

PRESCOTT CITY COUNCIL
REGULAR COUNCIL
MEETING
PRESCOTT, ARIZONA
MAY 23, 2006

A REGULAR MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, MAY 23, 2006, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Mayor Simmons opened the meeting at 3:00 P.M. and led the Pledge of Allegiance.

Mayor Simmons asked City Clerk Elizabeth Burke to call the roll, which was as follows:

Present:

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

Absent:

Councilman Roecker (excused)

SUMMARY OF CURRENT OR RECENT EVENTS

Manager Norwood introduced the new Antelope Hills Golf Course golf pro, John Bishop who was from Grand Prairie, Texas and was a Certified PGA Tour Professional.

I. PUBLIC COMMENT:

A. Darcie Metzger regarding the congregating/loitering of people looking for day work.

Ms. Metzger expressed concerns about the area of Grove Avenue and Lincoln Street and the people hanging around waiting to be picked up for day labor; her daughter who was 13 had been confronted by drunks and people asking for money and she and her friends were very uncomfortable passing that way.

The businesses allowed the loitering to go on but were trying to put a stop to it. The men were looking for work and there were day labor businesses close by they could go to and didn't need to stand on the corner to get work. There were many men, women and children who were very uncomfortable around this situation and thanked the Council for their time.

Councilwoman Suttles asked to have the issue brought back for Council discussion; Attorney Gary Kidd explained the Council could respond to the

presentation or direct staff to bring it back to an agenda and Mayor Simmons responded it could be placed on a future agenda and Ms. Metzger would be notified so she could attend the meeting if she wished.

II. PRESENTATIONS

A. Introduction of New Businesses

1. Wedding Bells, Karina Caudillo, 3250 Gateway Boulevard in the mall next to Sears.
2. Old Republic Exchange, Patty Chase, 1129 Iron Springs Road
3. Success Real Estate Academy, Barbara Anderson, 1042 Willow Creek Road
4. Kidz Art, Shirley Sparks, 8168 E. Florentine, Prescott Valley

B. Shawn Dralle, RBC Dain Rauscher, regarding debt capacity

Budget/Finance Director Mark Woodfill introduced Shawn Dralle of RBC Capital Markets (Dain Rauscher) who would present information on the city's bonding capacity, debt options available and limits and changes in state law.

Shawn Dralle presented the following information:

- General Obligation Bonds – Required a vote of the populace. The City had one outstanding bond used to finance the acquisition and improvements of Willow Lake and Watson Lake and included a Series 1989 GO bond of \$2,395,000. They were secured by ad valorem taxes levied without limit against all taxable property within the City.
- Municipal Property Corporation financed the construction and acquisition of municipal buildings and improvements on land owned by the City and were secured by a pledge of excise taxes or other revenues. MPC bonds were used to acquire the City's portion of the JWK Ranch. They did not require voter approval and there usually was a higher interest rate on this type of financing.
- Improvement District bonds were secured by special assessments levied upon the property included within the improvement district. The city currently had six outstanding improvement district bond projects. They did not require voter approval but did require approval of a majority of property owners within the proposed district.
- Community Facility Districts – Special purpose districts created

specifically to acquire and improve public infrastructure in designated areas and assessments were levied against property owners in the district to pay all the costs of the district. The City has 2 CFD's – Hassayampa Community Facilities District #1 and #2.

- The amount of GO debt was governed by constitutional and statutory provisions of Arizona law and the outstanding debt for combined water, sewer, lighting, parks, open space and recreational purposes could not exceed 20% of a municipality's net secondary assessed valuation and would allow city debt up to \$90 million and debt for all other purposes could not exceed 6%, which would include public safety projects and the limit would be \$28 million. The GO bond financing was usually the lowest cost financing approach.
- Municipal Property Corporation bonds could be secured by a pledge of excise tax revenues or revenues from the city's water and wastewater system revenues and could pay for the debt on water and sewer projects.
- WIFA (Water Infrastructure and Finance Authority) was a state agency that provided water and sewer project loans; they issued their own debt and loaned the money out for projects. It previously was required to vote. New legislation allowed cities of less than 50,000 people to not have to have a vote on the debt. Federal grants and State money were part of the WIFA program. Prescott needed to get on their project priority list. Water rights were not fundable under WIFA or growth-related projects, but the arsenic treatment facility and infrastructure would qualify for a 20-year debt financing.
- The city could continue with the "pay-as-you-go" method of accumulating the funds and proceeding with the project. It was the least costly method.
- State Agencies with loan and/or grant programs designed to assist local governments with capital project financing are Water Infrastructure and Finance Authority, Greater Arizona Development Authority, The Arizona Department of Transportation Help Loan Program and The Arizona Department of Transportation Aeronautics Loan Program.

Mayor Simmons asked how it distinguished between growth and non-growth related projects and Ms. Dralle explained sustaining the existing system was non-growth, but expanding the system or the service area was due to growth and would not qualify.

Councilman Lamerson commented the City was going to put in a pipeline outside of the Active Management Area and would have to acquire right-of-

way for the pipeline—the goal was to reach safetyfield within the Active Management Area by importing the water. He asked whether that project would be considered necessary due to the use of water by the past/present residents or necessary to serve the future would have to be answered.

III. CONSENT AGENDA

Councilman Suttles MOVED to APPROVE Consent Agenda Items A through I, which was SECONDED by Councilman Luzius. The motion passed unanimously with Councilman Roecker absent.

- A. Adopt Ordinance No. 4538 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai, County, Arizona, amending Title II, Chapter 13 of the Prescott City Code by amending Section 2-13-6, Sanitation Service Rates and Charges, adding a new Section 2-13-6(I), Solid Waste Fuel Surcharge, thereto and providing for a delayed effective date.**
- B. Approve payment contribution in the amount of \$20,000.00 to the Yavapai College Foundation c/o Yavapai College for restroom facility.**
- C. Authorize placement of an order now, with the intent to purchase six medium to heavy-duty equipment vehicles identified in the Fiscal Year 2007 budget, anticipating delivery prior to December 31, 2006.**
- D. Adopt Ordinance No. 4540 - An Ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of public rights-of-way and easements in the vicinity of Copper Basin Road, and authorizing the Mayor and Staff to execute any and all documents to effectuate said purchase.**
- E. Award contract to Southwest Slurry Seal, Inc. in the amount of \$120,855.00 for the seal-coat and re-stripe of Runway 3L/21R at Prescott Airport.**
- F. Adopt Ordinance No. 4541 - An Ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, awarding a lease of City-owned property known as FAA Air Traffic Control Tower. (20-year land lease)**
- G. Approve Final Plat of Prescott Highlands Estates, 37 lots on 23.25 acres, located in the vicinity of Delano Avenue, North of Peppertree Park. (FP05-024)**

- H. **Adopt Ordinance No. 4542 – An Ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, awarding a lease of City-owned property known as North Reservoir Hill to Verizon Wireless, L.L.C. for wireless communications facilities.**
- I. **Approve Minutes of the Prescott City Council Study Session of May 2, 2006, the Prescott City Council Special Meeting of May 9, 2006 (Joint Meeting with Yavapai County Board of Supervisors), the Prescott City Council Meeting of May 9, 2006, and the Prescott City Council Special Meeting of May 9, 2006 (Executive Session).**

IV. REGULAR AGENDA

- A. **Approval of Revision of Plat of the Bashford Tract Subdivision (Lots 24 & 26), creating three lots from two on 0.4 acres, located at the Northeast corner of South Pleasant and East Aubrey Streets. (RE06-004)**

Community Development Director Tom Guice explained an updated memo was provided following discussion last week and questions from Councilman Luzius regarding off-site improvement code requirements.

Mike Haywood, agent for the property owner, asked to have the stipulations read and Mr. Guice read the following:

- The curb, gutter, sidewalk and 20-foot wide paving would need to be extended from the existing improvements on East Aubrey Street through the frontage of both Lots 24-B-R and 26-R;
- The sewer main would be required to be extended to provide sewer service to Lot 26-R
- Plans for the improvements to be prepared by a licensed engineer, reviewed and approved by Engineering/Public Works, and constructed by a licensed engineering contractor; and
- Improvements to be completed prior to the issuance of building permits.

Mr. Haywood responded his client had a problem with the stipulations. They could put eight apartments on the property without doing any off-site improvements and they were asking Council to waive the stipulations for off-site improvements. Two of the lots would be sold and they both had access on/off pavement from Pleasant Street. It didn't make sense to make improvements for one driveway off Aubrey Street.

Mr. Guice explained the off-site improvement code applied to anything other than residential and Engineering Services Department had asked them to include off-site improvements for this project.

Engineering Services Director Mark Nietupski explained the off-site improvement code was applied to commercial and multi-family projects and not to single family residential; this property could have an apartment complex built on it; the property to the east of the site was rugged terrain and might develop sometime in the future but did not see a road connection between Aubrey Street and Senator Highway.

Councilman Luzius commented there needed to be some improvements made to Aubrey Street.

Councilman Blair MOVED to APPROVE the revision of plat of the Bashford Tract Subdivision (Lots 24 & 26), creating three lots from two on 0.4 acres, located at the Northeast corner of South Pleasant and East Aubrey Streets. (RE06-004), leaving out the stipulations, which was SECONDED by Councilman Lamerson. The motion passed unanimously with Councilman Roecker absent.

V. **ADJOURNMENT**

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 3:40 P.M.

WORKSHOP

I. Call to Order at 3:40 P.M.

II. **Discussion of Public Safety Funding Options and the Timeline of Proposed Projects**

Staff comments:

- No new projects were added to the list presented at the April 18 Workshop.
- The downtown fire station was a priority.
- Joint training center in Prescott Valley – would remove vehicles and staff from Prescott and would cost \$100,000 in overtime, fuel costs and wear and tear on vehicles. Prescott Public Safety staff was working on specialty training in conjunction with Central Yavapai Fire District .
- Police Administration building had 81 employees in 1992 when it opened and now had 120.
- There were a lot of projects deferred over the years and the city was now trying to play catch up and trying to meet the demands of an ever growing population.

Fire:

- Majority of responses were medical calls.
- Fire Department was classified as first responders.
- Insurance Services Rating Office told the City 12 years ago we needed 8 stations and ladder trucks and we still have 5 stations. There were unmet needs in commercial areas. The City had to have trucks available for a fire like the Bennett Oil fire last year.
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- Only two fire stations were being added for sure. The downtown fire station was a relocation. The Airport fire station would be improved. The property was available for the Watson Lake fire station. The North Prescott fire station was not definite.
- Sales Tax

Councilman Lamerson was against a sales tax. Revenues coming in from sales tax needed to go to roads, and this was new so a new revenue stream should be developed.

Councilman Luzius was in favor of the sales tax initiative with the understanding that there would be a threshold of maybe 8 years, and with the provision that there would be an increase in impact fees for public safety at the same time.

Councilman Blair was in favor of using sales tax revenues and not impact fees.

- Sales tax with a sunset clause -

Councilman Blair wasn't sure a sunset clause was appropriate as costs were always increasing.

Councilman Bell wanted to think about including a sunset clause.

- Sales tax with a sunset clause and continued lowered percentage –

Mr. Norwood suggested the idea of lowering the tax after eight years and decrease it to 1/10% or 2/10% to bring continued revenue into the Public Safety budgets; 1/10% would generate \$1 to \$1.5 million per year.

- Property tax and bonds – Councilman Lamerson was in favor of these financing options.

- Impact Fees -

Impact Fees could be used for additional facilities, not existing facilities.
Police and Fire Impact Fees needed to be raised.

November Sales Tax Election:

- Election would be In conjunction with Yavapai County election. Could not be a mail ballot.
- Call of Election ordinance to be done by July 11.
- Voters do not approve bonds. Would approve a sales tax increase that would be devoted to paying off the bonds.
- Ballot language to contain stipulation the amount of the increase would be dedicated to pay off the GO bonds. (Councilman Lamerson)

III. Adjournment

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 4:25 P.M.

ROWLE P. SIMMONS, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of the City of Prescott, Arizona held on the

23rd day of May, 2006. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2006.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk