



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 09, 2023, AT 6:00 PM

6:01 (0:02) Item 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, Sage Harvey, and Sonia Sheffield.

Staff present included Town Manager/Clerk Brett Klein, Fire Chief Rusty Blair, Zoning Administrator Will Blodgett, and Deputy Town Clerk Kristen Muenz.

6:02 (0:30) Item 2. NEW BUSINESS

Discussion/Possible Action

6:02 (0:30) A. Fiscal Year 2023-2024 Budget Work Session

Council will continue their discussions regarding the 2023-2024 budget, including a review of an initial draft budget. All aspects of the budget may be discussed and Council may provide staff direction regarding the 2023-2024 budget.

Mayor Barber introduced the item, the Fiscal Year 2023-2023 Budget Work Session, and commented that we are not used to seeing it look like this.

Councilmember Jack Dillenberg asked if there was a typo on Page 6, which referenced repair to the crashed "police squad."

Mr. Klein informed Dr. Dillenberg that "squad" was a common term for a police vehicle, and that is what was repaired.

Ms. Barber asked if insurance had paid for that, and Mr. Klein confirmed the insurance coverage was included as a separate item.

Mr. Klein explained that the initial budget meeting took place in the fall with the Council goal setting session and identification of capital items; the second budget meeting covered staff and labor costs and this third meeting is a draft budget. He then briefly explained that process we would be undertaking, including some updates and changes that would take place soon, and said that he was hoping the budget will be near completion by the next budget meeting. Mr. Klein said the format of the budget report is new to us, but is very common. The balance sheet gives a good snapshot, especially of the fund balance with the policy of a minimum balance we must maintain of 25%. He said, we keep pushing off projects, and we need to plan to get these projects completed. Nevertheless, we have a healthy fund balance which allows us to use those funds. He said we only have 2 months left in the fiscal year and have a projected surplus of \$400,000. He said we should only use about \$400,000 or so of the fund balance for this upcoming fiscal year as opposed to the \$1.1 million that was used this year. Mr. Klein said his goal is to never use more of the fund balance than is projected to be in the surplus the prior year. He added that the state's flat tax will start to impact us in 2026, so we need to be prepared.

Dr. Dillenberg asked, with what is going on with the government and the budget, will that affect us if they cut funds? He mentioned the federal loan for the wastewater treatment plant project.

Mr. Klein replied that is a federal grant and they don't tend to change once there is a commitment. Councilmember Jane Moore said she wondered about the shared revenue. Can we count on that?

Mr. Klein said he put down way less than we are projected to get. The state is raising the allocation to 18%, and then explained that the amount shown in the budget is still the 15% amount because he tries to be conservative with the revenues.

Dr. Dillenberg said that parking is doing well this month, almost \$40,000.

Councilmember Sage Harvey said that it was not making up for what we didn't get in. She said that she had many questions and Mr. Klein recommended going page-by-page.

Ms. Harvey asked if we expect \$10,000 for Building Permits next year.

Mr. Klein explained there is a lag in Building Permits; you see buildings going up now that had permits from 3 years ago. We have to look at historical data for projected estimates.

Ms. Harvey asked about fees for STR licenses, she asked why he had estimated only \$300 for the next year and Mr. Klein replied that was because it was a one-time fee and was a conservative estimate.

Ms. Harvey asked about the library's current year's actual amount and Mr. Klein answered that was due to an administrative issue. The funds were not being put into the ledger account but that would be rectified over the next budget year, and we may see many of those that need to be allocated to the actual line item.

Ms. Moore asked, what if we put in a lower figure and more comes in, is that pie in the sky? We have done it in the past so that if more comes in it could be spent.

Mr. Klein replied that we will see that in the contingency fund. He said it is best to have your general fund balanced, but any extra funds will be put into contingency.

Ms. Harvey said that it looked like the current year for rental revenue is low, but the year before, we had over \$80,000. We just took on Holly and are getting rent from that too, so the number doesn't make sense.

Mr. Klein said that is also because putting the money where it should go. He explained that the library was getting nothing for rents in the prior year, but it is supposed to get the rent from the lower level of Town Hall.

Ms. Harvey asked if it would be corrected, and Mr. Klein confirmed that it would be corrected.

(15:05) Ms. Harvey wondered why Fire Department services amount was so high compared to prior years.

Mr. Klein explained that was insurance pay-outs and the amounts depend on how much follow-up work we do or don't do. When Rusty Blair is more involved, it could be higher depending on oversite and follow-up.

Fire Chief Rusty Blair said it also depended on the number of motor vehicle accidents; if we don't get them, we can't bill for them, and this year was slower. It is matter of getting the vehicle registration and insurance information on scene to facilitate the process.

Ms. Harvey thanked Chief Blair and Mr. Klein said that we will be keeping the item at the same amount.

Ms. Moore asked if the amount in general government expenses for salaries and wages included raises.

Ms. Harvey said that it did.

Chief Blair said that in previous years, we called it Chief's coverage; that is why he was here because of bylaw changes. He did not believe it was a line item anymore.

Mr. Klein said it was built in now.

Ms. Harvey explained that it included the Firewise staff salaries and raises.

Chief Blair said he would like to keep it in there just in case.

Ms. Harvey then pointed out on page 10, the amount that we have spent on general government legal expenses is fantastic. She said to Mr. Klein, you have cut that down, you have made good calls and it is showing in our budget.

Mr. Klein said that we also have had free League legal counsel on certain issues. Bill Sims is our go-to of legal counsel, but when we get legal info from League it helps and is free.

Ms. Harvey moved on to page 11, Allowance for Preservation, which is for historic buildings. She said she felt every one of us would like that to be in the budget, especially if we are going to start enforcing work on dilapidated building.

Mr. Klein replied that it is the budget near the end, in Capital Expense Items.

Ms. Harvey and Ms. Barber asked which page, and what is the amount?

Mr. Klein said it was on page 33 under General Funds, and in General Use of Proceeds from Sale of Property. He said we can certainly budget for it; it is contingency funds that we will have.

Ms. Harvey said that was money that we had specifically put aside to deal with dilapidated buildings. She asked if the prior council had also had it.

Ms. Barber said we talked about it before, and she brought it up again when we talked about the Tamale Ladies' house. They had almost done a roof, but everyone said there is no way the \$60,000 could do enough. She said she thought it was a lien process and the budget item was called Allowance for the Preservation of Historic Buildings.

Ms. Harvey agreed that was what it was called, and it was its own line item.

Mr. Klein replied that we can put whatever you want in there; we go to the homeowner to provide the revenue when you put the lien on it. He explained that we wouldn't increase the expense budget without showing corresponding revenue. While he felt it fit better in the contingency funds, he could delineate it better or he could put it in this part of the budget if she prefers.

Ms. Harvey said she wants to be able to see it and Mr. Klein replied that he is open to whatever she would like.

Chief Blair said that he had provided a list of properties, and there were two main violators. He asked, "Where do you start, and how do you make it fair?" That is his main concern; we don't want to be select.

Mr. Klein said we spoke about that at the last meeting.

Ms. Moore explained that it was about the threat to safety. She asked for clarification on a house that needs to be fixed, fixed with a lien, you are putting out money, but the money is not coming back?

Ms. Harvey said, not unless they sell it or pay us back.

Mr. Klein replied that, in theory, you operate under the assumption that they will pay for it. They will not want a lien on the house, but there will be a lag.

Mr. Blodgett said that he has identified a couple of programs with the state that do provide money or loans for maintenance and repairs. His approach will be a soft approach at first. The next step will be if the property owner absolutely refuses to make an attempt, but he hopes we will not have to explore that.

Ms. Barber asked Council, do we feel like we should have this line item, Allowance for Preservation of Historic Buildings?

Ms. Harvey replied that Mr. Klein can also line-item it in the contingency and show it in the budget notes as long as we can see it somewhere.

Ms. Barber asked, \$100,000.00?

Ms. Harvey and Dr. Dillenberg both agreed with that amount.

Ms. Harvey moved on to her next question on an item. For Vehicle Capital Outlay for Police, she asked if Chief Muma had asked for more money this year for a car.

Mr. Klein explained that there had been \$38,000 set aside every other year, but he preferred to have \$19,000 every year.

Ms. Harvey said she is alright with that and Dr. Dillenberg commented it was a good strategy.

For clarification, Ms. Harvey asked if the Firewise Personnel amount was now at 0 because it was included in wages, but what about volunteer contribution?

Mr. Klein explained that it has its own fund now.

Ms. Harvey said that she would like to make a comment: she would like to point out that we are now subsidizing almost \$125,000 to run the little library.

There were comments from other members of the council that it was a large amount.

Mr. Klein said that library revenues were budgeted at \$30,000.

Ms. Moore replied that the subsidy is really \$90,000 then.

Ms. Harvey said she was outvoted, but she was just bringing it to everyone's attention again.

Dr. Dillenberg if we could modify it, and Ms. Harvey replied that she didn't think we could. She said we already get what we get from the county and donations, but we took away paying overdue fees.

Ms. Moore asked how much the county is reducing its contribution by?

30% was the answer given by Mr. Klein.

Ms. Moore said that libraries are going away everywhere. She has been upset by how much it costs, but she loves our library. All the books are going away from the Yavapai library, Kathleen Jarvis went to pick up a lot of them today, and we may be the only ones left with books.

Ms. Harvey suggested they bring back the art workshop and make a little money with some projects. She said they were charging a little bit for items.

Ms. Muenz explained that the library was still holding art workshop classes.

Ms. Barber said that she felt the library is definitely something we need. We have citizens that do not have internet access and they utilize our library. She said it is sad that Yavapai is going away from books, and she wanted to point out that there was not one person from the Sedona/Verde Valley side on the Yavapai College governing board. She said the money has always gone to the quad-cities side and it is bad what is happening at our local community colleges right now. We need education and we need to have our money divided equally amongst Yavapai County. Ms. Barber said that we have talked about doing some projects to make money, which may be something to bring before Ms. Jarvis. She said she agreed it is a lot of money, but we need that library.

Ms. Harvey said that she was not disagreeing, it was just a lot of money.

Mr. Blodgett commented on a small library he knew of in California that raised funds by publishing and suggested the library in Jerome consider doing something similar.

For the legal expenses shown on page 15, Ms. Harvey asked, do we think we are going to need all \$16,000 next year?

Mr. Klein answered, if we are going to start doing more abatement, we will.

Ms. Harvey said that on page 23, the last line item has transfers out from sanitation. Where does it go to?

Mr. Klein explained that it goes to a contingency for a garbage truck. We want to have a legitimate amount to buy a garbage truck.

Ms. Harvey said, under HURF for the public restroom supplies, this year we spent \$3,000 and we are getting ready to put in more restrooms, so we may need to put more in there.

There was some discussion about the public restrooms.

Ms. Barber suggested moving the amount up to \$5,000.

Mr. Klein explained that Hurf is limited in its revenues; any increase will cause a corresponding decrease somewhere.

Ms. Harvey said the amount in Parking Fund Expenses for software service and support is significantly higher than we have been paying.

Mr. Klein said that Chief Muma was going to come in to explain a program that should bring in more revenue and efficiency, that is why he didn't ask for any more staffing and that is why it is in the budget.

Ms. Barber said that she had a man approach her at work who said that they did this in Flagstaff, and they no longer have kiosks.

Mr. Klein said that we will not be getting rid of our kiosks yet, but this will be a similar type of program.

Ms. Barber commented that we still have people who pay cash, so we need at least one kiosk. She said when we first put in the kiosks, she did a lot of research, and Chief Blair has wanted this for some time. Flagstaff and other places are transitioning to it, so it wouldn't hurt to look into it.

Ms. Harvey said that we can still keep the cash one that we got for the Police Department.

Ms. Barber said that if we didn't have kiosks and we didn't have to pay for all the maintenance on them, it would save us a lot of money, so she thought it was an avenue worth exploring.

There was agreement that it was worth looking into.

Ms. Harvey said that her last question was on page 33. Have we not gotten money from FEMA for Covid yet?

Mr. Klein responded, no, that is why it is still there, we haven't gotten it yet. He said it has been making its way through the bureaucratic process. Ms. Harvey commented that there has been a lot of red tape.

Ms. Barber said that the process was horrific; we had to fill out paperwork like we were asking for government assistance, and she felt it was ridiculous that they made cities and towns do that. She said she would go on public record talking about that we have probably 350 to 400 people living here right now, and our numbers are over 2 million as far as tourism. So, for the government to cut us money for the 400 people living here, and not even help us at all with the serious numbers is atrocious.

Ms. Harvey added that they told us to spend our own money and they would reimburse us 75 percent. Do what you need to do, get your signs, get your masks, and here we are 3 years later. She suggested that we could have used the \$30,000 towards a new garbage truck.

Ms. Barber commented that the \$30,000 was a comparatively small amount, and it is sad how municipalities have to fight to get anything for their towns.

Chief Blair said that a lot of agencies who applied for this overinflated their budget and got paid.

Mr. Klein said he hadn't heard of any and Chief Blair clarified that it was mainly districts.

Ms. Barber asked if there were any other comments or questions on the budget and Dr. Dillenberg asked if we take any action. Mr. Klein replied, no, just input and notes from you all. He explained that the tank repair is not going to be done this Fiscal Year; we are going to see some money in next year's budget. He said it has been a while since we sent someone to the Police Academy, and they now require that we pay for meals and housing. We are sending someone there and we will have them sign a contract to stay with the organization. We did get a critical incident grant; the court did a lot of work on that so we will soon see something about that. Otherwise, there is some cleanup of line items to do, but we are getting close and will schedule another meeting at the end of month.

Ms. Barber brought up the cantilever sidewalk. She said we have had dogs and people fall to their death from there, is there any way to pull money out of this and add fencing?

Ms. Harvey agreed that it needed fencing; she suggested adding hog wire to the handrail.

Chief Blair said it must meet code requirements so that people can't fall through; we could research mesh wire.

There was some additional discussion about fencing locations and options. There was general agreement that fencing was needed and that some research on options, as well as budgeting, would be required.

Ms. Barber said we have provided direction on the budget, and we will move on to item B.

6:51 (50:49) B. Update on March 14, 2023, Council Approved Fire Department Bylaw Changes.

Chief Blair will provide an update, outline the process, and answer any questions.

Ms. Barber introduced item B, the approved Fire Department Bylaw Changes and said that Chief Blair was present to give an update and answer any questions.

Chief Blair said that the council had approved that change to the bylaws and the question was in regard to the nighttime coverage; we wanted someone to stay at the station. He said that is part of the Chief's coverage. The idea is that if they stay there 24 hours and have all their certifications, they are paid \$75.

Ms. Harvey asked if he had had any interest yet and Chief Blair said, no, not yet.

Chief Blair explained that the requirements are that the dates must be reserved a week or more in advance because he does not want people at the station when he doesn't need them. Also, a maximum of 2 people; we don't want 5 or 6 people to sign up for the same weekend because we can't afford that. He said the higher the certification, the higher priority, that is the idea.

Ms. Harvey thanked Chief Blair for the clarification.

Dr. Dillenberg asked if there would be any action taken.

Chief Blair said he would like to add one clarification. If we are looking at fencing, it has to be substantial; he said he does not believe hog wire would be enough.

Ms. Harvey gave direction to get a quote from Western Fence to see what it would cost to put up the right type of fencing.

There was some additional discussion on the fencing and both Dr. Dillenberg and Ms. Moore stated that we want it to be safe.

Ms. Harvey suggested getting a fence company and then running the plans by the engineer to make sure it was all right.

Ms. Moore asked about the risk pool and Mr. Klein replied that they will be involved.

3. ADJOURNMENT

Motion to adjourn at 6:55 P.M.

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

APPROVE:

ATTEST:

Alex Barber, Mayor

Brett Klein, Town Manager/Clerk

Date: _____