

PRESCOTT CITY COUNCIL
REGULAR COUNCIL MEETING
PRESCOTT, ARIZONA
JUNE 13, 2006

A REGULAR MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, JUNE 13, 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
Councilman Roecker

Absent:

Councilwoman Suttles (excused)

SUMMARY OF CURRENT OR RECENT EVENTS

Mayor Simmons mentioned the variety of events a Mayor was asked to be a part of, and today he had participated as a model in a charity fashion show.

I. PUBLIC COMMENT:

A. Jeff Sawyer speaking on the Farmers Market.

Mr. Sawyer explained the Prescott Farmers Market had been running for 10 years and was currently being held in the parking lot at Yavapai College on Saturdays from 7:30 A.M. to 12:00 noon and encouraged everyone to visit the market. They had some additional attractions, such as small farm animals on display and the antique tractor club; this was the only local true farmer's market and it promoted chemical-free agriculture in Yavapai County and most of the vendors were from Yavapai County.

Mayor Simmons asked how many more vendors there were than when they had the market on Cortez Street and Mr. Sawyer replied there were 5-10 more but some were only there a couple times while others were there throughout the season and they were able to give local scholarships to kids pursuing agricultural interests.

II. PRESENTATIONS

A. Report by the Prescott Chamber of Commerce on the Airport Economic Impact Study.

Chamber of Commerce CEO David Maurer introduced Bill Cheek who conducted the economic impact study on the airport that was undertaken by the Chamber of Commerce, in order to have a more updated study available. Mr. Cheek conducted the study and would present the results today.

Bill Cheek showed the following Powerpoint slides:

Prescott Airport Economic Impact Study

Presented to
Prescott
Chamber of Commerce

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Major Tasks Undertaken

- Establish strategies
- Collect mailing lists and hold preliminary interviews
- Distribute surveys
- Collate and record data within database
- Analyze data
- Apply accepted formulas
- Prepare Economic Impact Study report

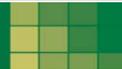
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Prior Economic Impact Studies

- Two Previous Studies (1998)
 - Student group-Embry-Riddle
 - Prescott Airport Advisory Committee (PAAC)
- Comparisons Not Usable
 - Completely Different Assumptions
 - Duplications
 - Overlap
- PAAC Suggested “Range” of From \$62.5 Million to \$130.5 Million
 - Far too Broad a Range
 - Based on using different “multipliers” for Induced Impact

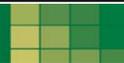
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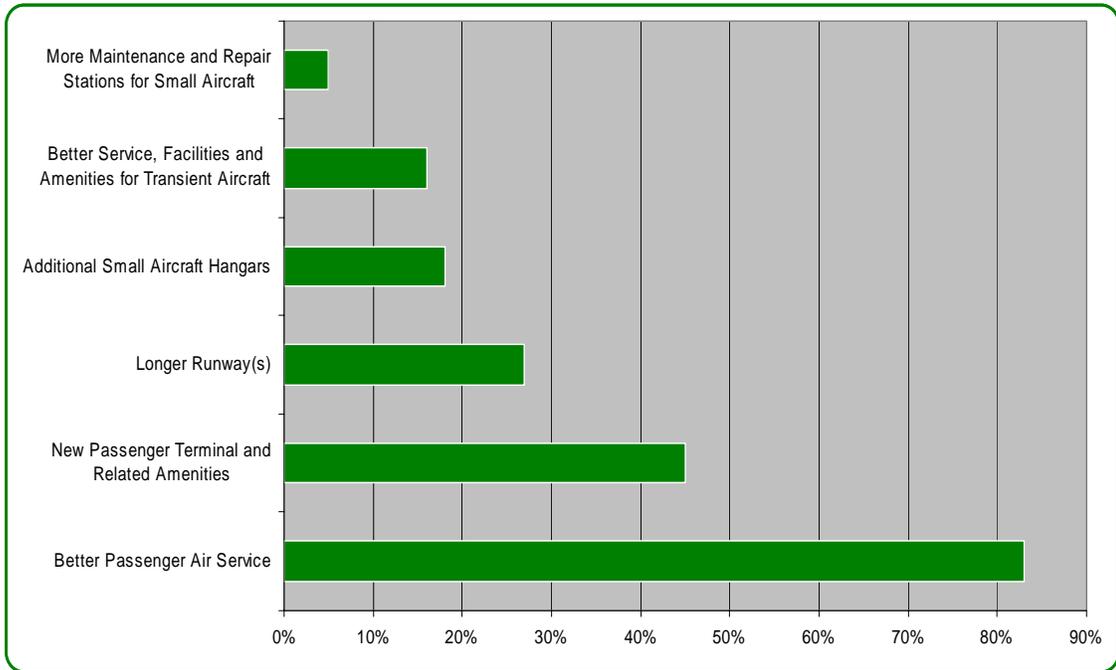


Current Survey Response Rates

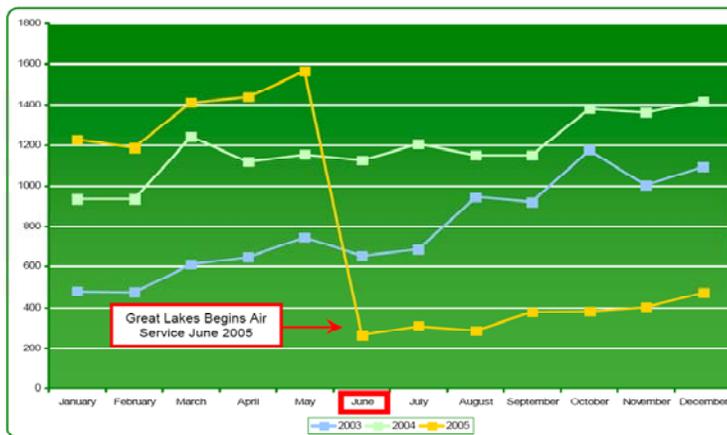
- Chamber Member Survey
 - $240 / 1060 = 22\%+$
- Airport Users/Tenants Survey
 - $75 / 228 = 33\%+$
- Arizona Airports Survey
 - $11 / 13 = 84\%+$

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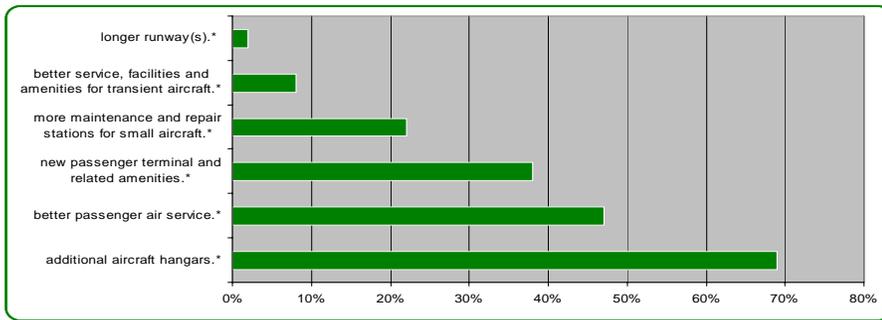




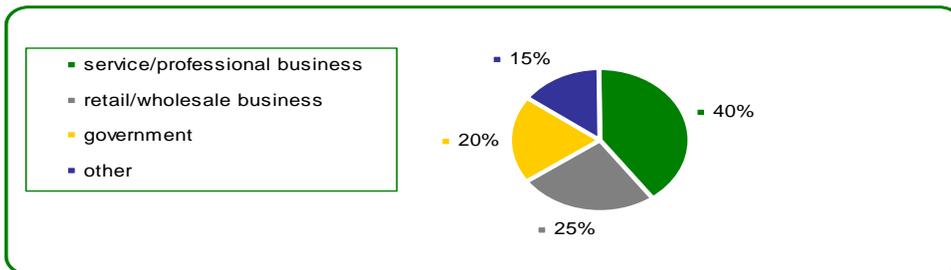
Scheduled Airline Passenger Statistics (2003 – 2005)



Greatest Improvement Airport Tenants / Users Survey

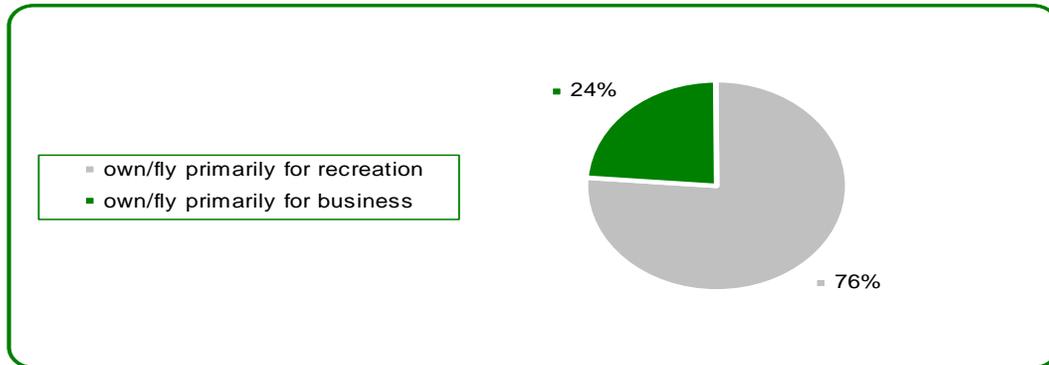


Classification of Respondents Airport Businesses / Airport-Related Businesses



Reason for Flying at Airport

Airport Tenants / Users



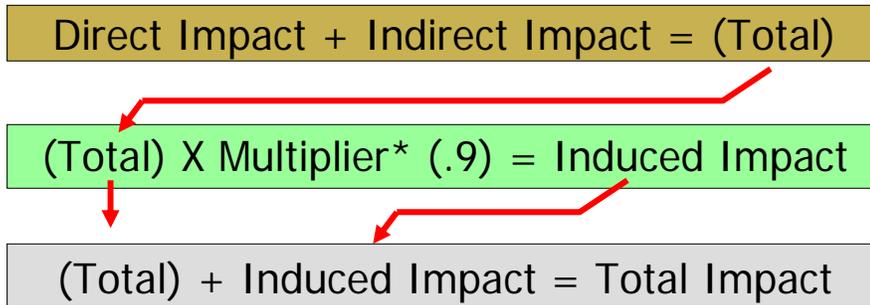
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Methodology & Impact Definitions

- **DIRECT** – reflects jobs, payroll, and sales directly related to airport operations and businesses whose existence depends on the viability of the airport
- **INDIRECT** – money flowing into local economy that would come from individuals, businesses, and organizations related to airport's operations or other wise involved with airport business
- **INDUCED** – so-called "multiplier" effect, downstream effect of the airport operations and those of businesses dependent on the airports viability

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Formula Employed



* Economic model generated by the Bureau of Business and Economic Research at Arizona State University (ASU)



Major Contributors to Total Economic Impact

Business Entities:	Direct Impact	Indirect Impact	Multiplier	Induced Impact	Direct + Indirect	Total Impact (\$)
Tower & Flight Service Station	\$ 5,560,487	+ \$ 100,000	x 0.9	= \$ 5,094,438	+ \$ 5,660,487	= \$ 10,754,925
Airport-Related Businesses	7,720,000	+ 3,300,000	x 0.9	= 9,918,000	+ 11,020,000	= 20,938,000
Airport Hangar / Users / Tenants	1,704,300	+ 40,000	x 0.9	= 1,569,870	+ 1,744,300	= 3,314,170
Airport Bus. / Flt Schools / Maint.	1,349,953	+ 600,000	x 0.9	= 1,754,958	+ 1,949,953	= 3,704,911
Embry-Riddle (Aero. Science)	6,503,000	+ 1,800,000	x 0.9	= 7,472,700	+ 8,303,000	= 15,775,700
Embry-Riddle (Students)	-	+ 4,000,000	x 0.9	= 3,600,000	+ 4,000,000	= 7,600,000
U.S. Forest Service Aviation Ctr.	1,125,000	+ 688,480	x 0.9	= 1,632,132	+ 1,813,480	= 3,445,612
Apt Admin, TSA, Gr Lks, Tenants	1,410,798	+ 287,000	x 0.9	= 1,528,018	+ 1,697,798	= 3,225,816
Totals	\$ 25,373,538	\$ 10,815,480		\$32,570,116	\$36,189,018	\$68,759,134





Prescott Airport Compared to other Arizona Airports

- Number of Annual Operations
- Number of Based Aircraft
- Annual Fuel Sales
- Current Fuel Prices

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Annual Operations Comparison

Year	Prescott	AZ Average
2003	325,457	95,636
2004	302,188	117,756
2005	230,000	122,897

Operations per year

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Annual Fuel Sales Comparison

Year	Prescott	AZ Average
2003	1,055,722	479,043
2004	1,021,339	438,170
2005	956,929	471,884

Gallons per year



Current Fuel Price Comparison

(Fuel dispensed by Airport authority)

Airport	AVGAS	JET A
Prescott	3.69	3.44
Goodyear	3.50	3.47
Show Low	3.26	3.25
Sedona	3.65	3.30

Fuel Cost as of March 16, 2006



Number of Based Aircraft

Airport	# of Aircraft
Deer Valley	1200
Mesa/Falcon Field	900
Chandler	450
Glendale	380
Prescott	349
Kingman	243
Goodyear	224
Flagstaff	150
Sedona	109
Payson	80
Show Low	72
Page	70

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Study Conclusions

1. Airport is vital to economy (\$68.7 Million annual contribution)
2. Many businesses depend on airport
3. Respondents unhappy with current air service

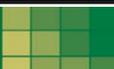
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Study Conclusions

4. Need for new passenger air terminal and runway extension
5. Airport needs more small aircraft hangars
6. Airport compares very favorably with other Arizona airports in performance measurements.

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Elliott Z. Pesut
Douglas K. Dickey

Thank you.

It has been a pleasure conducting this Study.

We look forward to working with the Chamber of Commerce and the City Council in the future.

Councilman Lamerson commented Embry-Riddle Aeronautical University would not be in Prescott if it weren't for the airport.

Councilman Blair asked what would be done with the report and Manager Norwood responded some of the information would be released and the information could be used to provide background information for continued improvements to the Airport.

Mayor Simmons commended the Chamber of Commerce for undertaking the cost of the study and for being a very proactive organization.

B. Presentation by Enrique Melendez, Consul to El Salvador, regarding the city's possible participation in a Sister City's program with a city in El Salvador that would encourage tourism and economic development.

Mr. Melendez said El Salvador was the only Latin American country to send troops to Iraq and they were still there. He wanted to invite the City of Prescott to consider developing a Sister City relationship with them; they had a modern airport and five-star hotels and restaurants, with pristine beaches, surfing, scuba diving, and historic buildings surrounded by mountains, just like Prescott.

Prescott was the first city in Arizona invited to join as a Sister City with El Salvador and that was due to the way Prescott had shown a warmth and welcoming attitude towards tourists and they in turn wanted residents from Prescott to come and visit El Salvador.

Councilman Roecker asked if there was a community in El Salvador specifically proposed for a Sister City and Mr. Melendez responded it was Suchitoto, which was founded in 1542 and was in the mountains, and had art fairs, hotels, nightclubs and a population of between 40-45,000 people.

Mayor Simmons read a proclamation for Enrique Melendez Day and presented it to Mr. Melendez.

III. CONSENT AGENDA

Councilman Lamerson wanted and received clarification on Items on E and F to make sure Council was only setting the cap on the budget and wouldn't necessarily be spending everything that was in it and the Notice of Intent to raise impact fees didn't say which ones or how much any may be raised. Staff indicated that was correct.

Councilman Roecker MOVED to APPROVE Items III-A through III-L of the Consent Agenda, which was SECONDED by Councilman Lamerson. The motion passed unanimously with Councilwoman Suttles absent.

- A. Adopt Resolution No. 3756 – A resolution of the Mayor and City Council of Prescott, Yavapai County, Arizona authorizing the City Manager to execute all documents necessary to acquire, through cooperative purchase with Houston-Galveston Area Cooperative (H-GAC), six medium to heavy-duty vehicles.
- B. Adopt Resolution No. 3757 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting a grant from the Yavapai County Community Foundation, an affiliate of the Arizona Community Foundation, in the amount of \$10,000.00 under the “2006 Canines in Law Enforcement” Program.
- C. Authorize purchase of project software and software management services from Application Data Systems, Inc. in the amount of \$105,592.00. (Grant funds)
- D. Adopt Resolution No. 3758 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving the transfer of unencumbered appropriations from the Budget and Finance Department to the City Clerk and Administrative Services Departments in the General Fund, and approving the transfer of unencumbered appropriations from the capital Improvement Fund to the Transient Occupancy Fund.

- E. Adopt Resolution No. 3759 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, adopting a Tentative Budget, adopting the estimated amounts required to meet the public expenses for the City of Prescott for the Fiscal Year 2006-07, authorizing the directing publication of statements and schedules of the Tentative Budget, together with notice of hearing on said budget and notice of date of final adopting of said budget, and notice of date of establishment of the expenditure limitation, and notice of the date for fixing a tax levy.
- F. Adopt Notice of Intention to Increase Development Fees.
- G. Award contract for the reconstruction of Ruth Street from Whipple Street through Whetstone Avenue intersection to Fann Contracting, in the amount of \$1,157,577.00.
- H. Approve site plan for the Room Store located at Gateway Mall, 3090 Gateway Blvd., SI06-002, subject to the condition that the site is developed in substantial conformance to the Site Plan and Landscape Plan, both dated June 13, 2006, and that a wrought-iron fence is provided along the top of the slope adjacent to the landscape area.
- I. Approve Final Plat for The Heritage Unit III, Phase 3, comprising 18 lots on approximately 18.43 acres, located generally northwest of Sierry Peaks and Downer Trail intersection, with the condition that prior to recordation of the final plat, setbacks details will be corrected to indicate all setbacks are to walls (not eaves), the number of acres for the subdivision, and the size of each lot in square feet, FP06-008.
- J. Approve Final Plat for North Forty comprising 31 lots on approximately 31.76 acres located generally west of Williamson Valley Road and south of Le Loup Rd., subject to the payment of fair share costs in the amount of \$49,969.20 for upgrades to water and sewer infrastructure, FP06-002.
- K. Approve Final Plat for Peregrine Townhomes, 34 lots on 10 acres, located at the southwest corner of Montana Drive and North Lakeview Drive, subject to the condition that applicant shall provide a Letter of Credit to satisfy financial assurances for a water pump system, in the amount of \$110,375.00 prior to recordation of the Final Plat. This cost would be included in the City's 07/08 Public Works budget for 100% reimbursement back to the applicant, FP05-022.
- L. Approve Minutes of the Prescott City Council Study Session of May 16, 2006, the Prescott City Council Regular Meeting/Workshop of May 23, 2006, and the Prescott City Council Workshop of May 24, 2006.

IV. REGULAR AGENDA

A. Public Hearing and Approval of a liquor license application from Maria Aldaco for a Series 12, Restaurant, License for Casa Grande Restaurant to be located at 503 Miller Valley Road.

Clerk Elizabeth Burke explained the public hearing was being held today for a liquor license application from Maria Aldaco for Casa Grande Restaurant, (State No. 12133332), for a Series 12 Restaurant license, the property was posted May 23, 2006 and no protests or comments were received.

Councilman Blair MOVED to CLOSE the Public Hearing, which was SECONDED by Councilman Lamerson. The motion passed unanimously, with Councilwoman Suttles absent.

Councilman Lamerson MOVED to APPROVE the liquor license application from Maria Aldaco for a Series 12, Restaurant, License for Casa Grande Restaurant to be located at 503 Miller Valley Road, which was SECONDED by Councilman Blair. The motion passed unanimously with Councilwoman Suttles absent.

B. Public Hearing and Approval of a liquor license application from Robert L. Monasmith for a Series 10, Beer and Wine Store, License for Classic Conoco Food Mart located at 1310 Iron Springs Road.

Clerk Elizabeth Burke explained the public hearing was being held today for a liquor license application from Robert L. Monasmith for Classic Conoco Food Mart, (State No. 10133169), for a Series 10 Beer and Wine Store license; the property was posted May 12, 2006 and no protests or comments were received. Councilman Blair MOVED to CLOSE the Public Hearing, which was SECONDED by Councilman Lamerson. The motion passed unanimously, with Councilwoman Suttles absent.

Councilman Roecker MOVED to APPROVE the liquor license application from Robert L. Monasmith for a Series 10, Beer and Wine Store license for Classic Conoco Food Mart located at 1310 Iron Springs Road, which was SECONDED by Councilman Lamerson.

Councilman Blair requested a listing of what the numbers and series of liquor licenses meant.

The motion passed unanimously with Councilwoman Suttles absent.

C. Consideration of request submitted by Don R. Davis for waiver of floodplain regulations pertaining to construction of an addition to an existing home located at 841 Sunset Avenue.

Engineering Services Director Mark Nietupski explained it had been determined the waiver would not cause increased insurance rates for others and the suggestion was to approve the request for a waiver of floodplain regulations in this instance.

Councilman Blair mentioned the development at The Crossings where houses were no less than 50 yards from the creek bed and Mr. Nietupski responded any house adjacent to Willow Creek would be finished one-foot above the flood plain.

Councilman Luzius asked if the city was being released from any liability and Attorney Gary Kidd replied a form would be prepared for that.

Councilman Blair MOVED to APPROVE the request submitted by Don R. Davis for waiver of floodplain regulations pertaining to construction of an addition to an existing home located at 841 Sunset Avenue, with consideration that City attorney will complete form releasing city of liability, which was SECONDED by Councilman Luzius. The motion passed unanimous with Councilwoman Suttles absent.

D. Approval of Final Plat for Falcon Point at Prescott Lakes, A Planned Area Development (PAD), consisting of 118 lots on 27.4 acres, located generally west of Highway 89 and east of Prescott Lakes Blvd., FP05-021.

Engineering Services Director Mark Nietupski explained a Traffic Impact Analysis identified the intersection of Blooming Hills Drive and Prescott Lakes Parkway would need a signal and it would be put in at city expense in the future when the area met traffic warrants.

Staff clarified the developer of the subdivision had no involvement in the cost of the traffic light but would pay for the improvements for the right-turn lane to the subdivision.

Councilman Roecker MOVED to APPROVE the Final Plat for Falcon Point at Prescott Lakes, A Planned Area Development (PAD), consisting of 118 lots on 27.4 acres, located generally west of Highway 89 and east of Prescott Lakes Boulevard, with the conditions listed on the Staff Summary dated June 13, 2006, which was SECONDED by Councilman Bell. The motion passed unanimously with Councilwoman Suttles absent.

Conditions Listed in the Staff Summary: 1) Plantings shall achieve 90% coverage on the visible cut-slopes and fill-slopes from the surrounding subdivisions and highways within one year after planting with subsequent reseeding of any bare

areas. Reseeding shall take place as soon as possible (weather permitting) to achieve as close to 100% coverage as practically possible. 2) Construction of a right-turn lane from Prescott Lakes Parkway into the development, including dedication of the necessary right-of-way, with the design approved by the City Engineer.

E. Carrington Place:

Councilman Luzius declared a conflict of interest as his wife was employed by the developer.

George Worley explained:

- the property was north of Rosser Street, on the west side of South Blooming Hills Drive
- the request was to rezone the property from Single-Family 35 to Single-Family 12
- The project proposed 4 lots on 2.71 acres with 5.21 dwelling units per acre
- The Planning and Zoning Commission recommended adoption of the rezoning ordinance and approval of the preliminary plat.

1. Adoption of Ordinance No. 4543 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the zoning of certain property within the City of Prescott generally located North of Rosser and West of South Blooming Hills Drive, for Carrington Place.

Councilman Blair MOVED to ADOPT Ordinance No. 4543, which was SECONDED by Councilman Roecker. The motion passed unanimously with Councilman Luzius abstaining and Councilwoman Suttles absent.

2. Approval of Preliminary Plat for four lots, known as Carrington Place, generally located north of Rosser and west of South Blooming Hills Drive, SP06-004.

Councilman Blair MOVED to APPROVE the Preliminary Plat for four lots, known as Carrington Place, generally located north of Rosser and west of South Blooming Hills Drive, SP06-004, which was SECONDED by Councilman Roecker. The motion passed unanimously with Councilman Luzius abstaining and Councilwoman Suttles absent.

3. Approval of Water Service Agreement with Carrington Homes, Inc. for 1.40 acre feet annually to serve Carrington Place.

Councilman Blair MOVED to APPROVE the Water Service Agreement with Carrington Homes, Inc. for 1.40 acre feet annually to serve Carrington

Place, which was SECONDED by Councilman Roecker. The motion passed unanimously with Councilman Luzius abstaining and Councilwoman Suttles absent.

F. Hartin Suites:

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

Assistant Community Development Director George Worley explained the water service agreement contained a paragraph that the water agreement and water allocation would be terminated if there was a change of use (from condos back to any other use).

Attorney Gary Kidd clarified if there was a change in use the new project would have to replat and would require a new allocation of water and the CC&R's would also be change; the property would retain the current groundwater allocation until the new project was final platted and allocated water from the alternate water supply and then the groundwater allocation would go away.

Councilman Blair expressed dissatisfaction with ADWR for making Prescott use alternate water for this project; the property already had water and just because the property was changing from apartments to condominiums it shouldn't change anything.

Attorney Gary Kidd clarified the current project as it existed preceded the Arizona Groundwater Act. The water service agreement as written stated if the use of the property changed, the allocation went away and they would have to come back for another allocation.

Council comments –

- Water had a value and there was no recourse to recapture the value or the water
- Project was not affordable housing as led to believe it would be.
- Supported Attorney writing a letter to ADWR protesting the loss of the original amount of water to the apartment complex when a project improved a neighborhood.
- Planning and Zoning Commission recommended denial of the project.

Councilman Blair commented the Planning and Zoning Commission was a recommendation body only and Council could make a decision on whether to go with their recommendation or not.

Bill O'Leary, attorney for the developer, said a one-bedroom condo would sell for between \$120,000 and \$125,000 and a two-bedroom condo would sell between \$140,000 and \$145,000.

Councilman Roecker asked Public Works Director Craig McConnell if the project would qualify as affordable housing and if there was any leverage with ADWR regarding getting water credits back, and Mr. McConnell responded the City's Water Policy defined workforce housing as "housing available for homebuyers earning incomes less than 87% of the median income for Prescott for a family of four".

Manager Steve Norwood interjected the one-bedroom condo was approximately 575 square feet which was about \$200 a foot and the sales price might meet the affordable housing definition but four people would be in close quarters.

Mr. McConnell continued ADWR required an accounting of the water that Prescott was allowed to pump and the water to the apartments was built into the ADWR maximum ceiling Prescott could pump; changing the use of the property from apartments to condominiums required a plat which had to be recorded and water had to be available and that was an ADWR requirement; ADWR wasn't going to reduce the ceiling by the amount of the demand for the apartments and no water was being lost, it was an accounting procedure; the plat had to have an alternative water allocation. A letter could be sent to ADWR to have them confirm this was the case and staff would report back to Council.

Councilman Blair asked if the developer was willing to wait for the interpretation from ADWR and Mr. O'Leary replied they would rather wait than get a negative vote on it; but they would like to keep moving forward and if Council approved the preliminary plat they could do that. Mr. Blair suggested putting a condition on the plat so they could move ahead while waiting for ADWR clarification.

Attorney Gary Kidd remarked the Council had to give water with the plat.

Councilman Lamerson added it didn't matter where the water came from, whether from the affordable budget or the other; the project would clean up the neighborhood.

Councilman Bell and Mayor Simmons agreed the project improved the public safety of the area and the community.

Speaker:

Howard Mechanic, 309 Bloom Place – suggested the definition of affordable housing should be a certain square footage instead of being based on income. The price of a housing unit might be affordable but the size was not appropriate for a family and a 500 square foot one bedroom unit was not suitable for a family of four.

Public Works Director Craig McConnell clarified the current City water policy did not mention square footage in relation to affordability.

Councilman Lamerson MOVED to APPROVE the Preliminary Plat for Hartin Suites, a Planned Area Development (PAD), for 29 condominium units on one acre located at the northeast corner of Hartin Avenue and Stetson Road, SP05-020, which was SECONDED by Councilman Blair. The motion passed 4-2 with Councilmen Luzius and Roecker casting NAY votes and Councilwoman Suttles absent.

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

Councilman Lamerson MOVED to APPROVE the Water Service Agreement with Hartin Suites, LLC for 10.15 acre feet annually to serve Hartin Suites, which was SECONDED by Councilman Bell.

Attorney Gary Kidd clarified the language was in the Water Service Agreement to terminate the agreement if the property use should be changed.

The motion passed 4-2 with Councilmen Luzius and Roecker casting NAY votes and Councilwoman Suttles absent.

G. Adoption of Resolution No. 3760 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into Intergovernmental Agreements with the Town of Chino Valley, Town of Dewey-Humboldt, Town of Prescott Valley, Yavapai Prescott Indian Tribe, Yavapai County, and the Salt River Project, or any of these respective entities who is a signator on this IGA and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above. (Establish Upper Verde River Watershed Protection Coalition)

Big Chino Water Ranch Project Manager Jim Holt showed a map that included the Big and Little Chino Subbasin, the Prescott Active Management and the Upper Verde watershed area and recommended establishing the Upper Verde River Watershed Protection Coalition by adopting Resolution No. 3760.

Councilman Luzius mentioned several of the existing water groups by acronym and asked how many more water related groups was needed; this group wasn't necessary and would drive a wedge with those on the other side of Mingus Mountain and he wasn't in favor of this one.

Councilman Roecker thought this was a smart move for the City to take because it was important to protect the Upper Verde River and keep a focus on that and there had been no objections from the Mayors on the other side of the mountain.

This group would provide clarity on Prescott's intent and was a huge step in the right direction.

Speakers:

Howard Mechanic, 309 Bloom Place – didn't agree with Councilman Luzius that this group wasn't necessary; he thought it could be helpful in preserving the Upper Verde River; scientific studies and follow-ups would be done and a conservation plan for the Big Chino could be proposed. He asked about funding and Mayor Simmons responded funding options would come later.

Tom Slayback, 715 Goodwin Street – member of the Verde River Partnership – he invited the City to join their group; they were conducting studies that included the Upper Verde.

Lou Bellesi, 1102 E. Timberidge Road - he saw the need for this organization but worried that having experts on the Middle Verde, and other experts on the Upper Verde would create conflict as to what information would be accepted and urged Council to be very careful when proceeding with this; that more conflicts could result down the line.

Jim Holt was asked if the City got independent consultants or used the ones the City currently contracted with and Mr. Holt responded they were relying on the USGS and any other sources to provide reliable information.

Councilman Roecker objected to the underlying suggestion that when a municipality hired someone to study something, the information was slanted to what the municipality wanted; data was data.

Mr. Bellesi concluded saying Southwest Ground-water and Herb Dishlip were being paid by the City; and there could be differences between scientific information.

Councilman Roecker MOVED to ADOPT Resolution No. 3760, which was SECONDED by Councilman Bell The motion passed 5-1 with Councilman Luzius casting a NAY vote and Councilwoman Suttles absent.

H. Approve settlement in the NCFE litigation with Price Waterhouse and Coopers.

Attorney Gary Kidd explained the City was part of a cooperative legal action taken by several Arizona governments to try to recover losses incurred in the State pooled investment funds following the bankruptcy of National Century Financial Enterprises (NCFE) and this was a settlement of a portion of the law suit with the auditors, Price Waterhouse and Coopers in the amount of \$30,000 and the Legal Department recommended approval of the settlement. The City would receive the money.

Councilman Bell MOVED to APPROVE settlement in the NCFE litigation with Price Waterhouse and Coopers and to authorize the Mayor and legal staff to execute all necessary settlement documents on behalf of the City of Prescott, which was SECONDED by Councilman Roecker. The motion passed unanimously with Councilwoman Suttles absent.

I. Approve settlement of Cassell v. City of Prescott, in the amount of \$70,000.

Attorney Gary Kidd explained the settlement was for a law suit filed against the city for an alleged trip and fall accident at the Adult Center. Ms. Cassell had already incurred over \$44,000 in medical costs and the legal staff was anticipating the costs of an expert witness to be approximately \$40,000 if the case went to trial and following mediation the amount of \$70,000 was negotiated subject to Council approval.

Councilman Luzius MOVED to APPROVE settlement of Cassel v. City of Prescott, in the amount of \$70,000.00, and authorize legal staff to prepare and the Mayor to sign the settlement documents, which was SECONDED by Councilman Roecker. The motion passed unanimously with Councilwoman Suttles absent.

J. Rescheduling of Meetings:

1. July 4, 2006 – Holiday - Combine with July 11, 2006

Councilman Roecker MOVED to COMBINE the July 4, 2006 City Council Study Session with the July 11, 2006, City Council Voting Session, which was SECONDED by Councilman Luzius. The motion passed unanimously with Councilwoman Suttles absent.

2. August 22, 2006 – During League Conference – Reschedule for August 29, 2006

Councilman Bell MOVED to CONTINUE the August 22, 2006 City Council Voting Session to August 29, 2006, which was SECONDED by Councilman Lamerson. The motion passed unanimously with Councilwoman Suttles absent.

V. ADJOURNMENT

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 4:40 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 13th day of June, 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