She said that she liked Chief Blair's idea about getting a grant for another garbage truck.

Councilmember Vander Horst stated that we already outsource our sewer plant, which is run by a third party, and clarified that his vision for garbage service would not be that citizens could opt out. The billing would still go through the Town.

Mayor Currier noted that our Deputy Public Works Director has contacted the garbage collection agencies and nobody is interested. Ms. Gallagher clarified that Mr. Ave did contact the haulers before the end of the year, and only one company has gotten back to him so far. She added that it will be difficult to find a hauler that will use a rear loading truck. These days, everyone uses the side arm trucks, she said, and those won't work on our narrow streets. She said that, in 2009, just prior to her arrival here, she believes that the Town went out to bid for garbage collection, and the one company that did bid would require that people bring their garbage down to a more central location. Chief Blair added that the company wanted residents to use the big blue trash cans for every home. Councilmember Vander Horst said that this was done in 2009 and there may be different solutions out there now.

Regarding police services, Mr. Vander Horst said that we have eight officers on our police department and Clarkdale has ten. "Maybe when one of the Chiefs leaves," he said, "we should open up a discussion with Clarkdale about having one [joint] Police Chief." He added, "It is all about opportunities, not about changing things necessarily."

Doree Christensen commented that she was on the Council when they were choosing a Police Chief, and they had invited the Police Chief from Scottsdale to come up and advise us on criteria for doing that. He told us that we have a peculiar situation because this is a small town, yet we have a lot of people coming through. It is like a big city's needs in a very small town. Clarkdale doesn't have the kinds of needs that we do, she said.

Mayor Currier agreed, noting that we are only 440 people, but there are thousands of people here at any given time during the day. "You have to look at the crowd situation," he said.

Councilmember Vander Horst noted that, if you look at our mutual aid with Clarkdale, on average we're down there or they are up here every day.

Mayor Currier said that he was here when Jerome switched from county to local police, and the reason was because "we believed that the county looked at us like we were aliens. There was a definite sense that the county did not see us as fellow citizens, but as something to control." He added that he personally believes that that attitude has not changed.

Councilmember Stewart pointed out that combining police services with Clarkdale would be different than having the Sheriff's department taking things over. He asked if that was in the 1970s, and the Mayor confirmed that it was. Mr. Stewart commented that Clarkdale and Jerome already share police officers.

Ms. Yacht expressed agreement with Ms. Christensen's comments. We have a million and a half tourists, she said, and she believes that our police department and fire department are very necessary. "If it ain't broke, don't fix it," she said, adding that she understands the issues of costs.

Chief Blair asked, "What would it cost us to share a chief? if we outsourced a chief, it might be as expensive as having our own." He added that the Jerome police department has more activity than Clarkdale's.

Ms. Gallagher said that she agrees that it is important to consider costs, but when you're talking about outsourcing, you have to also consider quality of life for the people who live here.

"Absolutely, that is part of the equation," Councilmember Vander Horst said, "but if you don't have the facts, you don't have an equation."

Mayor Currier asked Councilmember Vander Horst how he thought he would like to get this information. Councilmember Vander Horst said, "Not at this time, because there is not an opening, but I believe Clarkdale would be open to that."

Ms. Christensen asked what the goal of this is. "Is it to cut costs?" she asked. "Joining another force doesn't mean it will cut costs. There are different ways to handle costs, but there is a community issue here. Each community has pride and a sense of self. Our police are loyal to us." She said that she does not believe that joining police forces would benefit us, and does not understand what the point of this is.

Ms. Moore said that Jerome had combined Court services with Clarkdale at one time, and it ended up costing us less to bring the Court up here.

Chief Blair pointed out that the salary base in other communities is well beyond ours. Montezuma, Rim Rock and Camp Verde are sharing a fire chief, he said, and Clarkdale is merging with Verde Valley. Those shared services work well when the salaries are all the same, but if you start merging into a service where people are being paid more than our own people, this would cost us more.

Councilmember Vander Horst said that the other aspect of this agenda item was other revenue streams. When we had our budget meetings, he said, we had several business owners strongly infer that they were tired of paying their fair share while other business owners were not. He brought up the possibility of having a tax audit.

Mayor Currier asked Donna Chesler, a member of the Jerome Chamber of Commerce, if she thought the Chamber was still of that mind. She said that they would discuss it at their next meeting.

Ms. Yacht asked if our auditors do this as a part of their work. Ms. Gallagher told her that they do not.

Mayor Currier said that the State is supposed to do audits, but they are very short staffed, and we cannot rely on them to do that. He said that he would bring this up at the next Chamber meeting and we'll see if they still feel the same way.

Regarding additional revenues, Chief Blair commented that, in 2008, he had suggested parking kiosks, which Council did not like. "But how about donation boxes," he said, "and the money would be used for infrastructure." He noted that the Historical Society gets donations all the time, and the coin toss brings in a significant amount. Council generally agreed that voluntary parking donations would be a good idea.

Ms. Yacht suggested that a bond might help for infrastructure improvements. It would be a slight increase in property tax, she said, and sales tax could also be raised. Mayor Currier interjected that sales taxes were just raised this year, and explained that there are two types of bonds – property tax bonds and user bonds. One is paid by user fees and the other through property taxes, and both have to be approved by the electors. "The big hurdle," he said, "is that you have to have a clear project to sell it to the people. You can't just say give us an extra million dollars. Bonds are normally done in million dollar segments."

Chief Blair commented that, in 1978, that's how they did the waterlines throughout Jerome. Realistically, he said, engineering and cost projections should be in place prior to getting a bond.

Mayor Currier said that it takes at least a year to get ready for a bond, and he doesn't sense that we have an issue right now that would require a bond.

Chief Blair spoke about other grants out there that may be available to us, and Ms. Gallagher said that our new engineer has mentioned that finding grants and funding is one of their specialties.

Ms. Gallagher also mentioned that, at the last staff meeting, alternative revenue sources were discussed, and, in addition to the parking donations, the idea of selling Town of Jerome merchandise was brought up. Several people have expressed a desire for our branded products, she said. Mayor Currier asked who would carry the ball on that, and Ms. Gallagher said that she would.

Ms. Christensen suggested that local artists could come up with ideas for a unique product.

Councilmember Stewart asked how much revenue the fire department merchandise brings in. Chief Blair replied that it is about \$400 a month, and added, "you have to be careful not to over inventory."

Ms. Gallagher brought up the internet go-fund-me type of thing, and said that she would

	<p>be willing to try that if Council wishes.</p> <p>Vice Mayor Freund brought up renovating the Hotel Jerome to rent additional space there. Mayor Currier said that we have looked at it. There are one or two rooms, he said, and to go beyond those, you get into plumbing, electrical work and fire code. Chief Blair added that fire escapes and sprinklers would be required. "Everything with the Hotel Jerome would cost a million plus," the Mayor said.</p> <p>Councilmember Stewart said, "that's why you would come up with a general plan -- we would have to do it in phases when these grants come up." The roof would be done first, he said, and then we would move on to the next phase. He suggested that the new Town Engineer might be able to help us with that.</p> <p>Councilmember Vander Horst recapped by saying, "This was my topic, so I am not suggesting we outsource everything. If we do get anyone to propose something -- Sheriff Moser might give us a quote -- what we will find out is how well Chief Muma and Chief Blair are running our departments." He said that he believes it will validate them; however, it is something he wants to know, so that we understand what our options are. He said that he has done a lot of mergers and outsourcing, and he has seen the pitfalls. He just wants the facts.</p> <p>Chief Blair said that it may be possible to outsource sanitation for restaurants only, and we could continue to take care of the residential areas. Mayor Currier noted that the problem with that is that we would then still need a garbage truck, but would lose a large large revenue source. Chief Blair replied that we would save on manpower, wear and tear on the truck, and tipping fees.</p> <p>Staff was directed to: (1) implement a system for voluntary parking donations; (2) look into privatization of garbage collection; and (3) develop a plan for the sale of Town of Jerome merchandise. The possibility of a sales tax audit will be discussed with the Chamber of Commerce at their next meeting.</p>
<p><b>ITEM #10</b> <b>9:10</b></p>	<p><b>TO AND FROM THE COUNCIL</b></p> <p>Council may direct Staff as to items of pending importance that they would like placed on a future meeting agenda.</p> <p>Vice Mayor Freund said that he would like to pay close attention to the homeless situation. He heard that Zoning Administrator Al Sengstock would be attending a meeting about this, and asked if we should schedule an agenda item about it. Ms. Gallagher confirmed that Mr. Sengstock will be our liaison with the Verde Valley Homeless Coalition, and said that she would ask him to update Council at the next meeting.</p> <p>Councilmember Vander Horst mentioned the no U-Turn sign at the entrance to East Avenue and Holly. It was agreed that Ms. Gallagher will handle this administratively and bring it to Council if their action is needed.</p> <p>Councilmember Vander Horst requested that the next agenda include a discussion regarding staggered terms for Councilmembers.</p>
<p><b>ITEM #11</b> <b>9:13</b></p>	<p><b>ADJOURNMENT</b></p> <p>Upon <b>motion</b> by Councilmember Barber, seconded by Councilmember Stewart and unanimously approved, the <b>meeting was adjourned at 9:13 p.m.</b></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: \_\_\_\_\_