

PRESCOTT CITY COUNCIL JOINT
STUDY SESSION/SPECIAL MEETING
PRESCOTT, ARIZONA
NOVEMBER 7, 2006

A JOINT STUDY SESSION/SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, NOVEMBER 7, 2006, 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 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 Steve Norwood reported some encouraging news had been received recently regarding the possibility that ADOT might be advancing some of the street projects, especially the Highway 69/89 interchange project; the planning committee was recommending this project be advanced into the current fiscal year of 2007; and the board would meet November 17 in Wilcox with the City being represented at that meeting.

Mayor Simmons acknowledged the presence of Yavapai County Supervisors Tom Thurman and Carol Springer, Chino Valley Mayor Karen Fann, Clarkdale Mayor Doug Von Gausig and Councilwoman Diane Joens of Cottonwood at today's meeting.

STUDY SESSION

I. PRESENTATIONS

A. Presentations on the Verde River Basin Partnership:

1. Clarkdale Mayor Doug Von Gausig, Chairman of the Verde River Basin Partnership Structure Committee.

Mayor Von Gausig gave a PowerPoint presentation, attached hereto as Exhibit A. In addition, the following comments were made.

- The Verde River basin needed to be protected.
- The Verde River Basin Partnership was formed to create an effective water budget for the Verde Valley and to prepare a set of recommendations for water management tools to be used in the entire Verde River Basin.
- The San Pedro Partnership was to be a model for the Verde River Basin Partnership, but according to Senator McCain's Office it was not to be a copy and one of the differences was the San Pedro Partnership based voting rights on the amount of funding received from an area -- for instance, Ft. Huachuca and Sierra Vista contributed the bulk of the funding so they had a disproportionate representation of members.

Councilman Lamerson commented Prescott's water supply was woven into the Verde River Basin and asked if joining the Partnership would compromise the City's autonomy over its own water rights. Attorney Kidd responded it depended on the ultimate structure, but in the short term it wouldn't; long term was unknown.

2. Prescott Councilman Roecker.

Councilman Roecker then gave a PowerPoint presentation, attached as Exhibit B. The following comments were then brought forth:

- The number of voting members should be based on population, not funding.
- City of Prescott and Verde should have more voting members.
- One of the concerns was special interest groups could outvote Prescott.
- The Partnership should represent the communities proportionately and a lot of study needed to be done in the Verde Valley area.
- Elected officials should steer the committee.
- Cottonwood and Clarkdale recently purchased water companies in their area; rates tripled but the citizens were okay with that; they trust their elected officials.

Councilman Luzius stated that the Verde River Basin Partnership was not a policy or regulatory group, but a scientific one. He said no one on the committee had any intention of hurting Prescott; but the group shouldn't be weighted down with officials. Councilman Roecker replied that elected officials would be making future plans and policies from the studies by the USGS and needed full representation on the committee.

Mayor Simmons stated that this topic would be a discussion item on a future Study Session and Chino Valley, Prescott Valley and Dewey-Humboldt would also be discussing the issue.

II. DISCUSSION ITEMS

A. Authorization to purchase five (5) Communications Center Base Stations and related equipment from RELM Wireless Corporation, under GSA contract #GS06T03BND7002 in the amount of \$68,809.07.

Police Chief Randy Oaks explained this was a communications center upgrade and the funds were accepted September 12, 2006 by Council from the Arizona Division of Emergency Management Homeland Security Grant Program (Resolution No. 3773) in the amount of \$98,690.85.

B. Authorization to purchase two (2) 2006 Honda ST1300P Motorcycles with emergency equipment from North Valley Motorsports, Inc. in the amount of \$39,467.96.

Police Chief Randy Oaks explained the Police Department had seven motorcycles on the street and Kawasaki no longer produced police motorcycles; they currently had two Honda motorcycles in the fleet and the Kawasaki's would be gradually replaced; \$43,000 had been budgeted for this purchase and radios would be purchased separately for approximately \$1,500 each.

In response to questions, Chief Oaks stated that these were replacement vehicles and those being replaced had anywhere from 40,000 to 60,000 miles on them. Councilman Luzius asked if they were made in the United States. Chief Oaks said that he was not sure; he would find out and report back.

C. Authorization to purchase ten (10) Panasonic computer systems from Portable Computer Systems in the amount of \$70,428.54.

Police Chief Randy Oaks explained Items C, D, and E were related to grant funds from the U.S. Department of Justice in 2002; the City was able to secure extensions in the availability of funds; the project was related to the communications project and repeater stations needed to be in place first; Item C was the purchase of ten mobile data computers which would allow computer

dispatching of officers and would provide officers with instant, secure access to local, state and federal database information on criminal offenders, stolen vehicles, firearms and property, vehicle registration and other data; and would allow the input of crime reports for entry into existing records management systems. The Automated Vehicle Locators would enable dispatchers to know which police car was closest to the location of a call for service or emergency.

D. Authorization to purchase ten (10) mobile data radio modems and a data base station with related equipment from DataRadio Corporation, in the amount of \$55,766.80.

Chief Oaks explained that Item D was another part of the project from another vendor and this was the purchase of ten mobile data radio modems and a data base station.

E. Authorization to purchase Message Switch Software from Application Data Systems, Inc. in the amount of \$26,900.00.

Chief Oaks explained that Item E was the purchase of the part of the system that received the data and translated it into the system in the Dispatch Center.

The entire Mobile Data Computers/Automated Vehicle Locators equipment project would become fully operational once the Radio Infrastructure/Tower System was in place which was expected to be the end of January 2007 on Mt. Francis. The computers in the car could be used without the repeater station with the information being manually downloaded.

F. Award of CDBG construction contract with Frontier Excavation for excavation and grading of three Habitat for Humanity lots located at 229, 233 and 235 Meany Street in an amount not to exceed \$58,478.40 (CDBG Contract #140-05).

Grants Administrator Linda Hartmann explained this was the final round of the CDBG Small Communities Program with the Arizona Department of Housing. The project was to build three Habitat for Humanity homes and the \$100,000 in CDBG funds were to be matched with \$100,000 from Habitat for Humanity; the plan was to purchase City owned property on Meany Street, but the ADOH declared due to the public ownership of the property the funds could not be used for this purpose.

Ms. Hartmann continued that after further discussion it was decided Habitat could use a portion of their funds (\$70,000) to purchase the three lots and the CDBG funds would be used to prepare the lots for development including survey, grading, retaining walls and foundations and for building permits, impact/development fees. The first request for bids received no response. The project was rebid dividing the project into two parts, excavation and foundations.

Staff was recommending approval to award the bid from Frontier Excavation in an amount not to exceed \$58,478.40 for the excavation of the property. The foundation portion was not within existing funding and no additional funding was available at this time.

G. Approval of Plat Revision of Centerpointe West Business and Medical Park, creating five individually-owned pads and common areas, zoning is Industrial Light (IL), applicant is Dan Olivas (RE06-030).

Community Development Director Tom Guice explained this was a revision of Tract A of the Centerpointe West Office Park plat and complied with all city codes. Five pads or lots would be available for commercial and industrial uses.

Councilwoman Suttles asked if these were all commercial lots and Ty Myers, developer, 3603 Crossing Drive, responded it would be similar to their Crossings project on Willow Creek Road and would consist of business offices and medical offices and facilities and could be individually owned.

H. Approval of Plat Revision of Centerpointe East Commercial Center, creating sixteen individually-owned pads and common area, zoning is Industrial Light (IL), applicant is Bill Watson (RE06-035).

Mr. Guice explained this was a similar request and was a revision of Tract B of the Centerpointe East Commerce Park and would create the Centerpointe East Industrial Park. Sixteen pads or lots would be available for offices and industrial uses.

I. Approval of Final Plat for Sienna @ Blooming Hills comprising 16 lots on 3.77 acres, located on Tamarack Lane north of Rosser Street and west of Blooming Hills Drive, zoning is SF-18, applicant is Mike Crimmins, owner (FP06-016).

Councilman Luzius declared a conflict of interest as his wife worked for the development company.

Mr. Guice explained a water service agreement was approved in December 2005 along with the preliminary plat and rezoning request; there would be no open space provided; the plat complied with Subdivision Regulations; a portion of Tamarack Lane would be dedicated by the City for roadway purposes so the applicant could pave the intersection adjacent to the development.

It was clarified there was a typo on the agenda and the subdivision would only be 6 lots on 3.77 acres, not 16 lots.

J. Approval of Final Plat for North Lake Unit 2, a 20-lot subdivision located near Jerry and Samantha Streets, zoning is Single-Family 6 (MH), applicant is Vince Fornara (FP06-019).

Mr. Guice explained the property was located near Jerry and Samantha Streets on the southwestern boundary of the existing North Lake subdivision and was a combined Revision of Plat incorporating four existing lots (Lots #82-85) from the existing North Lake subdivision and a Final Plat for new 16 lots creating the North Lake Unit 2 subdivision which would consist of a total of 20 lots on 4.53 acres. The project has a Water Service Agreement and complied with Subdivision Regulations.

K. Adoption of Ordinance No. 4565 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, awarding a lease of City-owned property known as 1475 N. Sundog Ranch Road to Cingular Wireless, LLC for wireless communications facilities.

Mr. Guice explained Cingular Wireless requested a lease of the City-owned communication tower/compound located south of the blue Public Works building on Sundog Ranch Road; the tower/compound was built by Alltel Communications in 2004 and included a revenue sharing agreement allowing Alltel to recover some of its costs associated with developing the site; the Alltel agreement would be in effect until 2007 and the revenues would be split 50/50; after 2007 the City would retain all revenues; the initial lease rate with Cingular would be \$17,000 per year for 5 years, with an annual increase of 5% or the cost of living index, whichever was greater, and was renewable for four additional 5-year periods; a one time site improvement/access fee of \$10,000 would be paid and all costs associated with the installation of the antenna would be the responsibility of Cingular Wireless.

L. 2006 Tax Code Amendments:

1. Public Hearing.
2. Adoption of Resolution No. 3785 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, declaring as a public record that certain document filed with the City Clerk and entitled “*The 2006 Amendments to the City Tax Code of the City of Prescott, Arizona.*”
3. Adoption of Ordinance No. 4564 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona relating to the Tax Code of the City of Prescott, Arizona; adopting “*The 2006 Amendments to the Tax Code of the City of Prescott, Arizona*” (which amends Sections 4-1-445, 4-1-540, 4-1-542 and 4-1-560,

and amends Regulation 4-1-250.1) by reference and providing penalties for the violation thereof.

Budget/Finance Director Mark Woodfill explained the Public Hearing would be held next Tuesday and the Resolution would adopt the amendments as a public record and the Ordinance would change the tax code; the changes were a result of changes made during the 2005 legislative session and related to the interest rate charged on delinquent balances, interest paid by the City on refund requests, and refund request verification.

M. Approval to purchase vehicles identified in the Council Agenda Memo of November 7, 2006, and authorization to issue purchase orders to Five Star Ford and Galpin Ford in the amounts of \$197,838.23 and \$53,380.97 respectively.

Administrative Services Director Mic Fenech explained this item was to purchase vehicles approved in the FY07 budget, except for police vehicles; bids were received and staff was asking approval to purchase seven vehicles from Five Star Ford in the amount of \$197,838.23 and two vehicles from Galpin Ford in the amount of \$53,380.97; the procurement code allowed the use of sales tax to determine a bid amount and was the reason two vehicles were being purchased from Galpin Ford.

N. Adoption of Ordinance No. 4566 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the sale of miscellaneous surplus property, referred to as the Vodavi Phone Systems, and authorizing the Finance Director to execute any and all documents to effectuate said sales.

Mr. Woodfill explained a new Mitel phone system was installed recently and staff was asking permission to sell the old Vodavi phone system as its value was in excess of \$3,000.

O. Authorization of payment to Tech Logic in the amount of \$73,753.00 for purchase and installation of a vertical book drop system.

Library Director Toni Kaus explained the first phase of this project was to put in the infrastructure and that had been done during the expansion project and approval of Item O would add the automated bookdrop which would allow drivers to drive through and deposit their books and the books would then be transported into the library on a conveyor system, eliminating the need for library staff to retrieve the books from the dropbox. Funds from the Yavapai County Library District were used for this project and the amount of funding was based on population and circulation in the library.

P. Approval of purchase of a Caterpillar 930G loader from Empire Machinery in the amount of \$135,605.44, for the Transfer Station.

Assistant to the Manager Laurie Hadley explained this item was the replacement of equipment for the transfer station and was budgeted in the vehicle replacement program; the equipment was used to move commercial hauler and residential refuse from the tipping floors to the transfer trailers to be hauled to the landfill; the equipment was being purchased through the City of Reno, Nevada government bid process. There was a guaranteed buy-back of \$38,345 at the end of five years, a one-year total warranty with a 7,500 hour/60 month extended power train warranty included in the price, as well as a cap on maintenance costs.

Q. Approval to purchase four solid rubber tires from SETCO, Inc. in the amount of \$23,379.58 for the Transfer Station.

Ms. Hadley explained these were tires for the loader in Item P and were puncture resistant; the tires from the Caterpillar would be put on a piece of backup equipment; by buying direct from SETCO they were able to save money and the tires should last for many years.

R. Approval of amendment to Contract No. 2 with HDR Engineering for transfer station expansion design in the amount of \$26,500.00.

Ms. Hadley explained this was the second amendment to the contract with HDR Engineering and included a three-phase power plan, drainage and site design for the Public Safety Training Center and development of a Storm Water Pollution Prevention Plan; the transfer station would fund the amendment and be reimbursed by the Fire Department when budgeted.

S. Award of bid for one Caterpillar 414E IL industrial tractor to Empire Machinery, in the total amount of \$65,947.23, for Wastewater Operations.

Public Works Director Craig McConnell explained this item was a replacement of a 24-year old piece of equipment used by Wastewater Operations at the Airport Wastewater Treatment Plant and was used for mixing and loading sludge, plant grading operations, and collection system access maintenance and improvements. The price included a guaranteed buy-back value of \$25,000 up to seven years after purchase, a 7,000 hour/84 month extended power train warranty and guaranteed maximum repair costs of \$5,000 over 7 years or 7,000 hours.

- T. Approval to purchase a refurbished 2005 Powertrack 600 power screen from S & L Equipment in the amount of \$70,000.00 including tax, for the Streets Division.**

Mr. McConnell explained this was a budgeted item and staff was suggesting the purchase of a refurbished power screen as a new one cost \$175,000; it would be used to screen materials removed from city right-of-way and easements and the materials were used at other locations to repair shoulder dropoffs and erosion, level unsurfaced roads, and backfill trenches, saving the City from having to purchase those types of materials.

- U. Approval of Amendment Four to Contract No. 2004-189 with Stantec Consulting, Inc. for pavement management system services in the amount of \$24,795.00.**

Mr. McConnell explained the service provided field-rating the condition of one-third of the City's street inventory each year and added the information to the existing database and the information was used to select streets to receive a chipseal/rubber overlay product or be reconstructed during the next fiscal year.

- V. Approval to issue a purchase order to Mohave Educational Services Cooperative for improvements to the detention basin at Willow Creek Road and Montana Drive, in the amount of \$112,547.42.**

Engineering Services Director Mark Nietupski explained this area was realigned as part of the Willow Creek Road project but was experiencing erosion problems; the area was maintained by the Montana Estates Homeowners Association.

Councilman Blair asked what the scope of work was and Mr. Nietupski responded the area was a detention basin and the work included minor re-grading of the basin, installation of landscape rock and boulders, placement of landscaping chips and new plantings and installation of an irrigation system.

Councilman Blair questioned why the drainage issue wasn't the developer's problem instead of the City and Mr. Nietupski replied the City put it in with the agreement the homeowners association would maintain it, but it was very maintenance-intensive and problematic for the association and it was up to the City to redo it.

- W. Award of an engineering services contract to Parsons Transportation Group for Phase I project development of the Side Road/State Route 89A interchange, in the amount of \$653,501.09.**

Mr. Nietupski explained this was the first of three phases for engineering services and design of a grade separated traffic interchange for the Side Road intersection with State Route 89A; project design and construction would be in

accordance with ADOT requirements and the project was estimated to cost \$13.9 million for design, right-of-way and construction of which Yavapai County would contribute a maximum of \$1.5 million, Country Dells property owner would contribute a maximum of \$480,000.00, and other property owners would contribute proportionately through an improvement district and/or street impact fees as the area developed.

In response to questions by Council, Mr. Nietupski clarified ADOT was not contributing any funding for this project and the agreement with Country Dells and the County require the City to do this project, but here would be some cost recovery in the future.

X. Approval of Contract Amendment No. 1 to City Contract No. 2007-004 with International Surfacing Systems for the FY07 Rubber Chip Seal Project, in the amount of \$44,539.76.

Mr. Nietupski explained the amendment was needed to settle final as-built quantities of the project for the FY07 rubber chip seal project.

Y. Notice of public hearing (November 14) of a liquor license application from Leticia Terriquez Serratos, for a new Series 10, Beer and Wine Store, license for La Tienda Mexicana – Prescott Mini Mart, located at 1211 East Gurley Street.

Clerk Elizabeth Burke reported the Public Hearing would be held next Tuesday; the business was located at 1211 East Gurley Street and was a small mini mart; the Council had disapproved a liquor license at this location a year ago and the State had overturned the Council's denial and approved a license.

Councilman Blair asked why they didn't have the State come and post the properties for the City as it was a waste of time for the Council to make a recommendation and have the State disregard the local recommendation. Attorney Gary Kidd responded State Statutes required the local authority to post the location, hold a public hearing and submit a recommendation.

Councilman Luzius remarked the Council voted the license down and the State decided to approve it and he suggested the Council disapprove the license again based on there not being ample parking, no handicapped parking, having to back out onto Gurley Street and it was a high crime area, there having been a murder in a motel parking lot a week ago.

Mayor Simmons responded the parking situation was not a legitimate reason to vote against it.

Councilmembers expressed dissatisfaction with the State Liquor Board not taking local recommendations seriously enough.

Mr. Kidd added a recommendation of denial was seldom upheld by the State and it was difficult to win a case in front of the Liquor Board; this was a new applicant.

Mayor Simmons asked what it would take to not have liquor licenses come to Council and Mr. Kidd replied Council could prepare a legislative amendment as the Arizona Revised Statutes required a public hearing and recommendation from the local governing board.

Z. Notice of public hearing (November 14) of a liquor license application from Larry Dean Lamper, agent for Celtic Crossings Pub, Inc., for a new Series 12, Restaurant, license for Celtic Crossings Pub, to be located at 3250 Gateway Boulevard, Suite 400.

Ms. Burke explained the Public Hearing for the Celtic Crossings Pub would be held next Tuesday; this was a new license and the business would be located in the Prescott Gateway Mall.

AA. Notice of public hearing (November 14) of a liquor license application from Eriko Horikawa, agent for Esoji, LLC, for a new Series 12, Restaurant, license for Esoji, to be located at 220 West Gurley Street.

Ms. Burke explained the Public Hearing would be held next Tuesday; the property had been posted and this was an existing business that was changing ownership and was located at 220 West Gurley Street.

BB. Rescheduling of Meetings:

1. Cancel 12/26/06 Meeting – Holiday - Combine with 12/19/06
2. Cancel 01/02/07 Meeting – Holiday – Combine with 01/09/07

CC. Approval of Minutes of the Prescott City Council Special Meeting (Executive Session) of October 17, 2006, the Prescott City Council Study Session of October 17, 2006, the Prescott City Council Regular Voting Meeting of October 24, 2006, and the Prescott City Council Study Session of November 7, 2006.

DD. Selection of items to be placed on the Consent Agenda for the Regular Voting Meeting of November 14, 2006.

Councilman Roecker selected the following items: A, C – H, J, M – X, BB, and CC.

III. ADJOURNMENT

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the Study Session at 4:55 p.m. There was a short break before convening the Special Meeting.

SPECIAL MEETING

I. Call to Order.

Mayor Simmons called the special meeting to order at 5:03 p.m.

II. Executive Session

A. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property pursuant to A.R.S. 38.431.03(A)(7).

1. Properties located north of SR69 and east of SR89.

III. Reconvene into Open Session.

The Prescott City Council reconvened into Open Session at 5:08 p.m.

IV. Adjournment

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the Special Meeting at 5:08 p.m.

ROWLE P. SIMMONS, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk