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# TOWN OF JEROME, ARIZONA

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## MINUTES

### SPECIAL MEETING OF THE JEROME TOWN COUNCIL JEROME CIVIC CENTER - 600 CLARK STREET - COUNCIL CHAMBERS THURSDAY, APRIL 14, 2016 AT 3:00 P.M.

<p><b>ITEM #1:</b></p>	<p><b>CALL TO ORDER/ROLL CALL</b></p> <p>Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll.</p> <p><i>Mayor Currier called the meeting to order at 3:00 p.m.</i></p> <p><i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Currier, Vice Mayor Freund and Councilmember Barber. Councilmember Stewart and Councilmember Vander Horst were not present.</i></p> <p><i>Other staff present were Joni Savage, Deputy Clerk, Rebecca Cretti, Finance Director, and Fire Chief Rusty Blair.</i></p> <p><i>Chief Blair asked if Item #4, Transfer of Contingency Revenues and Expenses, could be addressed first, as he needed to leave shortly. Council agreed, and that item was addressed at this time, but is reflected in these minutes as originally agendized.</i></p>
<p><b>ITEM #2:</b> <b>3:12</b></p>	<p><b>ZONING ADMINISTRATOR</b></p> <p>Council may review resumes received for the position of Zoning Administrator and/or may authorize an agreement with Al Sengstock for continued service as Zoning Administrator, to be provided remotely.</p> <p><i>Ms. Gallagher had provided copies to Council of all resumes received so far for the position of Zoning Administrator. It was agreed that only one applicant had relevant experience, and that was minimal. She advertised the position for three weeks in the Verde Independent and on the League's website, our website, our Facebook page, and at our posting locations. She has not met with any of the applicants. She noted that this is a Council appointment.</i></p> <p><i>Ms. Gallagher informed Council that Al Sengstock has offered to continue in his role as Zoning Administrator, working remotely from Florida. He would do that for half of his current salary, and would work with Ms. Julian and Ms. Savage for posting, etc.. He would attend meetings via Skype or Facetime. This would save us about \$20,000 in the budget, and she has prepared the latest draft with that in mind.</i></p> <p><i>Council discussed this possibility, and Ms. Gallagher was asked to be sure that Ms. Julian understands what we would be doing.</i></p> <p><i>The Mayor asked Ms. Gallagher if she felt that time was of the essence in making an appointment. She replied, "I think Mr. Sengstock would be helpful in the interim, but I do feel time is of the essence, yes."</i></p> <p><i>Vice Mayor Freund said that he is inclined to keep Mr. Sengstock on as the remote Zoning Administrator. He said that he believes it is an interesting possibility, and "if it doesn't work, we'll bail out immediately." Councilmember Barber agreed, and said that it might work, and it is in the best interest of the Town. Mayor Currier agreed also, noting that continuity in that office has been a problem. "I lean toward this deal with Mr. Sengstock," he said.</i></p> <p><i>Vice Mayor Freund said that he would like to make this decision with the entire Council present.</i></p> <p><i>Mayor Currier directed Ms. Gallagher to develop a contract with Mr. Sengstock and have the attorney review it. We should try this arrangement and review it in six months, he said. He likened it to the arrangement with our attorney: if we need him, we call him. He said that he</i></p>

	<p>would consider Ms. Julian as the primary liaison with Mr. Sengstock. Ms. Gallagher noted that Mr. Sengstock has been working closely with Ms. Savage also.</p>
<p><b>ITEM #3:</b> <b>3:23</b></p>	<p><b>LEANING WALL</b></p> <p>Council will discuss options for completion of the leaning wall project, including the cost of obtaining Jersey barriers, and the Town Engineer's recent suggestion to remove the top half of the wall.</p> <p><i>Ms. Gallagher explained that they had been having difficulty finding the Jersey barriers that were recommended by the engineer. We did find some in Missouri, but the cost to buy and have them shipped here would be \$2,400. She asked the engineer if there was an alternative, and he said that we could pour concrete, which would be even more expensive. In the meantime, she did find that we could obtain the barriers free from Coconino County, but would need to pay to transport them here and for a crane to lift them into place.</i></p> <p><i>She said that she had just received an email from the engineer, in which he recommended that the Town consider removing the top portion of the wall, which he felt could be done by the crew using a diamond saw. His email read, "This would solve a multitude of problems, eliminate the need for any type of wall or barrier adjacent to the wall, allow the use of the horseshoe pit and other gatherings in the area, allow the use of the parking area below the wall and the possible utilization of the funds saved to repair the wall below. I understand there are many local considerations concerning the wall and I'm not trying to persuade the Town to opt for any particular solution, but only trying to offer cost effective alternatives."</i></p> <p><i>Ms. Gallagher reminded Council that this issue began years ago when the stone wall failed. When that happened, we had to block off the motorcycle parking area. Losing that parking was the problem that we needed to fix. In order to restore the parking, we had to repair the stone wall, and before doing that, we had to stabilize the leaning wall above it. Ms. Gallagher said that we have lost sight of the purpose in the beginning, which was to open up the motorcycle parking. Now, we're in a situation where, unless we take off the top of the wall or ignore the advice of our engineers, we can't ever do that.</i></p> <p><i>Mayor Currier pointed out that this is the second engineer who has given us that reading. Shephard-Wesnitzer told us the same thing. Once the buttresses were put in, it became possible for pieces of the top of the wall to fall, hit the buttresses and bounce. "That is two engineers that have told us we cannot reopen that parking area without danger," he said.</i></p> <p><i>Councilmember Barber expressed her frustration with the entire process, and asked what would happen when they start cutting the wall that now has rebar in it.</i></p> <p><i>Mayor Currier commented that "this is the most frustrating thing I've dealt with in years. Until we can get an engineer to sign off, our hands are tied. In reality, we've had two engineers that have said they would not sign off on it, because they did not think it was safe."</i></p> <p><i>Ellen Vojnic, a local resident, said, "You can see a crack half way up and daylight going through it. It just needs to go. Why are we spending money on that? It is crazy throwing good money after bad, so just knock it off."</i></p> <p><b>Motion:</b> Mayor Currier made a motion <b>to take off the upper half of the wall to the point of where it satisfies the engineers.</b></p> <p><i>Vice Mayor Freund said that he believes we were misled by the engineers. In the beginning, he said, if we had the choice of cutting off the upper half of the wall, he would have said no, but added, "The thing is worthless, visually, now." He suggested that, if we cut off the top portion and face the front with stone, similar to the rock work in the basketball court, that area could be used as seating. He distributed pictures of what he envisioned, and said that this work could be done at our leisure over the next few years. He then said that he agreed with Mayor Currier, and seconded his motion.</i></p> <p><i>Councilmember Barber noted that Anne Conlin and Jane Moore had spoken originally in defense of saving the wall, and she said that she wished they were present to voice their opinions.</i></p> <p><i>Mayor Currier called the question.</i></p> <p><b>The motion passed, 3-0.</b></p>

<p><b>ITEM #4:</b> <b>3:02</b></p>	<p><b>TRANSFER OF CONTINGENCY REVENUES AND EXPENSES</b></p> <p>The Council will discuss, and may approve, a transfer of funds in the 2015-16 budget (wildlands revenues and expenditures) from the General Fund Contingency to the General Fund.</p> <p><i>Ms. Gallagher explained that over \$65,000 in revenue from wildlands firefighting has been received, and had been budgeted in the Contingency Fund. Certain fire expenses were charged out of that fund also, totaling about \$30,000 (including \$15,800 for the Polaris and expenses related to wildlands firefighting). Salaries for wildlands firefighting came out of the fire budget, however. The auditor has recommended that we transfer the wildlands revenues and expenses from the Contingency Fund to the General Fund, so that they are reflected properly. She would like to bring this back to Council at the next budget meeting with a written motion that she would want the auditor to review beforehand.</i></p> <p><i>Mayor Currier asked if there would be anything left in the Contingency Fund. Ms. Gallagher said that if we transferred enough to cover all expenses to date, including the salaries charged to the fire budget, it would leave about \$7,000 or \$8,000 in contingency. She added that Chief Blair has a list of items he would like to purchase with the remaining wildlands revenues.</i></p> <p><i>Chief Blair clarified that he didn't want to spend the entire amount; he would just like to use some of the money to supplement his budget for supplies related to the Firewise Community effort. He explained that the Firewise grant does not cover supplies, only wages.</i></p> <p><i>There was further discussion regarding the Firewise grant. Chief Blair said that he has spent a little over \$6,000 of that grant so far. He would like to utilize about \$1,000 of the additional funds in contingency toward small tools and equipment used for the Firewise effort.</i></p> <p><i>Chief Blair asked about \$6,000 in revenue received in July for the Kearney River Fire. Ms. Cretti explained that this was a receivable from the prior fiscal year.</i></p> <p><i>Ms. Gallagher was asked to provide information and a written motion fund at the next budget meeting for a transfer of funds from the contingency fund to the general fund.</i></p>
<p><b>ITEM #5:</b> <b>3:36</b></p>	<p><b>2016-17 BUDGET</b></p> <p>Council will continue their discussion of the 2016-17 budget, with an emphasis on Water, Sewer, Sanitation and Streets.</p> <p><i>Ms. Gallagher noted that the draft budget presented at this meeting indicates a \$20,000 surplus, but there is a lot that is not yet included. She reviewed her memo explaining that this draft:</i></p> <ul style="list-style-type: none"> <li>• <i>Anticipates \$16,500 LESS in city sales tax revenue than was budgeted for 2015-16. This is based on current year actual revenues, and the anticipated discontinuation of the bed tax and added restaurant/bar tax as of November 1.</i> <ul style="list-style-type: none"> <li>○ <i>This prompted a brief discussion regarding sales tax revenues.</i> <ul style="list-style-type: none"> <li>▪ <i>Ms. Gallagher noted that Ms. Tovrea has been reviewing the State reports and found that a certain retail business, which had been paying taxes to the county and state, had not been paying taxes to the Town. We will be getting about \$13,000 in back taxes from that business.</i></li> <li>▪ <i>Ms. Gallagher explained that Council will need to make a determination soon regarding whether or not to discontinue the additional tax on bars and restaurants, and the bed tax. Discontinuing these would require action by Council.</i></li> </ul> </li> </ul> </li> <li>• <i>Includes a 5% increase, for discussion purposes only, in water and sewer rates, and a \$12,500 contribution to the capital fund from the water budget. It was noted that the last time water and sewer rates were increased was around 2009.</i></li> <li>• <i>Includes a \$12,500 contribution from the sanitation budget to the capital fund, which, added to the \$25,000 already contributed, will total \$37,500 put aside toward a new garbage truck.</i></li> <li>• <i>Includes general sums for infrastructure maintenance in various budgets, as follows:</i> <ul style="list-style-type: none"> <li>○ <i>Town buildings</i> <span style="float: right;"><i>\$20,000</i></span></li> <li>○ <i>Town properties (infrastructure)</i> <span style="float: right;"><i>\$25,000</i></span></li> <li>○ <i>Parks</i> <span style="float: right;"><i>\$5,000</i></span></li> <li>○ <i>Water infrastructure</i> <span style="float: right;"><i>\$20,000</i></span></li> </ul> </li> </ul>

- o Sewer infrastructure \$10,000
- o Streets \$11,000

It was discussed and clarified that any specific projects would be discussed and decided on by Council, but the figures presented here were are to include general repairs and maintenance.

- Anticipates the following staffing changes:
  - o Zoning Administrator moving to part-time (remote service), and benefits costs reduced accordingly.
  - o Zoning clerical assistance hours budgeted at 15 hours per week.
  - o In accordance with Fire Chief's recommendation, JFD Duty Officer reflected as a full-time position with benefits, and pay for Assistant Chief eliminated.
- Does not yet include any wage or salary increases, as there is no Social Security COLA for 2016. She noted that this is intended as a starting point only, and ultimately, it is up to Council to determine whether and to what extent to provide an increase. During the past three years, increases were granted in the amounts of 2.3%, 1.5% and 2%. Every one percent across-the-board salary increase would represent a budget impact of approximately \$10,000.

Ms. Gallagher noted that there are several projects that may carry over into the coming budget year and, if so, would require some funding. Those include:

- School Street regulator work
- Water line replacement, if needed, and brick walkway rebuild (near sluice steps)
- Gulch Septic Tank replacement/leach field
- Leaning Wall (either Jersey barriers or removing the top half)
- Stone wall repairs below leaning wall
- Restoration of Horseshoe Pit area (largely labor costs)
- Retaining walls at Town Hall and above School Street, and repairs to the steps there. She noted that the estimate received for structural engineering and plans for this project is \$20,000, which could be covered by the grant received from Freeport for this project.

Ms. Gallagher noted that this draft budget does not yet include:

- A request by the Judge for a wage increase for the Court Clerk to \$18/hour (currently \$16.61)
- The purchase or lease purchase of a garbage truck. She said that she believes we could purchase an acceptable used truck for between \$60,000 and \$70,000, including transport here, and that it could be financed through the National Bank of Arizona.
  - o Resident Ellen Vojnic asked if the actual compactor part had to be replaced also. Mayor Currier said that this is something to consider.
  - o Maintenance costs were discussed briefly, and it was suggested that, if a new truck is purchased, the sanitation budget for vehicle maintenance could be reduced.
- A request by the Fire Chief that Town begin contributing \$12,000 to the Firefighter's Pension fund. Several years ago, the Town's contribution was at that level, and was reduced to its current level, \$8,000.
  - o Ms. Cretti noted that this was increased to \$12,000 for a couple of years as a benefit, but traditionally it has always been at \$8,000.
- Additional staffing:
  - o One or two additional Public Works crew members
  - o New position: Assistant Finance Director
- A sound system for Council chambers
- Any adjustment in rental prices for Town properties. (Blue Bee Boutique has requested a rent reduction, and has suggested a rental rate of \$1,650 per month, which would represent a \$500 per month reduction -- budget impact \$6,000).

Ms. Gallagher explained that this preliminary budget does not anticipate the use of any fund balance. Her memo explained that fund balance is surplus created primarily by an excess of actual revenues over actual expenditures in any given year. Each year, any excess of

revenues over expenditures is added to the fund balance, or any deficit is subtracted from it. At 6/30/06 the Town's general fund was in DEFICIT at negative \$38,494. At 6/30/09, our general fund balance was \$165,395. Preliminary figures from our 2014-15 audit indicate that our fund balance as of June 30, 2015 is \$454,846, of which \$395,300 is classified as "unrestricted," meaning, not earmarked for a particular purpose. This represents 27.4% of the general fund expenditures as represented in this draft budget. At this time, it appears that during 2015-16, we will have generated additional fund balance, so that figure is likely to be higher going into FY2017.

Mayor Currier said that he would like to work on the utility fund at this meeting. Discussion ensued, the highlights of which are presented below, not necessarily in chronological order.

- Ms. Gallagher explained that the allocation of public works salaries between the various departments is based on average actual hours spent in each area during the prior five years. As such, the allocation percentage can change slightly each year.
- Ms. Gallagher explained what some of the line items in the utility budgets represent. Contract Services is the amount paid to Contract Wastewater (Henry MacVittie), the licensed operator who handles our water and sewer system, runs tests, etc.. Insurance represents liability and property insurance.
- The School Street regulator project was discussed briefly. Ms. Gallagher said that Mr. Avé hopes to have it completed before the end of this fiscal year.
- Ms. Vojnic asked, "Isn't there a way to start replacing things instead of waiting for something to fall apart? Every year there should be money set aside and ... pipes replaced, instead of waiting for the system to become a sprinkler system." She added that it is important to "start at the bottom, because you can't put the pressure on the top and expect things not to blow up."
- Council reviewed a list of the projects Mr. Avé is working on, and the Mayor expressed frustration with the slow progress.
- Councilmember Barber said that we need a map of our water system. Ms. Gallagher noted that we do have a water infrastructure map that was done by our engineer several years ago, and Mr. Avé has a copy of it. She has asked that a log be kept of maintenance on the various parts of our system.
- Council discussed which areas should be considered for water line replacement. It was noted that the Clark Street line was replaced a few years ago, and the Hampshire line was transferred to the fire line recently. Ms. Vojnic recalled that the line on Dundee was replaced in the 1980s. The possibility of replacing lines on Giroux, Center and Verde was mentioned. Ms. Gallagher suggested that we ask Chief Blair for his recommendation in this regard, and she was asked to get his input. Vice Mayor Freund commented that, if there are areas that would benefit from roadwork, we might begin there, as after the utility work the road would need to resurfaced. "Center and Verde might be candidates," he said.
- Council discussed the amount to be budgeted for sewer repair and maintenance. Ms. Vojnic suggested that sewer work be done along with the water line work, while the road is open. It was noted that funds could be utilized from the Sewer Emergency Fund if needed, but those funds would need to be budgeted for use. Ms. Cretti pointed out that funds in the sewer accounts are accumulating to pay off the bond.

It was eventually agreed to increase the budgeted use of the Sewer Emergency Fund by \$5,000 (to \$10,000) and increase the budget for Sewer infrastructure R&M by \$5,000 (to \$15,000). The emergency funds would be transferred only if needed due to an emergency.

Ms. Gallagher noted that some of the R&M monies would go toward replacing lines leading to the Gulch septic tanks. Ms. Cretti recommended that, because of the sewer bond, expenses related to the Gulch septic system be charged to properties rather than sewer.

- Council reviewed the sanitation budget and Ms. Gallagher and Ms. Cretti explained some of the line items. It was noted that "Software Support" includes our billing system, and that recycling expenses are included in the Sanitation budget.

	<ul style="list-style-type: none"> <li>• There was discussion regarding the purchase of a new (used) garbage truck. The Mayor suggested that we try to get through another year with our current truck, and Ms. Gallagher explained that we will have enough money set aside in the capital fund to cover a good portion of the cost if it is necessary to purchase a truck during the course of the year. It should not be necessary to budget additional monies for that, beyond the annual contribution to the capital fund from the sanitation budget.</li> <li>• The budget for streets was reviewed and discussed briefly. It was noted that the Town subsidizes street expenses, because our HURF allocation is not sufficient to cover those. Vice Mayor Freund stated again that he feels we should combine street repairs with utility work, and added that he would love to see Center Street done. His hope would be to restore the cobblestone there. Ms. Gallagher suggested that there may be historic preservation grants available for something like that. Ms. Gallagher agreed with the Vice Mayor, and said that Council might want to think about an area of town that they would like to concentrate on for water, sewer and roads. "You don't want to fix a road that you might have to tear up again," she said. Also mentioned was School Street, which Ms. Gallagher noted has been worked on recently.</li> <li>• With respect to budgeting for unanticipated repairs, Ms. Gallagher noted that, whenever we have to dig up 89A, it becomes very expensive, because ADOT "requires us to meet the gold standard" when repaving. It can be thousands of dollars.</li> </ul> <p>Because the full Council was not present, discussion of wages was postponed to a future meeting.</p>
<b>ITEM #6:</b>	<p><b>ADJOURNMENT</b></p> <p>Upon <b>motion</b> by Councilmember Barber seconded by Vice Mayor Freund and unanimously approved, the <b>meeting was adjourned at 4:53 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: \_\_\_\_\_