

PRESCOTT CITY COUNCIL  
COUNCIL STUDY SESSION  
PRESCOTT, ARIZONA  
DECEMBER 6, 2005

A STUDY SESSION OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, DECEMBER 6, 2005, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Mayor Simmons opened the meeting at 3:00 P.M. and asked City Clerk Burke to call the roll, which was as follows:

Present:

Mayor Simmons  
Councilman Bell  
Councilman Lamerson  
Councilman Luzius  
Councilman Roecker  
Councilwoman Suttles

Absent:

Councilman Blair (excused)

**SUMMARY OF CURRENT OR RECENT EVENTS**

Manager Norwood noted the golf course rounds since FY July 1 had increased over 16%, even though the new rate increases were in place and rounds played in November were up 52%.

Mayor Simmons mentioned a new sign on the podium asking the public to limit their speaking time to 5 minutes. He said he could see the clock at the back of the room and it was his job to let the speakers know when time was up.

**I. PRESENTATIONS:**

**A. Presentation on Munis Payroll/HR system and Mitel voice over Internet protocol (VOIP) telephone system.**

Budget/Finance Director Woodfill presented information regarding a new payroll/human resources system the Council would be voting on at next week's Council meeting which included the following points:

- Process started in 1999 but was not budgeted until FY2006.
- Public Sector Consultants was hired to assist staff in the selection of an integrated Human Resource/Payroll system.

- A selection committee was formed with representatives from most City departments and included Debra Bellingham (Payroll/Project Manager), Jolaine Jackson (Human Resources, Crista Clevenger (Public Works), Valarie Isley (Parks/Recreation), Julie Wilson (Fire), Margaret McAnulty (Police), Dorothy Strehle (Police), and Catherine Moody (IT).
- The Request for Proposals was created as well as the criteria to evaluate the responses and a budget of \$800,000 was established.
- Eight (8) vendors responded to the initial survey of interest and 5 were selected to respond to the RFP.
- Three (3) were selected to present on-site demonstrations according to a script prepared by the committee and were given 8 hours to present their systems to the committee.
- Selected the top candidate, called references, checked their financial background and negotiated a final price with Munis from Tyler Technology for the integrated Payroll/Human Resource System and TeleStaff from PDSI Software for the public safety scheduling system.
- Project Costs - Consultant paid \$49,000; Payroll/HR System \$265,000; Public Safety Scheduling \$70,000; Server Hardware \$30,000; and Employee Kiosk at \$10,000 for a total of \$424,000.
- Project was cut in 2005 because of other priorities, but was put in the 2006 budget.

A second project was proposed to be funded due to the payroll system coming in significantly under budget. Mr. Woodfill presented the following information regarding a new telephone system that was not approved in the FY06 budget process:

- Existing Vodavi telephone system reaching capacity and replacement parts not available; installed seven years ago.
- Two significant phone outages in past six months and will have to address the need for a new phone system soon before the system fails.
- Currently provide telephone and computer network to 37 facilities throughout the City with 394 phone sets and 538 desktop/notebook computers.

- Some of the city facilities have their own phone system.
- Started looking two years ago for a replacement system and a year ago chose a Mitel Voice Over Internet Protocol system to connect everything into one network city-wide and began designing an implementation plan. The project was not funded and put on hold.
- The cost for the network infrastructure would be \$110,000 and the phone system would be not to exceed \$200,000, which included the engineering and installation.
- With the payroll system coming in \$376,000 under budget, staff was requesting the opportunity to include the phone system to be financed under a lease agreement. The Payroll System costing \$424,000 could be financed with a 4.25% interest rate for a 5 year period; the two projects costing \$734,000 would carry a 3.95% interest rate for a 5 year period; the rates were locked in for 30 days.
- Interest rates were very competitive and the costs and interest rates would be higher in another year and the city would be issuing bonds for the treatment of arsenic in the water supply next year.
- Staff clarified the Payroll/Human Resources System would be on the agenda next week for a vote as it was a budgeted item and requested the opportunity to vote on the inclusion of a new phone system.
- Staff clarified the money could not be used for any other projects as it was a lease of specific equipment.
- The annual cost to maintain the payroll system was between \$50,000 and \$55,000.

**B. Discussion of Bids for the Iron Springs Road Improvement Project.**

Engineering Services Director Nietupski presented the following information:

- Bids were received November 21, 2005 with two bids submitted. The Engineer's Estimate was \$12,196,924 and Asphalt Paving and Supply's bid was \$16,239,291 and the bid from Fann Contracting was \$16,647,367.
- Cost of construction materials had skyrocketed since Hurricane Katrina did so much damage.

- Budgeted \$10,000,000 for the project; is an 18-20 month project and difficult to estimate cost of materials that far in advance.
- Street improvements were \$13,028,669 or \$5,570,669 over budget; Water improvements were \$1,826,759 or \$326,759 over budget; and Sewer improvements were \$1,383,863 or \$433,863 over budget. The entire project was \$6,331,291 over budget.
- 5.7 miles of Willow Creek Road was improved for \$26,000,000 over a period of 10 years.
- Staff was discussing items with the engineer that could cut costs yet yield a quality product.
- There were two options to consider –
  - Reject the bids and postpone the project for one fiscal year but key considerations were costly interim pavement maintenance, no guarantee costs would be lower, right-of-way contractual obligations, and whether to proceed with other street projects.
  - Award the contract and key considerations were the impact on the One-Cent Street Program, determine what other projects could be deferred, and the major needed water and sewer capacity improvements would not be deferred.
- A new bidding process would take 30-45 days, construction would start in March or April and completion in November 2007.

Staff comments included –

- Some items in the specifications could be changed without jeopardizing the integrity of the project.
- Yavapai County Flood District contributed \$300,000 to the project for drainage improvements and that money could be put at risk.
- City Manager could reject the bids if Council desired.
- If the project wasn't rebid and the city awarded a contract that was \$4 million over the estimate, it would send the wrong message to the construction industry.
- Five years ago the variance on a bid would have been 5-10%.

- Staff believed the project merited more evaluation before making a recommendation to defer the street program for this one project and requested the opportunity to look at all the facts more closely and make a recommendation.
- Confirmed Asphalt Paving and Supply was the low, most responsive, responsible bidder and had recently been purchased by a national firm.
- Staff would come back to the Combined Study Session/Regular Meeting on December 20 with a recommendation on whether to reject the bids or proceed and defer other projects.

Council comments were –

- If the cost of the project couldn't come close to the variance, should reject the bids.
- Escalating costs of construction was not only a local problem, but was a state and national problem.
- Not ready to vote on either option without more information and recommendations from staff.
- Cost of \$16 million for 1-1/2 miles of improvements was unbelievable.
- Concerns over deferring other projects.

## II. DISCUSSION ITEMS

- A. Approve Supplemental Agreement No. 1 in the amount of \$20,638.00 to Design Contract #04-058 with Civil-Tec Engineering for additional design services associated with Ruth Street and Demerse Street project.**

Engineering Services Director Mark Nietupski explained the original scope of work was to retain and salvage the existing curb and gutter and sidewalk by milling and replacing the existing pavement; however it was determined the soil beneath the roadway wasn't suitable and a more extensive pavement replacement project was necessary which required additional design services. Work in front of the high school would occur over the summer and conclude in January, 2007.

Questions regarding deferment of projects and funding methods produced the following information:

- Project priorities would have to be determined. Some projects could be done and others could not.
- Proceeding with the design for this project at this time, and can decide whether to proceed with construction later.
- Street programs were developed for a five year period.
- A design for a specific project would be reviewed after 1-2 years because changes such as driveways and new development may have occurred.
- The city could bond for the Capital Improvement Projects and pay the bond back with the revenues from the 1% Sales Tax and the bonds would only be issued for the amount of time left on the sales tax collection.
- The design plans for Copper Basin Road were complete; the project could be advertised in the Spring; the project was ready to move ahead and some right-of-way had been purchased that was needed and the rest could be processed.
- All of the projects could not be done at the same time even with the money available and would have to be staggered as the designs were completed.
- This would not be cutting into open space funding.

**B. Approve Water Service Agreement (WA 05-29) for 1.40 ac. ft. for Project Aware 4-Unit Apartment Building (CDBG Project 145-05).**

Management Analyst Connie Tucker explained this was a Community Development Block Grant project and was before Council because any water service project over 3 units had to come to Council for approval and this project had 4 units. There would not be a site plan or plat coming to Council.

**C. Ordinance - Rezone approximately 23.25 acres located in the vicinity of Delano Avenue, north of Pepper Tree Park, from Single-Family 35 (SF-35) to Single-Family 18 (SF-18) for 37 lots. (RZ04-019) (Prescott Highland Estates)**

**D. Approve Preliminary Plat and associated Water Service Agreement for 12.95 ac. ft. for Prescott Highland Estates, 37 lots on 23.25 acres located in the vicinity of Delano Avenue, north of Pepper Tree Park. (SP04-013)**

Community Development Director Guice explained Items C. and D. related to the same project and presented the following information:

- Location was one-quarter to one-half mile from Taylor Hicks School.
- The Preliminary Plat consisted of 37 lots on 23-1/4 acres.
- The project was delayed a year ago because of the water management policy.
- Planning and Zoning Commission voted unanimously to approve the rezoning and preliminary plat.
- The Water Allocation Committee unanimously agreed to allocate 12.95 acre feet of water.
- Provides for three separate street connections to the property to the east, including Tamarack Lane, Delano Avenue and an unnamed local street.
- Developer would build the roads and the city would accept them after final inspection of the subdivision.
- Prescott Highlands Estates was in conformance with the General Plan and Willow Lake South Area Plan and met all codes, street standards, and would be developed under the codes in place prior to adoption of the Land Development Code.

Councilman Luzius declared a Conflict of Interest on Items E through H as his wife worked for the company developing the properties.

**E. Ordinance - Rezone approximately 24.46 acres generally located north of Tamarack Lane and south of Northridge Drive from Single-Family 35 (SF-35) to Single-Family 18 (SF-18) for 32 lots. (RZ05-008) (Sterling Ridge)**

**F. Approve Preliminary Plat and associated Water Service Agreement for 11.2 ac. ft. for Sterling Ridge, 32 lots on approximately 24.46 acres generally located north of Tamarack Lane and south of Northridge Drive. (SP05-014)**

Community Development Director Guice explained Items E and F related to the Sterling Ridge Subdivision and provided the following information:

- Location was north of Tamarack Lane and south of Northridge Drive and consisted of 32 lots on 24.46 acres.
- A Water Service Agreement was required and requested 11.2 acre feet.
- Preliminary Plat was in conformance with the General Plan and the Willow Lake South Area Plan.
- Planning and Zoning Commission voted unanimously to approve the rezoning request and the Preliminary Plat.

**G. Ordinance - Rezone approximately 3.8 acres located south of the terminus of Delano Avenue between Bloomingdale Drive and Tamarack Lane from Single-Family 35 (SF-35) to Single-Family 18 (SF-18) for 6 lots. (RZ05-009) (Sienna at Blooming Hills)**

**H. Approve Preliminary Plat and associated Water Service Agreement for 2.1 ac. ft. for Sienna at Blooming Hills, 6 lots on 3.89 acres, located south of the terminus of Delano Avenue between Bloomingdale Drive and Tamarack Lane. (SP05-015)**

Community Development Director Guice presented the following information on Items G and H:

- Location was between Bloomingdale Drive and Tamarack Lane and consisted of 6 lots on 3.8 acres.
- A wash on the property created a problem in determining where the street could cross the property easily.
- Planning and Zoning Commission recommended alignment of Tamarack to go easterly. If adjacent property owned by a church property were developed as residential, the street could be put through easily; however, if the property was developed as a church, the street alignment would have to go on the periphery of the property.

Councilman Roecker asked for an explanation relating to Item F, regarding Lot 29 and the slope. Mr. Guice responded the Hillside Development Regulations addressed slopes according to category and staff considered it reasonable to exclude Lot 29 from having to meet the minimum square footage since the sloped area in excess of 20% was toward the outer edge of the building envelope and the area of slope was minimal.

**I. Approve Plat Revision to create two lots from one, located at 1135 Dixon St., Zoning SF-9, 1.83 acres. (RE05-034)**

Community Development Director Guice reported:

- The lot was located off Copper Basin Road and Linden Drive and two lots were being created from one lot.
- There were no plans to build another residence
- A Water Service Agreement would be required if a second residence were proposed.

**J. Approve Final Plat for The Ridge at Iron Springs, 49 lots on 21.06 acres, Zoning SF-12, located west of Sierry Peaks Drive at its intersection of Lower Crestview Drive. (FP05-016)**

Community Development Director Guice presented the following information regarding The Ridge at Iron Springs:

- The subdivision was located north of the Club at Forest Trails and was consistent with the Preliminary Plat which was approved for 53 units which had been reduced to 49 lots in the Final Plat.
- Council granted a change in street width from 28 to 20-24 because of slope.

**K. Approve Final Plat for Pinnacle Unit 2, Phases 2A, 2B and 2C at Prescott Lakes, 74 lots on 47.38 acres, Zoning SF-18 PAD and SF-35 PAD, located north of Smoketree Lane and west of Solstice (adjoining Vista Park site). (FP05-011)**

Community Development Director Guice presented the following information regarding The Pinnacle at Prescott Lakes, Unit 2, Phases 2A, 2B and 2C:

- The subdivision was located north of Smoketree Lane and west of Solstice and adjoins the Vista Park site and north of Brookside Subdivision.
- The Preliminary Plat was approved as The Pinnacles, Unit III, and consisted of 196 single-family lots and 144 condominiums for a total of 340 units on 188.62 acres.
- The Final Plat was being submitted as The Pinnacle at Prescott Lakes and consisted of 74 lots on 47.38 acres and other final plats would be forthcoming for the remaining land.
- This was the third final plat to be considered, the others were Brookside at Prescott Lakes and The Pinnacles at Prescott Lakes Unit 2, Phase 1.
- The plat was in compliance with the Preliminary Plat and Master Plan of Prescott Lakes.
- The Planning and Zoning Commission recommended approval of the plat and the Slope Mitigation and Erosion Control Plan, and the Grading and Drainage Plans.
- The Land Development Code specified a minimum 3:1 slope ratio for southern and western slopes and 2.5:1 was being provided and 2.5:1 for eastern slopes was specified and 2:1 to 3:1 slopes were being provided, and the LDC allowed exceptions for PAD development.

**L. Approve Final Plat for Summit Pointe Estates, 36 lots on 33.98 acres, Zoning SF-35, surrounding the intersection of Senator Highway and Haisley Road. (FP05-020)**

Community Development Director Guice explained the property was at the intersection of Senator Highway and Haisley Road, the Final Plat was in conformance with the Preliminary Plat approved in February 2005 and Haisley Road would go in a northerly direction and not east as first proposed.

It was noted Council was addressing about 268 single family residences in Items C through L and would be adding approximately 500 residents to the city without annexation, it was all infill.

**M. Consider approving a Comprehensive Sign Package for McCormick Place, located at 325 Gurley Street. (CC05-003)**

Community Development Director Guice explained the Planning and Zoning Commission had voted on October 27, 2005 to recommend approval. The signs were already in place due to a miscommunication; each tenant could potentially have 40 square feet of signage and this proposed sign package totaled 45.78 square feet for both a wall mounted building directory sign and a separate clock/wall sign.

**N. Resolution - Adopting a Council policy regarding contracts with the City by public officers and employees of the City.**

Attorney Moffitt explained this was the conflict of interest policy required by State Statute to be adopted annually and allowed the City to enter into a contract with a public officer or employee to provide items or services in an amount not to exceed \$300 per transaction or \$1,000 in any one year; if in excess of those amounts the contract would be awarded following a public, sealed bidding process.

**O. Resolution - Acceptance of grant funds in the amount of \$30,000.00 from the Governor's Office of Highway Safety for the continued operation in 2006 of the Northern Arizona DUI Task Force.**

Interim Police Chief Benner explained the Northern Arizona DUI Task Force was formed in 1994/95 and the funding from this grant would be used to pay employee overtime for enhanced enforcement; the program began November 17, 2005 and would conclude on September 30, 2006.

**P. Resolution - Approving Intergovernmental Agreement with Arizona Department of Transportation Aeronautics Division for funding, in the amount of \$53,000.00, to promote local commercial airline services.**

Airport Manager Severson explained this was an Intergovernmental Agreement with ADOT for the Small Community Air Service Program and was to advertise and market air service to Phoenix. He said the City would be reimbursed by the State for procuring advertising and marketing services and cost of materials; the other option was to not sign the agreement.

It was noted the funding was applied for in June 2003, prior to Great Lakes Airlines being chosen by the State to serve Prescott. Council did not appear to support this action, and requested that it not be placed on the Consent Agenda.

- Q. Resolution - Accepting a grant (#E6F66) in the amount of \$22,951.00 from the Arizona State Department of Transportation Aeronautics Division for the design and installation of airport lighting and runway safety area improvements at Ernest A. Love Field.**

Airport Manager Severson explained the Council accepted a grant (AIP#3-04-0030-23) from the Federal Aviation Administration for the design and installation of taxiway pavement edge lighting, new lighting control panels and changes to the lighting and markings for Runway 12/30 safety area, and the City match was 4% or \$45,900. The ADOT grant (#E6F66) would pay one-half of that and reduced the city share of the project costs to \$22,951.

It was noted:

- The runway would be safer due to it having been unlit because of wiring problems.
- It was a big project with three miles of wiring and lighting and the LED lighting system would save airport money over time.
- This was the runway used by the slurry bombers.

- R. Approve a new contract with Waste Management for solid waste disposal services.**

Assistant to the City Manager Hadley explained this was a new contract; the 1994 contract had been amended several times and needed further revisions and staff decided to write a new contract. Contract changes include:

1. Section 3.2 - Reservation of Disposal Capacity – Guaranteed space for 25 years. If the current Graywolf Landfill site were to close the city would be guaranteed space at an alternate site at the same cost. Waste Management would also provide transportation to the alternate site at a cost equal to the cost the City was paying to haul to Graywolf Landfill.
2. Section 4.1 and 4.2 – The base rate would remain locked and not be affected by the CPI clause until such time as the base rate equaled or was less than disposal fees paid to Waste Management by Yavapai County Government.
3. Section 4.5 - Tonnage Credit – Waste Management would issue the City a monthly credit for disposal waste up to 110 tons per

month at no charge for the first five years of the contract. Purpose - to compensate for a base rate being charged to the City of Prescott that was higher than other government agencies.

4. Section 7 – Terms of Agreement – The contract would have a term of 25 years beginning July 1, 2005, and could be renewed for two additional five-year periods upon mutual agreement.

It was suggested staff more closely monitor the contract.

- S. Approve the minutes of the Special City Council Meeting/Executive Session of November 22, 2005, and the Regular City Council Meeting of November 22, 2005.**

No discussion

**SELECTION OF ITEMS TO BE PLACED ON THE CONSENT AGENDA FOR THE REGULAR MEETING OF DECEMBER 13, 2005.**

Councilman Roecker listed those items that were not to be placed on the Consent Agenda as Items E to H, and Item P. (Consent Agenda – Items A, B, C, D, I, J, K, L, M, N, O, Q, R, and S)

The Prescott City Council Study Session of December 6, 2005, adjourned at 4:45 p.m.

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ROWLE P. SIMMONS, Mayor

ATTEST:

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ELIZABETH A. BURKE, City Clerk