

PRESCOTT CITY COUNCIL
REGULAR COUNCIL MEETING
PRESCOTT, ARIZONA
MAY 9, 2006

A REGULAR MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, MAY 9, 2006, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Mayor Simmons opened the meeting at 3:00 P.M. and asked Councilman Lamerson to lead 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
Councilman Roecker
Councilwoman Suttles

Absent:

None

SUMMARY OF CURRENT OR RECENT EVENTS

Manager Norwood introduced the new Communications Coordinator, Catherine Behan, from Jefferson County, Colorado.

I. PROCLAMATIONS

A. May 2006 – Teenage Pregnancy Prevention Month

Councilman Luzius read the proclamation.

B. May 2006 – ALS Awareness Month

Councilman Blair read the proclamation.

II. PRESENTATIONS

A. Presentation by Anthony A. Veerkamp, Senior Program Officer, Western Office, National Trust for Historic Preservation re Prescott's designation as one of the National Trust's Dozen Distinctive Destinations

Councilwoman Suttles made introductory comments regarding a luncheon today to award Prescott the designation of being one of the National Trust's Dozen Distinctive Destinations and introduced Anthony Veerkamp who commended Prescott for the unique heritage and protection of that authentic western feel and small town flavor, and for preserving the meaningful architecture within the City.

Jim Garrison of the State Historic Preservation Office commented this was a rare opportunity and hoped Prescott would use the designation wisely.

B. Presentation by Arizona Public Service on Vegetation Management Plan

A representative from APS explained they would be working along Copper Basin Road to Rancho Vista Road and Sheriff's Posse Road; they would be working with the youth camps on firewise programs; their customers had been contacted in the area to inform them of the upcoming project; they would start the tree work next week and would continue for about a month.

III. CONSENT AGENDA

Councilman Roecker MOVED to ADOPT the Consent Agenda, Items III-A through III-D, which was SECONDED by Councilman Bell. The motion passed unanimously.

- A. **Adopt Resolution No. 3752 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting a grant from the Arizona Heritage Fund for restoration of the second lobby of the Elks Opera House, and authorizing the Mayor and staff to execute any and all documents to implement same.**
- B. **Award contract to Nelson\Nygaard Consulting Associates in the amount of \$124,356.00 for the CYMPO Regional Transit Planning Study.**
- C. **Award construction contract to AUI, Inc. in the amount of \$1,298,641.00 for the Ruth and Demerse Sanitary Sewer Rehabilitation Project.**

- D. Approve minutes of the Prescott City Council Workshop of April 18, 2006, the Prescott City Council Study Session of April 18, 2006, and the Prescott City Council Meeting of April 25, 2006.**

III. REGULAR AGENDA

Mayor Simmons announced Item G had been placed on the Consent Agenda at last week's meeting but was not included in the Consent Agenda so there could be public input.

- A. Approve reappointments to the Employee Appeals Board.**

Mr. Smith was in attendance.

Councilman Luzius MOVED to ACCEPT the Council Appointment Committee recommendation to REAPPOINT Bette Ulshoffer and Ray Smith to the Employee Appeals Board, with terms to expire in March 2009, which was SECONDED by Councilman Blair. The motion passed unanimously.

- B. Public Hearing and Approval of liquor license application from Russell Gene Scaramella, Agent for Prescott Oil, L.L.C., for a Series 10, Beer and Wine Store, License for Arco AM/PM located at 286 Walker Road.**

City Clerk Elizabeth Burke reported today was the Public Hearing for a liquor license application from Russell Gene Scaramella, Agent for Prescott Oil, L.L.C., for a Series 10, Beer and Wine Store, License for Arco AM/PM located at 286 Walker Road; the property was posted April 13 and removed May 4 and no protests or comments were received.

The applicant was not present at today's meeting.

Councilman Lamerson MOVED to CLOSE the public hearing, which was SECONDED by Councilman Roecker. The motion passed unanimously.

Councilman Roecker MOVED to RECOMMEND APPROVAL of the liquor license application from Russell Gene Scaramella, Agent for Prescott Oil, L.L.C., for a Series 10, Beer and Wine Store, License for Arco AM/PM located at 286 Walker Road, which was SECONDED by Councilman Lamerson. The motion passed 4 to 3 with Councilmembers Blair, Luzius and Suttles casting NAY votes. Councilman Blair said that he hoped the applicant noticed the vote, as they would have liked him present at the meeting.

- C. **Public Hearing and Adoption of Resolution No. 3754 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending Resolution Number 3597 regarding applications for the use of CDBG funds.** (Approval of Amendment #2 to the City/Arizona Department of Housing CDBG Contract 145-05, Project Aware, accepting additional funds of \$46,912.00 from the State Housing Trust Fund (HTF) and extending the contract to 3/31/07)

Grants Administrator Steve Gaber explained the first set of bids came in very high and it was decided to rebid the project. The State Department of Housing had proposed awarding an additional \$46,912 to allow this project to move along. The original grant was in the amount of \$250,000 and the funds (\$35,000) from the NAZCare project were transferred to this project. The total estimated costs for the project from the design to construction were \$331,912. The amendment would also extend the contract to March 31, 2007.

Councilman Lamerson MOVED to CLOSE the public hearing, which was SECONDED by Councilman Suttles. The motion passed unanimously.

Councilman Roecker MOVED to ADOPT Resolution No. 3754, which was SECONDED by Councilman Suttles. The motion passed unanimously.

- D. **Award of CDBG construction contract for Project Aware Transitional Housing, 4-plex located at 215 West Leroux Street, to Kalista Construction in an amount not to exceed \$284,547.52. (CDBG 145-05)**

Grants Administrator Steve Gaber explained this was the construction contract for the Project Aware facility; bids were opened in early April and it was estimated the project costs would be \$323,326 with a contingency fund of \$8,500 and the project was ready to proceed after Council approval.

Council asked if there would be more than city building inspectors watching the project and the small amount in the contingency fund and Mr. Gaber responded Project Aware would have a project manager on site and city building inspectors would also be checking the progress of the building; the State would also be checking on the project and the contingency fund was only \$8,000 but no change orders were anticipated. If the funds weren't needed for the building it could be used to buy needed items within the facility or for additional landscaping.

Councilman Luzius MOVED to AWARD the CDBG construction contract for Project Aware Transitional Housing, 4-plex, to Kalista Construction in an amount not to exceed \$284,547.52, (CDBG 145-05), which was SECONDED by Councilman Lamerson. The motion passed unanimously.

E. Public Hearing and Approval of the City of Prescott FY 2006 Action Plan, associated with the City's Community Development Block Grant (CDBG) Program.

Grants Administrator Steve Gaber provided the following information:

- This was the second annual Action Plan for HUD Entitlement Funds.
- A Public Hearing was held on the Draft Plan.
- There was a carryover of projects and funds from the FY05 Projects in the amount of \$262,816; FY06 allocation of \$297,687 for a total of \$560,503.
- Two projects were proposed for FY06 –
 - Improvements to the Dexter neighborhood sidewalks – 2000 feet along Merritt Avenue, 3000 feet along Lincoln Street and 1000 feet along Madison Street, proposed cost of \$365,966.
 - The rehabilitation of existing rental and transitional housing owned and operated by the West Yavapai Guidance Clinic, in the amount of \$135,000, including:
 - A 4-plex located at 724 N. 4th Street
 - A transitional/supervised living facility and attached apartments located at 701 Hillside Street.
- Administration would cost \$59,537.
- The public comment period/agency comments elicited only a request from HUD for additional information in the plan and a summary of the city budget to get an idea of where community funds went.
- HUD funded a few community projects directly, without city involvement. (West Yavapai Guidance Clinic, Open Inn youth project, and U.S. Vets program)
- The projects as yet unfinished were the FY05 projects including improvements to the West Yavapai Guidance Clinic which was 85% complete; the Adult Center/Meals on Wheels project which had drawn only 1/3 of their allocated grant funds; the Habitat for Humanity project which was to build 3 homes would soon be underway; and the Project Aware project.
- Total remaining funds of \$800,000 were yet to be spent, but were in progress.
- Public comments were received from the Chamber of Commerce (housing related projects needed in Prescott) and Marc Delany (frustration with lack of affordable housing projects).
- Following Council's approval of the FY06 Action Plan it would be submitted to HUD on or before May 15. HUD's review and comment period would occur between May 15 and June 30, 2006.
- The administration and planning fee paid the Grants Administrator's salary and would pay for the in-house engineering for the Dexter neighborhood sidewalk project.

Councilwoman Suttles MOVED to CLOSE the public hearing, which was SECONDED by Councilman Lamerson. The motion passed unanimously.

Councilman Lamerson MOVED to APPROVE the City of Prescott FY 2006 Action Plan associated with the CDBG program, which was SECONDED by Councilwoman Suttles. The motion passed unanimously.

F. Approval of arts grant awards, as recommended by the Prescott Area Arts and Humanities Council.

Economic Development Director Jane Bristol explained the Prescott Area Arts and Humanities Council reviewed the grant applications and ranked the 16 applications they received and made their recommendations for funding in the amount of \$28,000 from bed tax funds.

The recommendations were:

- Prescott Fine Arts Association - \$4,000
- Tsunami on the Square - \$4,000
- Smoki Museum - \$3,000
- Hassayampa Institute - \$2,000
- Arizona Classical Theatre - \$4,000
- Art the Fourth Dimension - \$3,000
- MAD Linguist - \$3,000
- Prescott Downtown Mural Project - \$3,000
- Prescott Symphony Association - \$1,000
- Rhythmotion - \$1,000

Budget/Finance Director Mark Woodfill clarified there was approximately \$390,000 in bed tax revenues (transient occupancy tax) and the Council decided how the funds were split at budget time; the funds could only be used to be used for the development of recreational facilities and promotion of tourism.

Attorney Gary Kidd explained the voters approved a bed tax in 1987 based on short term lodging which was a 2% tax on rooms and the revenues were to be used for the promotion of tourism and the development of recreational facilities; Council had a policy at one time to divide the revenues 50/50 between tourism and recreation; that policy was rescinded and now Council decided how the funds would be used during budget time.

Council verified the courthouse lighting and rodeo funds came out of the General Fund and asked that all be funded out of bed tax, and to budget a dollar amount, not a percentage. Mr. Norwood clarified the amount being discussed was a percentage but Council could change that.

Speaker : Jack Wilson, 1514 Eagle Ridge Road, thought the amount for the arts was very small and it should be increased and to consider the Distinctive Destination Award just bestowed on Prescott.

Councilman Bell MOVED to APPROVE the arts grant awards in the amount of \$28,000.00 as recommended by the Prescott Area Arts and Humanities Council, which was SECONDED by Councilman Luzius. The motion passed unanimously.

G. Cedar Woods on Robinson Drive.

1. Approve Preliminary Plat for Cedar Woods on Robinson Drive, a Planned Area Development for 18 lots on 4.5 acres. (SP05-018)

Community Development Director Tom Guice remarked he had nothing new to add from last week's presentation.

Speakers:

Shirley Kayser, 319 Robinson Drive, requested Council solve their problems now and to think of future growth and the children's safety.

Sue Faulkner, 315 Robinson Drive, remarked there was a 3-way stop and drivers didn't stop for the stop signs and the kids who walked to the bus stop put their lives in danger because of the narrow street and the traffic.

Barry Slatten, 324 Robinson Drive, said he was glad Council was doing something as the infrastructure needed to be improved and the project would not hurt their community and commended the developer for doing a good job in fitting the project into the property and the neighborhood.

Staff comments:

- Robinson Drive improvements would be moved up in the FY07 budget for design and the FY08 budget for construct.

Council comments:

- No reason to say no to the project. City has the responsibility to fix the road and this project is the impetus to get the roadway improvements done.
- The project was the best seen of all previously proposed projects and was reasonable for the area and the roadway would be improved as well.
- The developer/builder would put up a portion of money and it would be put into a fund as his portion of the costs of the road construction and the road improvements would be done at one time.

Councilman Luzius MOVED to APPROVE the Preliminary Plat for Cedar Woods on Robinson Drive, a Planned Area Development for 18 lots on 4.5 acres. (SP05-018), which was SECONDED by Councilman Bell. The motion passed unanimously.

- 2. Approve Water Service Agreement with Vince Fornara for 6.3 acre feet annually for Cedar Woods on Robinson Drive.**

Councilman Blair MOVED to APPROVE the Water Service Agreement with Vince Fornara for 6.3 acre feet annually for Cedar Woods on Robinson Drive, which was SECONDED by Councilwoman Suttles. The motion passed unanimously.

H. Hartin Suites.

- 1. Approval of Preliminary Plat for Hartin Suites, a Planned Area Development for 29 condominium units on one acre located at the northeast corner of Hartin Avenue and Stetson Road. (SP05-020)**

Community Development Director Tom Guice explained the project proposed to convert 31 existing apartments to 29 condominium units at 1206 Stetson Road. The landscaping along Stetson Road would be provided as requested by Council.

Stan Hitson of Michael Taylor Architects introduced Cobey Hampton, agent for the developer, who presented the new landscaping plans and explained there would be hedges on Stetson Road and a 5-foot privacy fencing on all perimeters with vines that would grow up the fencing and there would be hedges along the front; willow trees, existing plants and planned plantings (bushes, shrubs and vines would buffer the property from the street.

It was clarified the apartments would lose their current water allocation because the proposal was a change of use and a new allocation would come from the current water budget. Councilman Lamerson suggested taking the water allocation from the amount set aside for workforce/affordable housing water budget.

Councilman Luzius asked why Council was considering the project when the Planning and Zoning Commission denied it and asked P & Z Commissioner Len Scarmado to explain their reasons for denying the project.

Mr. Scarmado first explained he had planned to address this item as a private citizen living in the project area. As a commissioner on the Planning and Zoning Commission their major concern was the view from Stetson Road and the two curb cuts in a relatively short distance; also the access to the parking lot didn't go all the way through to Hartin Street; there was no screening on Stetson Road and the original development didn't offer a buffer in the back. The new landscaping plan provided more buffering and if the project had shown adequate screening off

Stetson and had taken out one curb cut he thought the Commission would have approved it.

Mr. Scarmado continued the apartments would have a manager who would take care of the property but as condos, investors might buy them and not be present and he thought too much was being packed onto the site. He did concur the 5-foot screening on Stetson would help.

Mayor Simmons asked why there was a resistance to eliminate one of the curb cuts and Stan Hitson explained it was for the ease of access and traffic maneuvering and to minimize ingress/egress issues and for emergency vehicles.

It was noted that last week there had been discussion on possible wording within the deed restrictions prohibiting the leasing of the units. Mr. Hampton was asked if that had been addressed.

Cobey Hampton explained he was not the developer; the developer lived out of state. He was the developer's agent and last week it seemed the major concern was the landscaping issues which had been addressed.

Councilman Roecker MOVED to TABLE Item H, 1 and 2, which was SECONDED by Councilman Luzius. The motion passed unanimously.

Councilwoman Suttles confirmed this would come back to both a Study Session and Voting Meeting and Mayor Simmons replied that was correct.

Cobey Hampton asked if there was any specific language he should propose to the developer and it was suggested he meet with Mr. Guice.

Councilman Blair said the Council was in favor of affordable housing being purchased and used by the homeowner and they had talked about that for three years. He was opposed to affordable housing being purchased and rented and he was opposed to having to use more water to turn around and make the units rentals again.

Howard Mechanic commented the City needed affordable housing and they should be careful with the message they were sending.

2. Approval of Water Service Agreement with Hartin Suites, LLC for 10.15 acre feet annually for Hartin Suites.

I. Adoption of Resolution No. 3753 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, in support of H.R. 4495, sponsored by Congressman Renzi, which extends the date for compliance for small public water systems for arsenic treatment standards.

Attorney Gary Kidd explained he was asked to prepare a resolution in support of Congressman Rick Renzi's legislation (HR4495) to extend beyond the two year compliance deadline for arsenic treatments for small public water systems; to allow time to obtain additional funding sources, look at alternate treatment methodologies, options and cost saving measures.

Speakers:

Jack Wilson, 1514 Eagle Ridge Road –
Thomas Slayback, 715 E. Goodwin Street
Howard Mechanic, 309 Bloom Place
Doris Cellarius, 621 Park Avenue

Comments:

- Arsenic was a health risk and the City should protect their citizens. By supporting the resolution the Council was pushing back the treatment of water which was not protecting the citizens.
- Councilmen Lamerson and Blair had both stated it was obscene to pay \$23 million for an arsenic treatment plant; but what was obscene was putting so many millions into a pipe dream to import water that wasn't treated for arsenic and to serve a future population of 28,000 people. The Council needed to protect the health and safety of the current residents.
- There was no reason to have a moratorium on when the plant should be built. The City should move ahead now to protect its citizens.
- In favor of a resolution asking for help in funding and mentioned WIFA issued low cost or no cost funding for such projects; arsenic is a dangerous metal and in low concentrations below 10 ppb it turned off a gene that suppressed prostate cancer cells and sometimes this didn't show up for 50 years.
- The Council was encouraged to get our own house in order before going into any large expansion of the city limits.
- In 1962 the U.S. Public Health Service required 10ppb level for arsenic. The standards were relaxed and 50ppb was allowed. Federal law required a look at costs. The Renzi bill was a bad bill because it looked at

communities up to 65,000 customers for a water company and didn't address Prescott. By extending the time of compliance, the City was allowing the water to remain at 50ppb for another 2 or 3 years.

- A printout was presented showing the cancer risk compared to the parts-per-billion allowed showing 1 in 5,000 was at risk for cancer at 1ppb, 1 in 500 were at risk at 10ppb, 1 in 200 were at risk at 25ppb, and 1 in 100 were at risk at 50ppb. The Council needed to decide the arsenic level and to build the treatment plant as soon as possible; the water rates were raised to cover this and the city should step up to the plate and get it accomplished.
- Many States had lower levels than 10ppb and Arizona had one of the highest levels of arsenic in water and residents were tired of being afraid when they drank her tapwater.
- Urged the Council to do what was necessary to take the arsenic out of the water for all residents.

Budget and Finance Director Mark Woodfill explained funding from WIFA would require voter approval of the debt; if the voters disapproved it, the City would have to find another funding source for the project.

Attorney Gary Kidd clarified the extension in the deadline for compliance was a minor extension as currently in the bill; it was only from December 2007 to January 2008 and the legislation was currently in committee and was subject to change, so the extension amounted to approximately 21 days.

Councilwoman Suttles MOVED to ADOPT Resolution No. 3753, which was SECONDED by Councilman Lamerson. The motion passed 6-1 with Councilman Luzius casting a NAY vote.

IV. ADJOURNMENT

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 4:51 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 9th 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