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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, JUNE 14, 2016, AT 7:00 P.M.

<p>ITEM #1:</p>	<p>CALL TO ORDER/ROLL CALL</p> <p>Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll.</p> <p><i>Mayor Lew Currier called the meeting to order at 7:00 p.m.</i></p> <p><i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Lew Currier, Vice Mayor Doug Freund and Councilmembers Abe Stewart, Alex Barber and Frank Vander Horst. Other staff in attendance at roll call included Judge Joan Dwyer and Deputy Town Clerk Joni Savage.</i></p>
<p>ITEM #2: 7:01</p>	<p>PLEDGE OF ALLEGIANCE</p> <p>Mayor/Chairperson to lead the Pledge.</p> <p><i>The Pledge of Allegiance was led by Mayor Currier.</i></p>
<p><i>At this time, Mayor Currier asked that the 2014-15 Audit Report, Item #8B, be moved ahead of the Staff Reports. He asked for a motion.</i></p> <p>Motion: <i>Vice Mayor Freund moved that ITEM #8B: 2014-15 AUDIT be moved ahead of the Staff Reports. The motion was seconded by Councilmember Barber and unanimously approved.</i></p> <p><i>Item #8B was addressed at this time; however, it is reflected in these minutes in the order agendized.</i></p>	
<p>ITEM #3: 7:19</p>	<p>STAFF REPORTS</p> <p>Written staff reports by the Town Manager/Clerk, Deputy Town Clerk, Utilities Representative, Public Works Department, Building Inspector, Library, Municipal Court, Police Chief, and Fire Chief.</p> <p><i>Referencing the Town Manager's report, Vice Mayor Freund asked Ms. Gallagher why our website needs to migrate to another platform. She explained that GoDaddy, our current host, is changing their system, which would require migration anyway, and the number of pages they will allow to migrate is limited. The new host will be slightly more expensive, but the website will be much improved. Mayor Currier asked when this would happen and if she were capable of handling that. Ms. Gallagher responded that she is, and that it should take about three months.</i></p> <p><i>Councilmember Vander Horst asked if we now have a signed document with the Goldwater Institute regarding dismissal of their lawsuit, and if it is without prejudice. Ms. Gallagher responded that we do have a signed document, and it is <u>with</u> prejudice, which is preferable.</i></p> <p><i>Vice Mayor Freund had several questions.</i></p> <ul style="list-style-type: none"> <i>• He asked when changes to the personnel policy would be coming before Council. Councilmember Vander Horst stated that this has been delayed because of his work schedule. He and Ms. Gallagher have agreed to start working on that again after the budget is complete.</i> <i>• Referencing the Public Works report, he asked about camera work that was needed. Ms. Gallagher explained that we had to have a camera run through some of our drainage lines to determine the reason for blockages.</i>

- He asked about the status of the School Street regulator project. Ms. Gallagher said that we are waiting for a couple of parts, and discussing whether Earth Resources should still be involved in the project.
- He asked about correspondence that we are anticipating from the Jerome Historical Society regarding the subsidence/Sliding Jail area. Ms. Gallagher said she doesn't have a lot of details, however Chief Muma had told her that she could anticipate a letter regarding some sort of partnership with the Historical Society. Councilmember Vander Horst was asked about this, as he is a Board member of the Society, but he said that he cannot comment at this time. Mayor Currier asked if he thought we might be getting a letter shortly, or if there is a time-frame. Mr. Vander Horst commented, "sometimes things don't move very fast."
- He asked if the report provided by Ms. Tovrea at the last meeting was actually the correct report or just a copy of the prior month's data. Ms. Gallagher responded that Ms. Tovrea has advised her that it was the correct report. She noted that often, the same accounts receive shut off notices, and do not pay until they receive that. They are notified via a hang tag on their door. Mr. Freund noted that this requires staff time, and asked if there is a fee for this. Ms. Gallagher replied that there is a \$25 fee to reconnect water that has been shut off. Ms. Savage added that there is no hang tag fee.
- He noted that one rental had a \$70 late fee and asked if that was for just one month. Ms. Gallagher opined that it was probably an accumulation.
- Mayor Currier noted that, on Ms. Tovrea's report, bad debt is listed as \$506.01, and that's over a year without a payment. He asked if service had been turned off. Ms. Gallagher asked Ms. Cretti to comment on that. Ms. Cretti said that she didn't know which accounts that represents; however, she would assume that service was shut off. Mayor Currier asked if we have a policy regarding what happens when the debt becomes a year old. Ms. Cretti said that it should be going to collections, but we don't have a collection agency. Ms. Gallagher noted that she contacted a collection agency that was recommended to her, and the attorney she spoke with said that our cost to collect the debts would exceed their amounts. The Mayor surmised that, in that case, it would simply be reduced from the \$7,000 allowance for bad debt, and asked when that would happen. Ms. Cretti said that she would have to look at the policy which was recently adopted.

Regarding the police report, Councilmember Barber noted that the calls for animal cruelty increased this month from two to eight. She asked when the signs would be going up regarding dogs in hot cars, and how many there would be. Mayor Currier said that he believes that there are nine signs, and the consensus of the Humane Society's Board of Directors was to put them up wherever they saw fit, and let the Police Department take them down if there was a problem. He expected that they would be up within a week, put up by Humane Society members.

Councilmember Vander Horst commented on a note in Ms. Gallagher's report that sales tax revenue of \$16,000 was received in April from one retailer who had not paid taxes in four years. He asked if that came from a single entity. Ms. Gallagher said that it did, and added that Ms. Tovrea discovered that through reviewing sales tax reports and cross checking them with our records. "Kudos to you and your team for catching this," Mr. Vander Horst said.

Mayor Currier asked about the new RICO reports included in Chief Muma's report. Ms. Gallagher said that she believes that providing those is a new requirement of receiving RICO funds.

Ellen Vojnic, a local resident and business owner, asked if artists must pay sales tax on sales of their artwork. She said that they used to claim that, if the item was one of a kind, it was not subject to taxation. Mayor Currier said that his understanding is that, if someone commissions a piece, it is not taxable, but if an artist creates a piece and then sells it, it is taxable. "There are a lot of artists and jewelers that make things and don't pay sales tax," Ms. Vojnic said.

	<p><i>Jane Moore, a local business owner, artist and resident, said that they had always paid tax on all sales, and only recently found out that they did not have to pay sales tax on commissioned items. Even on an original painting, she said, sales tax has to be paid. Mayor Currier noted that the distinction is whether or not the artwork was commissioned.</i></p> <p><i>Councilmember Vander Horst clarified that the Artist's Co-Op was under one business license, and asked if that was true for the high school also. Ms. Gallagher said that the high school artists have individual shops and would thus have separate business licenses.</i></p> <p>Motion: Councilmember Barber made a motion to accept the staff reports. It was seconded by Vice Mayor Freund. The motion passed, 5-0.</p>
<p>ITEM #4: 7:35</p>	<p>FINANCIAL REPORTS</p> <p>Issued checks and financial reports for the month of May 2016. Figures included therein are presumed accurate as of the report's preparation date, but are subject to adjustment as further information is gained.</p> <p><i>Mayor Currier asked about a reimbursement to Kathleen Jarvis for \$882.00. Ms. Gallagher responded that she believed this was for a laptop for the library.</i></p> <p><i>Mayor Currier asked about a payment to Steven Allgrove. Ms. Gallagher said that she believed he had worked on our air conditioners.</i></p> <p><i>Mayor Currier asked about an \$8,000 payment to Ameritrade that is not reflected in the budget. Ms. Cretti said that it had not been posted yet.</i></p> <p><i>Mayor Currier asked about a \$1,250 payment to the Yavapai County Library District. Ms. Gallagher said that she thought it was the annual payment for IT services.</i></p> <p><i>Councilmember Vander Horst referred to the summary page, showing a net income of \$125,000, and asked if that is for the past month. Ms. Cretti replied in the affirmative.</i></p> <p><i>Mayor Currier asked about court enhancement funds. He said that he was told that those revenues are collected by the Judge and placed in another fund, yet there are expenses charged against those in the Court's budget. Ms. Gallagher explained that, this year, we put dedicated money from the fund balance into the budget which represented Court Enhancement funds which were put into the general fund in prior years, before the Judge was collecting them separately. This year, we spent them on the upstairs courtroom. The Mayor asked why it does not show up in revenue. Ms. Gallagher explained that it is shown as revenue in the budget column under Court Enhancement Funds, which brings it into the budget from fund balance. Ms. Cretti said that the auditor usually handles the accounting for that when the financial statements are prepared.</i></p> <p><i>Mayor Currier noted that the Fire Department appears to be running a deficit of \$12,000. Ms. Cretti explained that some expenses have not yet been moved to the grant fund.</i></p> <p>Motion: Mayor Currier made a motion to accept the financial reports. It was seconded by Vice Mayor Freund. The motion passed, 5-0.</p>
<p>ITEM #5: 7:43</p>	<p>PLANNING AND ZONING AND DESIGN REVIEW MINUTES/ RECOMMENDATIONS/ZONING ADMINISTRATOR'S REPORT</p> <p>Minutes are provided for the information of Council and do not require action.</p> <p><i>Councilmember Vander Horst recalled that Mr. Sengstock had said that Council would be getting parts of the General Plan to review as it became available, but so far Council has not received anything. Mr. Sengstock's report indicated that the Economic Element is complete.</i></p> <p><i>Vice Mayor Freund said that the General Plan Steering Committee has not met since Mr. Sengstock moved to Florida, but he expects that they will meet this month. He added that Mr. Sengstock's report was in error - the Economic Element is not yet complete.</i></p>

<p>ITEM #6: 7:44</p>	<p>COUNCIL MEETING MINUTES</p> <p>May 10, 2016 regular meeting; December 9, 2015 special meeting</p> <p>Motion: Mayor Currier moved to approve the minutes of May 10, 2016. It was seconded by Councilmember Vander Horst. The motion passed, 5-0.</p> <p>Motion: Mayor Currier moved to approve the minutes of December 9, 2015. It was seconded by Vice Mayor Freund.</p> <p>Councilmember Vander Horst noted that our new engineers had said that they would help us to find grants. He asked about the status of that. "We haven't discussed that yet," Ms. Gallagher replied.</p> <p>The motion passed, 5-0.</p>
<p>ITEM #7: 7:46</p>	<p>PETITIONS FROM THE PUBLIC</p> <p>Pursuant to A.R.S. § 38-431.01 (H), public comment is permitted on matters not listed on the agenda but the subject matter must be within the jurisdiction of the Council. All comments are subject to reasonable time, place and manner restrictions. All petitioners must fill out a request form with their name and subject matter. When recognized by the chair, please step to the microphone, state your name and please observe the three (3) minute time limit. No petitioners will be recognized without a request. The Council's response to public comments is limited to asking staff to review a matter commented upon, asking that a matter be put on a future agenda, or responding to criticism.</p> <p><i>There were no petitions from the public.</i></p>
<p><i>At this time, Mayor Currier asked for a motion to move Item #10B forward.</i></p> <p>Motion: Councilmember Vander Horst moved that Item#10B, "Employment Contract with Town Magistrate Joan Dwyer," be moved forward. The motion was seconded by Vice Mayor Freund and unanimously approved.</p> <p><i>Item #10B was addressed at this time; however, it is reflected in these minutes in the order agendized.</i></p>	
<p>ITEM #8</p>	<p>PRESENTATIONS</p> <p>ITEM #8A: PROPERTY TAX ASSISTANCE PROGRAMS</p> <p>Yavapai County Tax Assessor Pamela Pearsall will provide information regarding the Property Tax Assistance Programs in Arizona provided through her office. Currently in Arizona, there are two programs designed to assist qualified property taxpayers: the Senior Valuation Freeze, and Exemptions for disabilities and widows/widowers.</p> <p><i>Ms. Pearsall was ill and unable to attend, therefore no discussion was held.</i></p>
<p>7:01</p>	<p>ITEM #8B: 2014-15 AUDIT</p> <p>Matt Bingham of Colby & Powell, PLC will present the Town's audit for the fiscal year ended June 30, 2015. Following the presentation, Council may vote to accept the audit.</p> <p><i>Mr. Bingham introduced himself and thanked management for being cordial and working so well with himself and his staff.</i></p> <p><i>He reviewed the format of the audit, which is presented in seven units, with opinions on each, and the two sets of standards used - Generally Accepted Auditing Standards and Government Auditing Standards. The latter are used whenever an entity receives any type of federal funding, including CDBG monies and Public Safety grants that might pass through Homeland Security. Those standards are set by the Federal Government.</i></p> <p><i>Mr. Bingham explained that they do not look at 100% of the transactions, because it is not feasible to do that. They do a risk-based approach, looking at internal controls and processes. "We have a history of working with governments," he said. "We know where the risks are and we focus our time on those areas."</i></p>

He said that all of the opinion units, which are a part of the financial statements, have been given a clean opinion for the fiscal year ending June 2015. In addition, they identified no internal control weaknesses that were considered significant enough to report.

He then proceeded to review the financial statements for 2014-15. Highlights of his presentation, and Council's discussion, included the following, not necessarily in chronological order:

- There was a big change for financial statements beginning with the fiscal year ending June 2015. There is a new standard called GASBY 68, which brought any pension liabilities or assets that were on the balance sheet into the financial statements. GASBY 68 has been a big issue for a lot of cities and towns. They have had very large liabilities showing up on their reports. He is pleased to report, however, that the Town of Jerome actually has a pension asset. The Town has set aside more cash and investments than what our current liability is to pay out to police officers in the future.
- Also, GASBY 75 will be coming into effect within the next two years, and brings onto the balance sheet any plans called "Other Post-Employment Benefits." The Public Safety officers receive a health payment with their pension, he said, but GASBY 75 is not bringing that onto the books.
- Mayor Currier noted that the Fire Department has its own pension plan and asked if the auditors reviewed that and whether it falls under the GASBY provisions. Mr. Bingham replied that they did review that, which is a separate fund, and it will not be impacted by GASBY.
- Councilmember Vander Horst asked about the trend of the pension asset over the last three years or so. Mr. Bingham said that these numbers are reported a year back, so those in the FY2015 statements are actually June 30, 2014 numbers. The numbers from 2015, which will show up in the FY2016 statements, show that the pension asset has increased from \$112,000 to \$120,000, so it is improving.
- Mr. Bingham spoke of the Town's "net position." Net increases in equity are a good indicator of how the Town is doing financially. He referred to a graph of the Town's net position over the last four years. It has gone up, with a slight decrease this year.
- Mayor Currier asked about a liability of \$57,000 shown as deferred revenue. Mr. Bingham said that this is grant money from Freeport that had been received but not spent as of June 30, 2015.
- Regarding fund balance, Mr. Bingham explained that unrestricted fund balance is what we have as a buffer to carry us into the next year. Our general fund balance has slowly gone down, with the largest difference from 2014 to 2015. Mayor Currier explained that, a few years ago, we noticed that we had accumulated quite a bit in the general fund balance, and debated on how much was appropriate to retain. The Town intentionally used some of that, he said. He asked Mr. Bingham what percentage of the annual budget is recommended to retain. Mr. Bingham said that he had not heard of any specific percentages – it is basically whatever the Council decides on. He added that a lot of towns the size of Jerome have very little fund balance. "You are probably the best off," he said, adding that some towns with operating budgets like ours have millions in fund balance, referencing Thatcher. Councilmember Vander Horst asked if the fact that our general fund balance went down this year is troublesome at all. "Not as long as you planned for that, and you're aware of it and not surprised," Mr. Bingham replied. "You collect money to provide services; not to just collect it." The Mayor reiterated that the drop in fund balance was "conscious and planned."

Mayor Currier thanked Mr. Bingham for his presentation, and Councilmember Vander Horst thanked the staff for getting all of this done with no repeated audit recommendations. He

	<p>said that he is very happy with that.</p> <p>Motion: Councilmember Vander Horst made a motion to accept the audit¹. It was seconded by Vice Mayor Freund. The motion passed, 5-0.</p>
<p>ITEM #9</p> <p>7:49</p>	<p>UNFINISHED BUSINESS</p> <p>ITEM #9A: SECOND READING AND POSSIBLE ADOPTION: ORDINANCE NO. 418, AN ORDINANCE TO AMEND ARTICLE 4-3, "ADOPTION OF THE INTERNATIONAL FIRE CODE," AND ARTICLE 7-9, "FIRE CODE," OF THE JEROME TOWN CODE TO ADOPT THE INTERNATIONAL FIRE CODE, 2012 EDITION, INCLUDING APPENDIXES B, C, D, E, F AND G, TOGETHER WITH AMENDMENTS THERETO</p> <p>Council may conduct the second reading of, and possibly adopt, Ordinance No. 418, which would amend the Jerome Town Code to adopt the 2012 edition of the International Fire Code, including certain appendices thereof.</p> <p><i>Ms. Gallagher introduced this by saying that the 2012 International Fire Code is the minimum standard for the State. The amendments we are making are identical to the amendments we made to the previous Fire Code.</i></p> <p><i>Councilmember Vander Horst asked where this puts us with respect to other Fire Departments. "Is everyone at 2012, but no one is above that?" he asked. Ms. Gallagher did not know, and Councilmember Stewart said that they adopt this every four years.</i></p> <p><i>Ms. Vojnic said that the only problem she has with these fire codes is that they apply across the board to our old buildings. "Every time you adopt this, here comes the Fire Department demanding all of these changes, and you just can't do the upgrades," she said. Ms. Gallagher recalled that this came up at the last meeting, during the first reading of this Ordinance, and at that time, she believed that Chief Blair had said that there is a part of the Code that deals specifically with historic and existing buildings. He can require upgrades if occupancy increases. This was Councilmember Vander Horst's recollection as well. Councilmember Barber added, "or if ownership changes." Councilmember Stewart confirmed that upgrades can be required if occupancy changes, if the property goes vacant, or if there is an upgrade of 50% or more of the building. Ms. Gallagher clarified that, if occupancy changed, they would have to meet exiting requirements.</i></p> <p><i>Mayor Currier said, "If things stay the same, there is no reason to expect the fire department to show up at your door." "They have in the past," Ms. Vojnic replied. "We cannot put an exit in at the rear of the building. ... Every time they adopt one of these things we go through this."</i></p> <p><i>After brief further discussion,</i></p> <p>Motion: Vice Mayor Freund moved to approve the 2012 International Fire Code (adopt Ordinance 418). It was Seconded by Mayor Currier.</p> <p><i>Councilmember Vander Horst asked if there was an appeal process for a fire inspection. Ms. Gallagher replied that the sitting Council members constitute the Board of Appeals for Fire and Building Code matters.</i></p> <p><i>The question was called and the motion passed, 5-0.</i></p>
<p>ITEM #10</p> <p>7:55</p>	<p>NEW BUSINESS</p> <p>ITEM #10A: 2016-17 BUDGET</p> <p>Council will review and may approve a tentative budget for the Town of Jerome for the fiscal year ending June 30, 2017. If approved, the public hearing and final adoption of the budget would take place at a special meeting to be held at 7:00 p.m. on June 28, 2016.</p> <p><i>Ms. Gallagher explained that one change was made to the budget since Council had last reviewed it – the additional \$2,000 contribution to the Fire Department Pension Fund,</i></p>

¹ Clerk's note: A full copy of the FY2015 audit will be placed on file with these minutes.

which had been included as an expense in the Fire Department budget, had not been added as revenue in the Pension fund. She has corrected that.

She reviewed the budget, noting that, as presently drafted, and including all changes discussed by Council, this budget:

- Anticipates *no increases* in water service fees, sewer service fees, sanitation service fees or property tax levy.
- Anticipates \$865,000 in sales tax revenue. This is based on the following:
 - No increase in base tax rate (3.5%).
 - An increase in the bed tax from 2% to 3%, effective November 1, 2016. This additional one percent (representing \$10,000 in this tentative budget) must, by law, be dedicated to support tourism, and a line item has been added as an expenditure in the General Government department budget for that purpose.
 - A new tax on commercial rentals (3.5%). Jerome is one of only four municipalities in Arizona that do not currently impose this tax. It would become effective November 1, 2016.
 - Maintaining the existing 4.5% tax rate for restaurants and bars.

Mayor Currier interrupted her review to note to say, "While you're on that subject, we've had appeals from the hotel industry." Ms. Gallagher left the room to retrieve a letter from Anne Conlin, proprietor of the Connor Hotel, in this regard, which she had requested be read at the meeting.

Ms. Vojnic asked how the overall sales tax was changing. Mayor Currier explained that we are not raising the retail tax, or the tax on bars and restaurants, but Council is talking about raising the bed tax by one percent.

Ms. Gallagher returned and read aloud the letter from Ms. Conlin² objecting to the added one percent bed tax.

Mayor Currier said that it was pointed out to him after he received this letter that the added one percent comes to around \$10,000, and must be used to benefit tourism, so the infrastructure would not be improved or affected by this money coming in. "I wonder if we really want to do this," he said, and noted that Council had discussed using the funds for a part-time shuttle driver, or "outhouses." He asked the Council if they wished to reconsider.

Vice Mayor Freund said that he still feels that a part-time shuttle driver would be an excellent use of these funds, and doesn't see room in our budget to afford it otherwise. He recalled that, last year, Council discussed a three percent lodging tax, but reduced it to two percent because those who spoke in opposition felt that we didn't need the shuttle. "I think at this time we do," he said. "It would be good to have transportation so our visitors don't have to make the trek from the 300 level."

Councilmember Vander Horst said that he was against that then and he still is. In his mind, he said, a shuttle is part of a comprehensive parking plan. He would like to defer the tax and defer the shuttle until we have a comprehensive plan in place.

Mayor Currier expressed agreement with Councilmember Vander Horst.

Motion: Mayor Currier made a motion to **strike the additional 1% bed tax**, and the motion was seconded by Councilmember Vander Horst.

Jane Moore, a resident and business owner, said that she believes that at least 3% is charged at hotels throughout the Verde Valley, and she doesn't think that people will stop staying here for that reason. She added that she believes a shuttle would be a good thing to use on the weekends.

Councilmember Vander Horst noted that he has volunteered to drive the shuttle on the weekend, and has given probably 150 people rides from the 300 level.

² Ms. Conlin's letter is included at the end of these minutes.

Ms. Moore added that we need better signs directing people to the 300 level.

The question was called and the **motion failed, with 2 ayes and 3 nays.**

Ms. Gallagher then continued her review of the budget, going on to say that it:

- Reflects savings realized from moving the Zoning Administrator from a full-time to a part-time position.
- Reflects the Fire Department Duty Officer as a full-time position, and eliminates the pay allocated to Assistant Fire Chief.
- Provides a subsidy from the General Fund to the Water, Sewer and HURF budgets in the amounts of \$24,000, \$28,500 and \$62,695, respectively.
- Includes a transfer from the Sanitation budget to the Capital Fund in the amount of \$5,000 toward the purchase of a new garbage truck. To date, and including this transfer, \$30,000 has been set aside for that purpose.
- Includes a transfer from the General Fund to the Capital Fund in the amount of \$38,000 toward unspecified future capital improvements or acquisitions.
- Once again this year, provides \$10,000 toward part-time labor for fuel abatement (dead wood removal).
- Increases the Town contribution to Fire Department Pension fund by \$2,000.
- Provides for the hire of an additional full-time Public Works crew member as of January 1, 2017.
- Includes greater funding this year under "R&M Infrastructure" to provide for water, sewer and street repairs and improvements as follows:
 - Water infrastructure: \$35,000 (plus \$14,000 engineering) (2015-16 level was \$20,000 + \$4,000)
 - Sewer infrastructure: \$35,000 (plus \$4,000 engineering) (2015-16 level was \$25,000 + \$3,000)
 - HURF (streets): \$16,000 (plus \$3,000 engineering) (2015-16 level was \$11,000 + \$450)
- Includes, as a contingency, revenue from parking kiosks (to be discussed by Council at a future meeting).
- Provides for a pay increase totaling one percent, to be divided equally among all employees (and prorated for part time employees based on hours worked). In this way, those employees at the lower end of the pay scale will receive a greater percentage increase than those at the higher end.

Ms. Vojnic pointed out that the budget sheets distributed still show a 5% increase in water and sewer rates. Ms. Gallagher reviewed the sheets, and acknowledged that, through an oversight, that increase had not been removed from the anticipated revenues in the water and sewer budgets. She will correct that, and increase the general fund's subsidies to the water and sewer budgets by the same amount. The net result will be that there will be a roughly \$13,000 reduction in the general fund's contribution to the capital fund.

Councilmember Stewart commented about the Fire Department duty officer being a full-time position. He said that he believes that the full-time position is the Assistant Chief. He noted that both positions are held by the same person. Mr. Stewart also questioned why Council would want to increase the Town's contribution to the Fire Department pension fund, when there is about a \$38,000 surplus in that account. Ms. Gallagher said that Council made that decision at the last budget meeting, and the Mayor noted that Mr. Stewart was not in attendance at that meeting.

Ms. Gallagher explained that Chief Blair had asked for a \$4,000 increase (from \$8,000 to \$12,000), and Council agreed to increase it by \$2,000 instead.

Councilmember Stewart explained that Bill Volk had found a surplus in that account and

	<p>they have been trying to divvy that out to the members based on time that they've served and based on attendance. Mayor Currier questioned the legality of that, and said that he would look into it. He noted that, once the tentative budget is adopted, we can reduce expenditures but may not increase them.</p> <p>Motion: Vice Mayor Freund moved to adopt the tentative budget.</p> <p>Councilmember Stewart asked about the 4.5% bed tax. Mayor Currier corrected him, and said that the bed tax is going to 3%. Mr. Stewart said that he misunderstood, and thought that the bed tax was 4.5%, and he thought he had voted to kill the added bed tax. It was explained that he voted to retain the additional 1% bed tax.</p> <p>Mayor Currier clarified that the motion on the table is to adopt the tentative budget.</p> <p>Ms. Gallagher noted that she would be making the changes previously discussed to remove the provision for a 5% increase in water and sewer rates.</p> <p>Councilmember Stewart asked if we know about how much revenue the new tax on commercial rentals would bring in. Ms. Gallagher said that Councilmember Vander Horst has estimated it to be about \$15,000.</p> <p>Ms. Vojnic asked if bed and breakfasts and vacation rentals are subject to the bed tax. Ms. Gallagher replied in the affirmative.</p> <p>Councilmember Vander Horst commented that he still is not in favor of the additional bed tax. He believes that we are burdening the restaurants, bars and hotels unfairly. Retail should be sharing in this burden, he said.</p> <p>Mayor Currier asked for a second on the motion.</p> <p style="padding-left: 40px;">Councilmember Barber seconded the motion to adopt the tentative budget.</p> <p>Mayor Currier called the question to include the corrections Ms. Gallagher had mentioned, "and the possible correction of the Fire Department thing."</p> <p style="text-align: center;">The motion carried with 3 ayes and 2 nays.</p>
<p>7:46</p>	<p>ITEM #10B: EMPLOYMENT CONTRACT WITH TOWN MAGISTRATE JOAN DWYER</p> <p>Council may approve a renewed employment agreement with Town Magistrate Joan Dwyer, covering the period July 1, 2016 through June 30, 2018.</p> <p>Ms. Gallagher said that Judge Dwyer has graciously agreed to continue serving the Town at the same rate of pay. There is one small change in the agreement, she said, and that is to remove the statement that she would present to council during the first quarter of the year. We took that out, she said, because it has been problematic, and we changed it to read simply "annually."</p> <p>Vice Mayor Freund recommended that the language of the agreement be adjusted to refer to her as "Ms. Dwyer" or "Judge Dwyer," rather than just "Dwyer," which he finds rude.</p> <p>Councilmember Vander Horst commented that he thinks she must be doing a great job because he never hears any complaints.</p> <p>Judge Dwyer responded, "We're cognizant of treating people with respect. We deal with misdemeanors, which by definition is bad behavior, so we deal with the people who do get caught and we generally try to help them through that."</p> <p>Motion: Vice Mayor Freund moved to approve the Employment Contract with Town Magistrate Joan Dwyer. The motion was seconded by Councilmember Stewart. The motion passed, 5-0.</p> <p>Mayor Currier thanked Judge Dwyer, and wished her "another happy year."</p>
<p>ITEM #11 8:19</p>	<p>TO AND FROM THE COUNCIL</p> <p>Council may direct Staff as to items of pending importance that they would like placed on a future meeting agenda.</p>

	<p>Councilmember Barber said that she believes we should be charging the vacation rentals more money for water and sewer. Mayor Currier agreed. Ms. Gallagher noted that we are not able to single them out and treat them differently. She has asked the Town attorney about that, as we need a legal opinion. "We need to know what we can regulate if we can't prohibit," Ms. Barber said.</p> <p>Councilmember Vander Horst updated Council regarding the Hotel Jerome. There were four interested parties, he said, however one has dropped out so now there are three interested parties. Two of the three players so far have asked to have meetings with the leaders of the Town. He asked if anyone would like to meet with them. Mayor Currier said that he would be interested.</p> <p>Councilmember Stewart asked if they could make a presentation to Council. Mr. Vander Horst said that they will, but they first wanted to get feedback from people in Town. He's guessing that presentations will be made in early fall.</p> <p>Ms. Moore asked if he had looked at what we wanted to do many years ago. Councilmember Vander Horst said that he looked at every document he could find. Ms. Moore suggested that we have at least one or two apartments there that Town employees could utilize. She referred to it as workforce housing. Councilmember Vander Horst said that one of the firms is interested in taking part of the building and making it low income housing.</p> <p>Councilmember Vander Horst said that he would like to have on a future agenda what our possibilities are regarding subsidizing rent. Ms. Gallagher said that, in order to subsidize rent, we have to be able to explain how it would benefit the entire Town.</p> <p>Councilmember Vander Horst also asked about Town employees receiving per call pay. Should they receive per call pay when they are off duty, or their hourly rate? Ms. Cretti responded that "you cannot volunteer to do your job, so there should be no per call pay for an employee."</p> <p>Councilmember Vander Horst said that he is in favor of our police officers becoming EMT's, but now that we have made that a part of their job, he wants to be sure that what we are doing is legal. Ms. Cretti said that Chief Muma should not receive per call, and that Kerry Lee and Ron Chilston should be receiving their hourly wage instead.</p> <p>Councilmember Stewart mentioned that all of the people employed through Firewise should be getting paid their hourly wage.</p> <p>Ms. Cretti discussed the new overtime laws going into effect on December 1st. Chief Blair may not be exempt, she said.</p>
<p>ITEM #12</p>	<p>APPROVAL OF CLOSED SESSION MINUTES</p> <p>May 12, 2016</p> <p>There were no closed session minutes available.</p>
<p>ITEM #13</p>	<p>ADJOURNMENT</p> <p>Upon motion by Vice Mayor Freund and seconded by Councilmember Vander Horst, the meeting was adjourned at 8:29 p.m.</p>

Edited by Town Manager/Clerk Candace Gallagher from minutes taken and transcribed by Deputy Town Clerk Joni Savage.

APPROVE:

ATTEST:

Lew Currier, Mayor

Candace B. Gallagher, CMC, Town Manager/Clerk

Date: _____