

PRESCOTT CITY COUNCIL  
COUNCIL STUDY SESSION  
PRESCOTT, ARIZONA  
JUNE 5, 2007

A STUDY SESSION OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, JUNE 5, 2007, 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 was absent and Deputy Manager Laurie Hadley mentioned earlier today 24 employees graduated from the Supervisor's Academy which was an internal program that required 32 hours of internal training.

**I. DISCUSSION ITEMS**

**A. Approval of arts grant awards in the amount of \$35,000 as recommended by the Prescott Area Arts and Humanities Council.**

Economic Development Director Jane Bristol explained the City had a contract with the Prescott Area Arts and Humanities Council who received applications for the apportionment of \$35,000 which was budgeted for the arts each year. Twenty-five grant applications were received and the committee representatives would report on how their selections were made.

Councilman Blair asked why, in comparing the amount requested in the application and the amount awarded, there were the groups awarded more than they asked for. Ms. Bristol corrected the amount for Tsunami on the Square to \$3,030 and administrative fee to PAAHC at \$500 which added up to \$35,000; the funding was from the bed tax funds and Elisabeth Ruffner and Deb Thurston (PAAHC President) would explain the process.

Mayor Simmons remarked he also wanted to know why someone who applied for \$2,000 was awarded \$2,040 and Ms. Thurston explained they used a complicated formula to determine the allocation of funds and when they were done there was \$560 left over and it was divided by the 14 recipients, with each receiving an additional \$40.

Elisabeth Ruffner, Chairman of the committee, further explained one of the grants couldn't be awarded because the applicant couldn't take a partial funding so there was additional money to be allocated.

Councilman Blair suggested the money could have been left in the budget to reallocate next year; he said he appreciated all the work the committee did and asked about the downtown mural project, who determined what art was put downtown and where it was located. Ms. Thurston replied the project had a community vote

Councilman Blair asked where the project was going to be displayed and Ms. Thurston said it was already on the wall by the new parking garage and the grant was for the completed project.

Councilman Blair asked who decided what walls were used and what would be appropriate for Prescott and Ms. Ruffner commented it was a job they would like the Council to take on. She said that up to now it had been done by the citizens without any kind of policy and Mr. Blair added there should be a policy put in place.

Councilwoman Suttles asked questions about the award of \$2,350 to the Prescott Alternative Transportation group for an artist to design a bicycle rack for the downtown area, stating that was an expensive rack. Ms. Thurston explained a local artist would be commissioned to design the rack and build it of metal; a site would be selected possibly in front of the Raven Café on North Cortez Street.

Ms. Ruffner interjected the Grant Committee was a group of five people with different backgrounds, they looked at each application and applied three criteria to it, rated the projects and then voted on what they would like to see in the community.

Councilman Lamerson commented he was not a big believer in mixing government with art but Council made the decision to fund this in the amount of \$35,000 and should let the Arts Council decide what to fund.

Councilman Blair reiterated the Council needed to have a policy; he supported it but didn't support putting the bike rack somewhere without a policy in place because of considerations like site visibility and sidewalk restrictions.

Ms. Hadley commented there was a Manager's Directive whereby the Manager reviewed these types of things and if the applicant didn't agree it would then come to Council and this could be made into a Council Policy.

Ms. Ruffner added the contract between the City and the PAAHC was expiring and a new contract needed to be negotiated; a new policy could be part of the new contract and that would be discussed with the City Manager during the process of coming up with a new contract for the next three years.

Councilman Bell asked if the Council had changed their policy on funding of the arts, saying he thought the money was seed money to begin new ventures but it seemed the same organizations were being given the money each year. Mayor Simmons replied the committee was better qualified to know who should be funded and Council had delegated that function; they followed a strict process and he supported the process.

Councilman Bell asked if the amount of funding was adequate and Mayor Simmons said he felt it was and it gave many organizations some money to work with.

Ms. Ruffner continued there were several points missing in the current contract and could be included in the new contract, which included whether a limit should be put on an organization in receiving funding every year, or only every second or third year; whether it should be limited to non-profits or open, to fund programs as well as projects, and other considerations.

Councilman Lamerson commented the Council had no business in censoring what art was or wasn't; this was a huge step to the arts community to afford them the opportunity to receive bed tax money and it was the right thing to do to separate Council from the Arts Council and he respected what they did.

Ms. Bristol concluded the discussion saying the applications were available in her office if anyone wanted to look at them.

**B. Award of contract to Louis Berger Group, Inc. to conduct an Airport Master Plan Update Study in the amount of \$239,610. (FAA-\$185,000/ADOT-\$27,305/City-\$27,305)**

Airport Manager Rick Severson explained staff was recommending the award of a contract to Louis Berger Group, in the amount of \$239,610 for the update of the Airport Master Plan; the FAA was contributing \$185,000, ADOT was contributing \$27,305 and the City would contribute \$27,305. The master plan needed to be updated every 10 years and was needed

for future grant requests. The Council had put a high priority on development around the airport and the study would allow for input on that development. He said that David Sperling would lead the project and he had extensive experience in this type of work.

Mayor Simmons asked if the master plan would be utilized when it was time to discuss the terminal with the FAA and Mr. Severson replied it absolutely would be used; it would include looking at runway length requirements for the use of certain types of aircraft and would include the terminal building.

Councilwoman Suttles remarked nothing could be done anymore without a study but the beauty of this one was the FAA and ADOT were helping to fund it and as the airport was very important to the City and regional area the study should be done.

Councilman Luzius commented he had discussed this with Mr. Severson today and without having a master plan and a study done the City would lose their qualifications for FAA grants and they kept the airport going; it would only cost the City \$27,305 and asked that the consultant look at the long-term plan for the airport, to leave room for expansion and not infringe closely on the airport perimeter to include commercial development around the airport.

Councilman Lamerson said he also talked with Mr. Severson about the master plan study and the airport was very important to the commerce of the community and to ERAU, which was important to the commerce of the community, and the update needed to be done.

Jack Wilson, 1514 Eagle Ridge Road asked if the Airport Specific Area Plan would be used to assure compatible uses around the airport and Mr. Severson replied it would.

**C. Notice of Public Hearing (June 12) for a liquor license application from Jesus Alberto Zuniga Garcia, Agent for Alberto y Graciella, Inc. for a New Series 11, Hotel/Motel, license for the Prescottonian Best Western, located at 1317 East Gurley Street.**

Clerk Elizabeth Burke explained the public hearing would be held next week for a liquor license application for a new Series 11, Hotel/Motel license for the Prescottonian Best Western. The property was posted on May 4 and no comments had been received.

**D. Approval of the annual renewal of City insurance policies for FY08.**

Attorney Gary Kidd explained it was time for the renewals of insurance policies covering the City operations and Hillary Martinez and Rex Jorgensen, representatives from Marsh USA, Inc. would explain the proposed policies and coverage.

Councilmembers asked questions about certified acts of terrorism and why one option was to cover liability for the dams.

Ms. Martinez explained there were non-certified acts of terrorism which were domestic forms of terrorism and certified acts of terrorism which were done by a foreign country. Mr. Jorgensen responded the coverage for the dam was to replace it if an earthquake should damage it or to cover personal or property damage which occurred as a result of dam failure.

Rex Jorgensen presented information regarding available insurance coverage and options available.

It was the consensus that the coverage for the possibility of the loss of the dams was unnecessary.

It was clarified the property insurance included coverage of the new buildings, such as the Adult Center, the Sundog Ranch Road buildings, and the new central garage.

Mr. Kidd concluded saying additional quotes were still coming in and it was possible the recommendations could change by next week.

Ms. Martinez complimented the Manager and Council on a well run City and it was a lot of work for staff to put the information together so they could go out and find the necessary coverage for the City of Prescott.

**E. Adoption of Ordinance No. 4595 – An Ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the sale of a portion of property located in the City of Prescott and consisting of a portion of that certain real property generally described as 234 Grove Avenue and consisting of improved real property formerly known as the DES Building site and authorizing the Mayor and staff to execute all necessary sale and conveyance documents. (Prescott College/\$499,999.99)**

Mr. Kidd explained Ordinance No. 4595 would finalize the sale of the Department of Economic Security (DES) building at 234 Grove Avenue to Prescott College in the amount of \$499,999.99. The City paid \$530,000 for the building and through the leasing of the lot and the sale of the

building the City would recoup their money and the building would be put back into service in the community.

**F. Adoption of Resolution No. 3822 - 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 Golf Course Fund and the Parking Garage Fund. (FY07) (\$90,000/\$10,000 resp.)**

Budget and Finance Director Mark Woodfill explained Resolution No. 3822 would approve the transfer of unencumbered appropriations from the Budget and Finance Department to the Golf Course Fund in the amount of \$90,000 and to the Parking Garage Fund in the amount of \$10,000. The reappropriation of funds between departments needed the approval of Council; the reappropriation of line items could be approved by the City Manager.

Mr. Woodfill explained the expenditures from the restaurant at the golf course exceeded the amount budgeted because business was better than expected which required the purchase of more food and the hiring of more employees. Approval was needed to reappropriate funds to raise the expenditure limit. The restaurant made a profit of \$21,000 and was on track to break even with the debt service. To simplify the explanation Mr. Woodfill said because sales were higher than anticipated, the costs associated from the sales were higher than budgeted. This was not a movement of cash but raising the appropriation limit.

Mr. Woodfill continued both the restaurant and parking garage were new operations and amounts needed for their operation were only estimates, thus requiring this action. The parking garage showed revenues were up by \$71,000, which created higher expenses and again created the need to reappropriate \$10,000 to raise the expenditure limit and as with the restaurant, was not moving cash.

Councilman Bell said he heard complaints from part-time employees of the Manzanita Grille that they were not covered by health insurance and asked if the City could help them. Mr. Woodfill replied four employees were going to be made full-time employees and would get health insurance, but health insurance was not available for temporary employees even on a monthly basis.

Councilman Lamerson asked why the City would consider taking a few employees from part-time temporary to full-time with benefits when litigation was ongoing with the previous restaurant lessee and thought the City running the grill was only a temporary solution.

Mr. Kidd responded that was correct that litigation was on-going and there was an appeal pending in the Supreme Court. It could be in litigation for some time. Creating full-time positions did not put the City under any obligation to keep them; if the City stopped operating the restaurant the positions wouldn't exist.

Councilman Lamerson asked in the past had the City laid off people they intentionally hired and put them full time or would they find them another job. Mr. Kidd said a couple of meter readers had been laid off when the City purchased new equipment that no longer required the positions.

Councilmen Blair and Luzius thought the positions should be made full time.

George Seaman, 1830 Idylwild Hill, asked for clarification on the reappropriation, that it sounded like the restaurant made \$21,000 but spent \$90,000 to do it and Mr. Woodfill explained no cash was being transferred that the restaurant made the \$90,000 ( and more) and the budgeted limit was being raised to accommodate the additional expenditures; they couldn't sell more food if they didn't have the appropriation to buy more food.

Councilman Blair asked if the golf pro shop was handled in the same way and Mr. Woodfill said yes, it was just the restaurant operations were new and staff didn't know how much to appropriate.

- G. Adoption of Resolution No. 3823 - 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 2007-08, authorizing and directing publication of statements and schedules of the tentative budget, together with notice of hearing on said budget and notice of date of final adoption of said budget, and notice of date of establishment of the expenditure limitation, and notice of the date for fixing a tax levy. (FY08)**

Budget and Finance Director Mark Woodfill explained Resolution No. 3824 would adopt the tentative budget and estimated amounts to meet public expenses for FY2008, would authorize publication of the statements and schedules of the budget, provided notice of the public hearing for June 26, provided notice of the date for final adoption of the budget and establishment of the expenditure limitation (June 26) and notice of the date of fixing the tax levy (July 17).

Mr. Woodfill continued the Council reviewed the budget which was based on Council goals and objectives on May 24 and the recommended

changes were made. Two projects were added to the budget that staff felt needed to be completed soon, one was a \$5.2 million North Prescott Regional Force Main project and \$1.15 million airport wastewater treatment plant centrifuge project. Projects added by the Council were wastewater debt service, old clubhouse improvements, City Hall heating and cooling system improvements, airport software, a sidewalk scrubber and special election funding. Vehicle funding needed to be reappropriated as the vehicles had been ordered but would not be received until after July 1 and the reduction was a half-time facilities maintenance tech. The budget could be reduced after approval of the tentative budget, but could not be raised. The tentative budget amount was \$207,845,476.

Councilman Bell remarked it looked like the \$7 million in the capital improvements fund was being spent and Mr. Woodfill clarified debt issue would fund the wastewater projects and \$6.5 million would be left in the capital fund.

Councilman Blair clarified the total budget figure was a cap and did not mean it would all be spent and Mr. Woodfill said that was correct and items included in the budget would still have to be awarded by Council.

Councilman Blair asked how much of last year's budget had been spent and Mr. Woodfill replied the budget was \$187,724,529 and \$118,359,713 had been spent and the difference was not automatically reappropriated to this year's budget.

- H. Adoption of Resolution No. 3824 – A Resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting a grant from the Arizona Governor's Office for funding of police officer out-of-state training expenses and authorizing the execution of any and all documents to implement same. (Governor's Office of Highway Safety/\$690)**

Police Chief Randy Oaks explained Resolution No. 3824 would accept a \$690 grant from the Arizona Governor's Office of Highway Safety to provide special training for officers that would allow them to make physical observations to determine if a person could be under the influence of drugs or alcohol and the grant provided travel and lodging.

- I. Authorize application to the Yavapai County Community Foundation (YCCF) for grant funds in the amount of \$6,000 to cover in-service training program costs throughout FY2007 for the Police K-9 teams.**

Chief Oaks explained the Police Department had two canines and the newest dog, Deuce, would be shown to Council next week. The grant would be used to cover the costs of travel and lodging and attendance at

various in-service training/seminars for both the canines and handlers. The dogs would become certified and would be taught to sniff out types of drugs and could be used in limited ways for human scent tracking. Dogs were used to enter buildings and find suspects before the officers were sent in.

Mayor Simmons asked if the dogs had protective body armor and Chief Oaks replied Bosso had armor but he didn't think Deuce had any yet.

- J. Approve the purchase of 52 Motorola HT750 handheld radios for the Police Department from Creative Communications, in the amount of \$53,314.84, per a City of Tempe purchase contract. (AZ Office of Homeland Security grant)**

Chief Oaks explained the Police Department applied for Homeland Security funding to improve communications between special teams; these radios would be used for multi-agency responses and included scramblers so citizens could not hear police broadcasts on their scanners. Radios would be provided to the Sheriff's Office (16), to Prescott Valley (16), Chino Valley (6), and Prescott would get 14 radios.

- K. Approve the purchase of specialty radio equipment from sole source provider, Television Equipment Associates, Brewster, NY, in the amount of \$37,867.00 plus tax for the Police Special Tactical Units. (AZ Office of Homeland Security grant)**

Chief Oaks explained this purchase would be from the same grant as the radios and included molded ear pieces and other equipment to conceal transmissions between officers. The equipment was expensive but allowed radio use to be private.

- L. Approve a contract with Sirius Computer Solutions for the purchase and maintenance of the IBM p5 Computer Server System for current and future public safety communication needs, in the amount of \$134,415.17 plus tax.**

Chief Oaks explained this computer server system was part of the regional communications center upgrades and would help increase capacity to deal with the new mobile data computers and automatic vehicle locaters and the City's IT department proposed this system.

Councilman Blair asked when the new vehicles were going to be on the road and Chief Oaks replied the last of the Crown Victorias went into the shop for installation of equipment and hoped that in a couple weeks a few of the vehicles would be available. He said he wanted Council to see them before they went out onto the street.

- M. Adoption of Resolution No. 3825 – A Resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting a grant from the United States Department of the Interior for a regional water conservation project and authorizing the Mayor and staff to execute such documents as may be necessary to the grant acceptance. (\$45,800/Bureau of Reclamation)**

Public Works Director Craig McConnell explained the City had been awarded a grant from the Bureau of Reclamation in the amount of \$45,800.00 to fund regional water conservation projects which included irrigation audit certification classes, a regional water conservation work plan, and development of an educational workbook. The City would put in \$15,700 plus time by the Water Conservation Coordinator Shaun Rydell.

Ms. Rydell explained the regional project would include education and information through City water bills, irrigation audit training would be available to professional landscapers plus City staff, a regional workbook would be printed focusing on outdoor water use and many other subjects on how to conserve water and the regional outreach program would include Prescott Valley, Chino Valley and Yavapai County. The project would take approximately 14 months to complete.

Council was complimentary on the City taking a lead role in setting the example for the community in water conservation.

- N. Award of bid to Western Slope Utilities, Inc. in the amount of \$1,097,477.00 for the Yavapai Hills Sewer Rehabilitation Project.**

Mr. McConnell explained this was the second phase of a sewer rehabilitation project in Yavapai Hills and would include the in-place rehabilitation of approximately 7,300 lineal feet of existing sanitary sewer mains to remove impediments to flow, and seal the system for reduction of leaks and infiltration. The benefit to this type of installation of a liner within the existing pipe was it was less of a disruption to property owners and didn't require digging up the deteriorated lines.

- O. Adoption of Ordinance No. 4596 – An Ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, abandoning a portion of unused and unimproved right-of-way located within the Joslin-Whipple Subdivision which property is generally described as a portion of Cedar Street right-of-way consisting of a blanket utilities easement and an easement for ingress and egress and authorizing the Mayor and City staff to take all necessary steps to effectuate such abandonment. (Hupper/220 S. Washington)**

Dale Wachs, Senior Civil Engineer explained Ordinance No. 4596 was the abandonment of a blanket utility easement and a 10 foot ingress/egress easement on Cedar Street. Council approved Ordinance No. 4590 that abandoned the right-of-way but didn't abandon the blanket easement and ingress and egress. Ordinance No. 4596 would accomplish that.

- P. Adoption of Ordinance No. 4597 – An Ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of a 123-foot public right-of-way parcel belonging to William and Sharon Feldmeier and the acquisition of a sidewalk easement therefrom for property located on the southeast corner of Ruth and Sun Streets and authorizing the Mayor and City staff to execute any and all documents to effectuate said purchase. (\$430.50/APN 116-20-027/Lot 2, Allendale Tract)**

Mr. Wachs explained Ordinance No. 4597 would acquire a small triangular section of property from William and Sharon Feldmeier on the southeast corner of Ruth and Sun Streets and accept a narrow sidewalk easement along the Ruth Street frontage of the property. Due to the accelerated schedule of the Ruth Street paving project last summer, to get it done during the summer before school started, the sidewalk was moved back onto their property to allow for their driveway approach and they were giving the City a piece of property at no cost.

- Q. Adoption of Resolution No. 3826 - A Resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into an Intergovernmental Agreement with Yavapai County for consolidated Court services, authorizing the Mayor and staff to take any and all steps necessary to accomplish the above. (July 1, 2006 to June 30, 2012)**

Human Resources Director Jolaine Jackson explained Resolution No. 3826 would authorize an intergovernmental agreement with Yavapai County for shared court services; this was a draft agreement at this time and staff was waiting for a response from the County; the figures wouldn't change but possibly some wording changes were possible; also the agreement would go from an annual agreement to a five-year agreement and be renewed through the budget process during the five-year period.

- R. Award the bid and approve the purchase of one new 12-lead cardiac monitor/defibrillator from Zoll Medical in the amount of \$23,360.18 (includes shipping and tax) for the Fire Department.**

Fire Chief Darrell Willis explained staff was recommending the award of a bid and approval to purchase one cardiac monitor that was budgeted this fiscal year and the monitor would be compatible with the existing six units

purchased a couple years ago. The 12-lead monitor was required by the hospital and the bid from Zoll Medical was \$1,500 under the budgeted amount.

- S. Notice of Public Hearing (June 12) for the annexation of .44 acres associated with Granite Dells Plaza to be developed west of the Twin Lakes Market, Highway 89 and Willow Lake Road; Owner is Southern Cross Mission, Vic Pomel (ANX07-001)**

Community Development Director Tom Guice explained the public hearing would be held next week on the annexation of approximately one-half acre located west of the Twin Lakes Market for the development of the Granite Dells Plaza.

- T. Approval of a Final Plat for Goodwin Manor Condominiums consisting of 8 lots, located at 1001-1005 East Goodwin, subject to Department and Agency comments. (FP07-002)**

Mr. Guice explained this item was the approval of the final plat for Goodwin Manor Condominium project; the preliminary plat was approved in April for the existing eight-unit apartment complex to be converted to condominiums.

- U. Approval of Minutes of the Special Meeting (Executive Session) of the Prescott City Council held on May 4, 2007, the Regular Voting Session of the Prescott City Council held on May 22, 2007, the Workshop of the Prescott City Council held on May 24, 2007, and the Study Session of the Prescott City Council Held on June 5, 2007.**

- V. Selection of items to be placed on the Consent Agenda for the Regular Voting Meeting of June 12, 2007.**

Councilman Lamerson selected the following items for the Consent Agenda:

All items except C, D, Q, and S (A, B, E-P, R, T, and U).

## II. ADJOURNMENT

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 4:38 p.m.

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ROWLE P. SIMMONS, Mayor

ATTEST:

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ELIZABETH A. BURKE, City Clerk