



TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331
(928) 634-7943
www.jerome.az.gov

DRAFT MINUTES

SPECIAL BUDGET MEETING OF THE TOWN OF JEROME

COUNCIL CHAMBERS, JEROME TOWN HALL

600 CLARK STREET, JEROME, ARIZONA

TUESDAY, MAY 27, 2025, AT 6:30 PM

Due to the length of this meeting, Council may recess and reconvene at the time and date announced.

6: 30 (0:01) 1. CALL TO ORDER/ROLL CALL

Mayor/Chairperson to call meeting to order
Town Clerk to call and record the roll.

*Present were Mayor Alex Barber, Vice Mayor Jane Moore, Dr. Jack Dillenberg, Issam "Izzy" Sharif, and Sonia Sheffield.
Staff present included Town Manager Brett Klein, Zoning Administrator Will Blodgett, Deputy Clerk Kristen Muenz.*

2. NEW BUSINESS

Discussion/Possible Action

6:30 (0:30) A. Consideration of a 3-year Lease Renewal at Hotel Jerome for Unit B2, between Chad Hembrough and the Town of Jerome

Council will consider entering into a 3-year lease effective June 1, 2025, with Chad Hembrough at a new rate of \$0.30 / square foot, per month.

Mayor Barber introduced the first item and explained that this is a 3-year lease renewal of Unit B-2 for Chad Hembrough with a slight increase as it hasn't increased in 3 years.

Mr. Klein explained it was likely longer than that. The other rents had not been changed in some time and were recently raised slightly. The terms were a 3-year lease and will go from 27.5 cents per square foot to 30 cents.

Dr. Dillenberg commented that it was not much.

Ms. Barber agreed it was a nice price for a little studio space. She made a motion to renew the lease for 3 years.

Dr. Dillenberg seconded the motion and before the vote was called, Mr. Hembrough was invited to make comments.

Chad Hembrough approached the dais and introduced himself. He thanked the council and said it is a great little spot, and he thinks the price is fair. Mr. Hembrough said he would like to point out a couple of items for the future. Exterior safety lighting and interior lighting for more 24-hour use of the place. Also, pest control as there are signs of usual insects, maybe twice or 3 times of year. He said he had no personal concern for the safety of his unit, of the contents of, but it is padlocked. Down the road, he suggested some maintenance on windows and doors and overall security of the structure.

Council member Izzy Sharif asked if Mr. Hembrough's unit had the missing window.

Mr. Hembrough replied the window was missing on B-3; his window is cracked open.

Mr. Sharif asked if it would not shut and Mr. Hembrough answered that it may be stuck in place.

Mr. Sharif thanked him.

Dr. Dillenberg commented that the fish sandwich Mr. Hembrough makes is unbelievable.

Ms. Barber thanked Mr. Hembrough, and the vote was called which passed unanimously

Dr. Dillenberg thanked Mr. Hembrough for doing a great job; his place [the Flatiron Café] is great, and we are lucky to have him in town.

Motion to approve the 3-Year Lease Renewal with the suggested new rate

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER	X		X			
DILLENBERG		X	X			
MOORE			X			
SHARIF			X			
SHEFFIELD			X			

6:34 (3:55) B. Consideration of a 3-year Lease Renewal at Town Hall for Studio 3 between Ginger MacKenzie and the Town of Jerome

Council will consider entering into a 3-year lease effective June 1, 2025, for Studio 3 with the new rate of \$0.48 / sq foot per month.

Ms. Barber introduced item B, the renewal of a lease with Ginger Mackenzie. She said it was a leasing spot in the Civic Center. She mentioned that it had not been included increase, but will it be increased?

Mr. Klein confirmed this; it was not in the chart, but the proposed increase would be included.

Dr. Dillenberg asked if it needed to be voted on, and Ms. Barber confirmed it did.

Dr. Dillenberg motioned to approve the lease renewal.

Ms. Barber said that she would second the motion and noted that Ms. Mackenzie was not present. She asked if we were sure she wanted this.

Mr. Klein said yes, he had reached out to her, and she was okay with the modest increase in rent.

Dr. Dillenberg commented that Ginger Mackenzie was another asset to the community, and he was delighted with some of the people we were able to do business with in the Jerome area.

Ms. Barber agreed that Ms. Mackenzie was an amazing lady.

Motion to approve the 3-Year Lease Renewal with the suggested new rate

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER		X	X			
DILLENBERG	X		X			
MOORE			X			
SHARIF			X			
SHEFFIELD			X			

6:35 (5:03) C. Consideration of a Settlement Agreement between The Town of Jerome and Verde Exploration, Ltd., a Delaware Corporation and Jerome Verde Development Co., a Delaware Corporation, (Collectively "Verde")

Council will consider and may approve the Settlement Agreement in resolution of Yavapai County Superior Court Case No. S1300CV202500182.

Ms. Barber introduced the next item, a settlement agreement between the Town of Jerome and Verde Exploration Ltd, a Delaware Corporation and the Jerome Verde Development Company, also a Delaware Corporation; collectively "Verde." She said this was a settlement agreement in resolution of a Yavapai Superior Court case and something that has been worked long and hard on.

Ms. Moore made a motion to approve the settlement agreement in the form presented here today to resolve Yavapai County Superior Court case S1300CV202500182 on the terms set forth in the agreement and to authorize the Mayor, Manager, and Town Attorney to take all steps to execute all documents necessary to accomplish the same.

Dr. Dillenberg seconded the motion.

Ms. Barber asked the council if there was any further discussion.

Ms. Moore said we want to get the wastewater plant done.

Ms. Barber asked if staff would like to add anything.

Mr. Klein stated it was a culmination of 14 months of work to get it done and, while it was not ideal, it was the best it can be at this point and avoids having it decided by the courts, so this was a good outcome. Staff, condemnation counsel, and town legal counsel recommend following through with this.

Ms. Barber replied, absolutely, and asked if anyone else would like to speak. Hearing no responses, she called the question, and the motion passed unanimously.

Motion to approve the Settlement Agreement in Resolution of Yavapai County Superior Court Case No. S1300CV202500182

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER			X			
DILLENBERG		X	X			
MOORE	X		X			
SHARIF			X			
SHEFFIELD			X			

6:37 (6:57) D. Consider Approval of the Tentative Budget of the Town of Jerome for FY 2025-2026

Council will consider and may approve the proposed tentative budget for Fiscal Year ending June 30, 2026. If approved, the public hearing for the budget and tax levy final adoption will take place on June 10, 2025.

Ms. Barber introduced Item D, the Tentative Budget for Fiscal Year 2025 and 2026, and asked if anyone had any last-minute questions.

Dr. Dillenberg said he thought we were good to go and made a motion to accept.

Ms. Moore said that she would second the motion, and said she thought we had hashed over it enough.

Ms. Barber called the question for the motion and second to accept the tentative budget and the motion carried unanimously.

Motion to approve the Tentative Budget of the Town of Jerome for FY 2025-2026

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER			X			
DILLENBERG	X		X			
MOORE		X	X			
SHARIF			X			
SHEFFIELD			X			

Mr. Sharif said there was something that he wanted to ask, as we are in the budget scenario. There's something that occurred in Sedona, it might not be something we can do here, but in Sedona they did something new with STRs and he was wondering if it was something we could look at as far as action is concerned. He said that was the potential of rewriting the ordinance to be able to give an annual permit fee for Short-Term Rentals, because that would help to generate funding. Mr. Sharif said it was something he wanted to throw out there to think about as something we can do, and maybe if it was a multi-unit Short-Term, could we do it per unit?

Mr. Klein replied that state law preempted much of the control, but he could take a look at what we could do. We implemented what we could do per the model ordinance, and many cities followed the model by the Arizona League of Cities and Towns. Subsequently, some communities have changed, not more stringent necessarily because, again, the state preempted most of what we can control, but he would take a look.

Mr. Sharif said he would also like to talk about the possibility of increasing fines or fees based on violations.

Ms. Barber added it would be another thing with the state we would have to check. At this rate, she asked if it was not like a business license that had to be renewed; was it a one-time fee paid?

Mr. Klein replied yes, but we had implemented a business license renewal as well.

Ms. Muenz noted that when we first started to implement the STR licenses, they replaced the business license process.

Mr. Klein said that he had many discussions on this, and both should be implemented.

Ms. Barber said we will have further discussions and see what can be done.

3. ADJOURNMENT**Motion to adjourn at 6:40 P.M.**

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER	X		X			
DILLENBERG		X	X			
MOORE			X			
SHARIF			X			
SHEFFIELD			X			

APPROVE:

ATTEST:

 Alex Barber, Mayor

 Brett Klein, Town Manager