



# PRESCOTT CITY COUNCIL STUDY SESSION AGENDA

PRESCOTT CITY COUNCIL  
STUDY SESSION  
TUESDAY, MAY 6, 2008  
3:00 P.M.

Council Chambers  
201 S. Cortez Street  
Prescott, AZ 86303  
(928) 777-1100

The following Agenda will be considered by the Prescott City Council at its Joint Study Session/Special Meeting pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

- ◆ **CALL TO ORDER**
- ◆ **INTRODUCTIONS**
- ◆ **INVOCATION:** Pastor Jesse Liles of the Willow Hills Baptist Church.
- ◆ **PLEDGE OF ALLEGIANCE:** Councilman Luzius
- ◆ **ROLL CALL:**

MAYOR AND CITY COUNCIL:

Mayor Wilson

Councilman Bell

Councilman Lamerson

Councilwoman Lopas

Councilman Luzius

Councilman Roecker

Councilwoman Suttles

- ◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

**NOTE:** Anyone wishing to speak regarding an item on the agenda must address the Council using the microphone at the podium. **PLEASE NOTE:** Comments from the public regarding any item on the agenda will be limited to five (5) minutes. Please refer to the Clerk's desk for the timing sequence of the lighting signals: **GREEN** at the beginning of comments, **YELLOW** with one minute remaining, and **RED** when time has ended.

THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. WITH 48 HOURS ADVANCE NOTICE, SPECIAL ASSISTANCE CAN BE PROVIDED FOR SIGHT AND/OR HEARING IMPAIRED PERSONS AT PUBLIC MEETINGS. PLEASE CALL 777-1272 OR 777-1100 (TDD) TO REQUEST AN ACCOMMODATION TO PARTICIPATE IN THIS MEETING.

**I. PROCLAMATIONS**

- A. *May 2008 - Teenage Pregnancy Prevention Month*
- B. *May 2008 – Arizona Historic Preservation Month*
- C. *May 5 – 11, 2008 – Building Safety Week*
- D. *May 12 – 17, 2008 – Prescott Highland Games Week*

**II. PRESENTATIONS**

- A. Presentation by staff on the upcoming US Women's Softball Olympic Exhibition Game on May 25, 2008 at Ken Lindley Field.
- B. Presentation of G.E.M. (**G**oing the **E**xtra **M**ile) Award.
- C. Presentation by the U.S. Fish and Wildlife Service on a Habitat Conservation Plan.

**III. DISCUSSION ITEMS**

- A. Award of a construction services contract to Better Living, Inc. for the construction of four masonry communications buildings in the amount of \$157,057.00.
- B. Award of a construction services contract to Montana Builders, Inc. for the construction of the Transfer Station Exterior Structural Steel Pushwall in the amount of \$134,962.00.
- C. Approval of application to the Governor's Office of Highway Safety for 410 Federal Grant Funds in the amount of \$60,000.00 to be used during the period of October 2008 through September 2009 for continued operation of the Tri-City DUI Task Force.
- D. Approval of application to the Governor's Office of Highway Safety for Special Enforcement 402 Grant Funds in the amount of \$33,500.00 for officer overtime, employee-related expenses and purchase of operation equipment in order to support highway safety enforcement and education efforts.
- E. Adoption of Resolution No. 3888-0856 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the official development of a Sister City relationship with the City of Suchitoto, El Salvador.
- F. Approval of Amendment Two to Contract No. 07-235, Big Chino Water Ranch Physical Availability Demonstration, with Southwest Ground-water Consultants, Inc., in the amount of \$19,950.00.

- G. Approval of a professional services agreement with Herb Dishlip Consulting in an amount not to exceed \$50,000.00 for water resource and project management services.
- H. Approval of Agreement with Prescott Area Coalition of Tourism (PACT).
- I. Adoption of Resolution No. 3887-0855 - 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 the Town of Prescott Valley and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- J. Approval of Supplemental Agreement Two with Layne Christensen Company for reimbursement of incurred capital investment-related interest expense in the amount of \$30,708.60.
- K. Adoption of Ordinance No. 4648-0850 – 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 on the southwest corner of Side Road and Highway 89A.
- L. Approval of Notice of Intention to Increase Water and Wastewater Impact Fees.
- M. Notice of Public Hearing (May 13) of liquor license application submitted by Judith Fulton, agent for The Golf Club at Hassayampa, Inc., for a Series 14, *Club*, license for Hassayampa Golf Club located at 2060 Golf Club Lane.
- N. Notice of Public Hearing (May 13) of liquor license application submitted by Lauren Merrett, agent for Texas Roadhouse Holdings, LLC, for a Series 12, *Restaurant*, license for Texas Roadhouse located at 3310 Gateway Blvd.
- O. Approval of the Minutes of the Prescott City Council Study Session of April 1, 2008, the Regular Voting Meeting of April 8, 2008, the Study Session of April 15, 2008, the Regular Voting Meeting of April 22, 2008 and the Special Meeting of April 29, 2008.
- P. Selection of Items to be placed on the Regular Voting Meeting Agenda of May 13, 2008.

#### IV. ADJOURNMENT

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on \_\_\_\_\_ at \_\_\_\_\_ .m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

\_\_\_\_\_  
Elizabeth A. Burke, MMC, City Clerk

**"Teenage Pregnancy Prevention Month"  
May 2008**

**WHEREAS**, the personal, social, and economic consequences of teenage pregnancy affect all Arizonans, and teenage pregnancy negatively affects the health, economic and educational future of teenagers; and

**WHEREAS**, communities must reach out to a wide range of community partners and organizations to foster healthy youth development and serve as vigorous advocates for and with youth; and

**WHEREAS**, North Star Youth Partnership, formerly The Teenage Pregnancy Prevention Program (TAPP), a community coalition in Yavapai County and a program of Catholic Charities for the past 11 years, has been dedicated to providing public education and awareness related to teenage pregnancy, its causes, consequences, and effective strategies for prevention, including health education, afterschool programs, peer leadership and mentoring, sports programs, parent workshops and special events; and

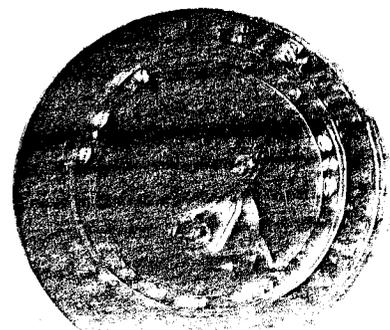
**WHEREAS**, North Star Youth Partnership is committed to involving parents, media, businesses, social service agencies, educational institutions, the faith community, policy makers, and health care providers to create a supportive community climate that makes teen pregnancy prevention and youth development a priority; and provides positive role models and support to young people.

**NOW, THEREFORE**, I, Jack D. Wilson, Mayor of the City of Prescott, do hereby proclaim the month of May 2008, to be:

**"TEENAGE PREGNANCY PREVENTION MONTH"**

and by doing so acknowledge the valuable contributions of North Star Youth Partnership to the State of Arizona and the City of Prescott.

**IN WITNESS THEREOF**, I have hereunto set my hand and caused the Seal of the City of Prescott to be affixed this 6th day of May 2008.



*[Handwritten Signature]*  
\_\_\_\_\_  
JACK D. WILSON, MAYOR  
City of Prescott

ATTEST:

*[Handwritten Signature]*  
ELIZABETH A. BURKE  
CITY CLERK

**"ARIZONA HISTORIC PRESERVATION MONTH"  
MAY 2008**

**WHEREAS**, the National Trust for Historic Preservation will commence National Preservation Month in May 2008; and

**WHEREAS**, the idea behind preservation month is the celebration of diverse and irreplaceable heritage by participating in local events throughout the nation; and

**WHEREAS**, Arizona has a diverse and unique history as represented by the numerous significant historic and pre-historic properties within our State; and

**WHEREAS**, "This Place Matters" is the theme for National Historic Preservation Month 2008, sponsored by the National Trust, the Arizona Preservation Foundation, the City of Prescott and many State and local organizations, businesses, and neighborhood association; and

**WHEREAS**, historic preservation is an effective tool for identifying and saving the places that tell America and Arizona's story, for revitalizing neighborhoods, promoting economic development, fostering local pride and maintaining community character while enhancing livability; and

**WHEREAS**, historic preservation month helps to demonstrate the importance of our heritage, which is represented by historic travel, heritage education, historic homeownership and community revitalization; and

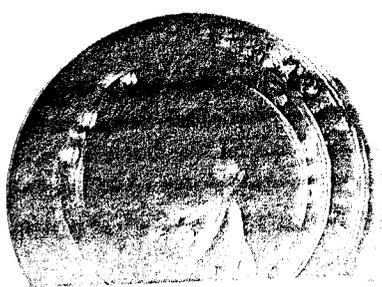
**WHEREAS**, it is important to reach out to the public to help them focus on what is important in their communities and to celebrate the role of history in our lives and the contributions made by dedicated individuals in helping to preserve the tangible aspects of the heritage that has shaped us as a people.

**NOW, THEREFORE**, I, JACK D. WILSON, Mayor of the City of Prescott, Arizona, do proclaim May 2008, as:

**"ARIZONA HISTORIC PRESERVATION MONTH"**

and call upon the people of Prescott, Arizona to join their fellow citizens across the United States in recognizing and participating in this special observance.

**IN WITNESS THEREOF**, I have hereunto set my hand and caused the Seal of the City of Prescott to be affixed this 6<sup>th</sup> day of May 2008.



*[Handwritten Signature]*  
\_\_\_\_\_  
JACK D. WILSON, Mayor

ATTEST:  
*[Handwritten Signature]*

**BUILDING SAFETY WEEK**

May 5-11, 2008

WHEREAS, building safety affects many aspects of life, and because of construction codes enforcement, people enjoy the comfort of structures that are safe and sound; and

WHEREAS, building safety and fire-prevention officials work with citizens to address building safety and fire prevention concerns; and

WHEREAS, the dedicated members of the International Code Council, in partnership with building and fire prevention officials, architects, engineers, and others in the construction industry, develop and enforce the codes that safeguard Americans in the building where we live, work, play and learn; and

WHEREAS, construction codes provide safeguards to protect the public from natural disasters that can occur all across the country, including snowstorms, hurricanes, tornadoes, wildland fires, and earthquakes, and construction codes also work to minimize other potential building catastrophes; and

WHEREAS, Building Safety Week, sponsored by the International Code Council, is an opportunity to educate the public and to increase public awareness of the role building safety and fire prevention-officials, local and state building departments, and federal agencies play in the first line of defense to protect the public; and

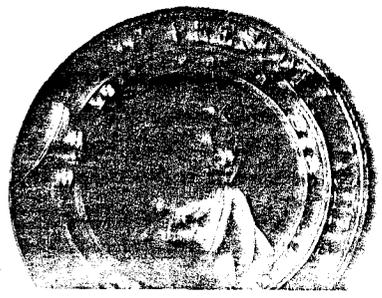
WHEREAS, this year's theme, "Building Safety: Where You Live, Work and Play", encourages all Americans to raise our awareness of building safety and take appropriate steps to ensure the places where we live, work, play and learn are safe; and

WHEREAS, this year, as we observe Building Safety Week, I ask everyone to consider projects to improve building safety at home and in the community, and to recognize the local building safety and fire prevention officials and the important role that they play in public safety;

NOW THEREFORE, I Jack D. Wilson, Mayor of the City of Prescott, do hereby proclaim May 5-11, 2008

**"BUILDING SAFETY WEEK"**

IN WITNESS THEREOF, I have hereunto set my hand and caused the Seal of the City of Prescott to be affixed this 6<sup>th</sup> day of May 2008.



*[Handwritten Signature]*  
JACK D. WILSON, MAYOR  
City of Prescott

ATTEST:

*[Handwritten Signature]*

**“Prescott Highland Games Week”  
May 12-17, 2008**

**WHEREAS**, the Officers and Directors of the Prescott Area Celtic Society have elected to bring the fourth annual Prescott Highland Games to Watson Lake Park on May 17, 2008; and

**WHEREAS**, the residents of Scottish and Celtic descent have made substantial contributions to our community, the State of Arizona and our country; and

**WHEREAS**, the promotion of goodwill among all people of the Prescott area can be achieved by a broader understanding and education about the culture and contributions of all citizens; and

**WHEREAS**, this Scottish/Celtic festival will display excellent examples of this culture including Highland dance, Scottish heavy athletics, bagpipe and drum bands, Scottish Clans, Scottish foods, beverages and merchandise; and

**WHEREAS**, The Prescott Highland Games will bring thousands of participants and guests intent on preserving and displaying their heritage for all the people of Prescott to enjoy.

**NOW, THEREFORE**, I, Jack D. Wilson, Mayor of the City of Prescott, and on behalf of the City Council, do hereby proclaim May 12-17, 2008 as:

**PRESCOTT HIGHLAND GAMES WEEK**

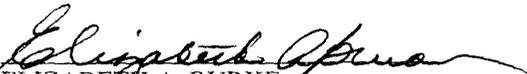
In the city of Prescott, and recognize the Prescott Highland Games for their commitment to bring Scots and the people of Scottish heritage together for the furtherance of appreciation for the cultural diversity of Prescott and the Prescott area.

**IN WITNESS THEREOF**, I have hereunto set my hand and caused the Seal of the City of Prescott to be affixed this 6<sup>th</sup> day of May 2008.



  
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JACK D. WILSON, MAYOR  
City of Prescott

ATTEST:

  
ELIZABETH A. BURKE  
CITY CLERK

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<b>COUNCIL AGENDA MEMO – 05/06/08 &amp; 05/13/08</b>	
<b>DEPARTMENT: Regional Communications</b>	
<b>AGENDA ITEM: Award of a construction services contract to Better Living, Inc. for the construction of four masonry communications buildings.</b>	

<b>Approved By:</b>	<b>Date:</b>
<b>Department Head: Darrell Willis, Emergency Services Director</b>	
<b>Finance Director: Mark Woodfill</b>	
<b>City Manager: Steve Norwood</b> <i>SNorwood</i>	<i>04/29/08</i>

**BACKGROUND**

The City of Prescott is working on a major Regional Public Safety Communications upgrade project to improve voice communication in the Prescott area as well as the infrastructure required to use mobile data computers and automatic vehicle locators likewise throughout the Prescott area.

The new communications system will include five new stand alone communication towers and equipment buildings located throughout the Prescott area which will provide the infrastructure required to accommodate the new voice and data communication systems. Each site is necessary to achieve the required coverage, eliminating (communications) dead areas which are vital for Police Officers, Firefighters and public safety effectiveness.

This project was advertised and bid according to the City's procurement code. Six sealed bids were received and opened, in public, on March 27, 2008. Better Living, Inc., the lowest bidder (\$157,057.00), has supplied the required bid bond and is properly licensed and qualified to enter into this contract. The five additional bidders are as follows:

Montana Builders, LLC	\$212,900.00
Caymus Corporation	\$248,807.00
Norquay Construction, Inc.	\$312,000.00
Communications Services, Inc.	\$431,079.00
Technology Construction, Inc.	\$662,000.00

At the onset of the bidding process, the City's Project Manager approximated the cost of each 14' x 20' building to be in the \$40,000 scope or \$142.00 per square foot. Based upon the figures provided above, the bids range from \$145.00 to \$540.00 per square foot, per structure.

The lowest bidder, Better Living Inc., has used all local sub-contactors with good reputations. We have interviewed Better Living Inc. and reviewed the entire plan to

**AGENDA ITEM: Award of a construction services contract to Better Living, Inc. for the construction of four masonry communications buildings.**

ensure that nothing was missed. Better Living Inc. has submitted the proper Bid Bond and will submit a letter from his insurance / bonding agent stating that the performance, payment bonds and required liability insurance will be issued.

Since Better Living Inc. is properly licensed, is from the Prescott region and came closest to our original cost assessment, we have complete confidence in their ability to meet our expectations at the quoted cost and in the time limit requested.

**FINANCIAL**

Council has approved funding for this construction contract expense via the communications infrastructure budget in the Fiscal Year 2008. The contract cost of \$157,057.00 will be paid out of account 24-85101.

**Recommended Action: MOVE** to award a construction services contract to Better Living, Inc., in the amount of \$157,057.00 for the construction of four, 14 foot x 20 foot Communications Equipment Buildings.

<b>COUNCIL AGENDA MEMO – 05/06/08 &amp; 05/13/08</b>	
<b>DEPARTMENT:</b>	<b>Field Operations</b>
<b>AGENDA ITEM:</b>	<b>Award of construction services contract to Montana Builders, Inc. for the construction of the Transfer Station Exterior Structural Steel Pushwall.</b>

	<b>Date:</b>
<b>Department Head:</b> Chad McDowell 	<b>05/01/08</b>
<b>Finance Director:</b> Mark Woodfill	
<b>City Manager:</b> Steve Norwood	

**Background:**

In April of 2006, the City Council approved moving forward with a design for the Transfer Station expansion. Field Operations has completed the first phase of the expansion project (the commercial renovation) and is ready to expand the residential side of the building. Expanding the residential side of the Transfer Station will increase the number of residents who can dump and will help reduce safety issues due to congestion of vehicles. Improvements to the size and efficiency of the residential solid waste dump area of the Transfer Station begin with this 128-foot extension of the dump area. This project includes a new structural steel pushwall and a heavy-duty concrete dumping slab for the collection and consolidation of trash. The pushwall consists of 10-inch wide x 8-foot tall structural steel columns with one-half inch steel plate welded onto the columns to form a very heavy duty wall that the front loader uses to push the trash along and guide it to the waiting trucks.

**Financial:**

This project was advertised and bid according to the City's Procurement Code. Six sealed bids were received and opened in public on April 24, 2008. Montana Builders, Inc. of Prescott, the lowest bidder, has supplied the required bid bond and is properly licensed and qualified to enter into this contract. The total cost for both phases of this project were budgeted in FY2008 and funds for this phase are available in G/L Account 6-89102.

Montana Builders LLC	\$134,962.00
Asphalt Paving & Supply	\$138,590.00
WCC-LLC	\$144,820.00
Laipple Construction, Inc	\$147,900.00
Haley Construction Company	\$149,900.00
Better Living, Inc	\$154,976.00

**Recommended Action:** **MOVE** to award a construction services contract to Montana Builders, Inc for the construction of the Transfer Station Exterior Structural Steel Pushwall for \$134,962.00.

**COUNCIL AGENDA MEMO – May 06 & 13, 2008**

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**DEPARTMENT: POLICE**

**AGENDA ITEM: Recommendation for Council to approve application to the Governor's Office of Highway Safety for 410 Federal Grant Funds in the amount of \$60,000 to be used during the period of October 2008 through September 2009 for continued operation of the Tri-City DUI Task Force.**

**Approved By:**

**Date:**

<b>Chief of Police:</b>	<b>Randy Oaks</b>		<b>04/16/08</b>
<b>Finance Director:</b>	<b>Mark Woodfill</b>		
<b>City Manager:</b>	<b>Steve Norwood</b>		<b>04/17/08</b>

**Background:**

In October of 1994, the Prescott Police Department was successful in applying for grant funds through the Arizona Governor's Office of Highway Safety (GOHS) to form the Northern Arizona (now the Tri-City) DUI Task Force. The Task Force was created in May of 1995, with the Prescott Police as administrator of Task Force operations since its inception. The local multi-agency Task Force has continued to conduct Special Enforcement Operations each year since its inception, with grant funding provided by GOHS.

The DUI Task Force operates primarily in the Tri-City area, but also includes the surrounding county and forestland and includes agencies in the Verde Valley. Participating agencies in the Task Force to date have included the Prescott Police Department, Prescott Valley Police Department, Yavapai County Sheriff's Office, Arizona Department of Public Safety, Chino Valley Police Department, Cottonwood Police Department, Clarkdale Police Department, Camp Verde Marshal's Office and the Sedona Police Department.

We have received notification from the Governor's Office of Highway Safety of the availability to apply for DUI Task Force 410 grant funds. The application process will close on May 12, 2008. The Prescott Police Department requests permission to apply for funds in the amount of \$60,000 for the continued operation of the Tri-City DUI Task Force. This is the same amount of grant funds applied for and received during this last fiscal year. These funds will pay for officer overtime and employee-related operating costs in order to conduct DUI Task Force Enforcement Programs throughout the grant period.

Because of the May 12, 2008 deadline for this grant application and the cycle of Prescott City Council Meetings, we are submitting the initial application in order to meet the submittal deadline pending City Council approval on May 13, 2008.

This grant does not require City match funds.

**Recommended Action:**

**Move to approve completion of application to the Governor's Office of Highway Safety for 410 grant funds in the amount of \$60,000.**

**COUNCIL AGENDA MEMO – May 6 & 13, 2008**

**DEPARTMENT: POLICE**

**AGENDA ITEM: Recommendation for Council to approve application to the Governor's Office of Highway Safety for Special Enforcement 402 Grant Funds in the amount of \$33,500 for officer overtime, employee related expenses and purchase of operation equipment in order to support highway safety enforcement and education efforts.**

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**Approved By:**

**Date:**

**Chief of Police: Randy Oaks**



04/16/08

**Finance Director: Mark Woodfill**

**City Manager: Steve Norwood**



04/17/08

**Background:**

In October of 1994, the Prescott Police Department was successful in applying for grant funds through the Arizona Governor's Office of Highway Safety (GOHS) to form the Northern Arizona DUI Task Force. The Task Force was created in May of 1995, with the Prescott Police as administrator of Task Force operations since its inception. The local multi-agency Task Force has continued to conduct Special Enforcement Operations each year since its inception, with grant funding provided by GOHS.

We have received formal notice from the Governor's Office of Highway Safety that the FY2009 grant application process for Special Operations 402 Funds is open. The application process will close on May 12, 2008.

The majority of the requested funds will be allocated to pay overtime and employee-related operating costs for officers to work special speed/aggressive driver enforcement and provide public safety education. Funds are also being requested to purchase fifty (50) Child Safety Seats, Intoxilyzer mouthpieces, and an (AIMS) Accident Investigation Measurement System.

The Prescott Police Department requests permission to apply for 402 grant funds in the amount of \$33,500 to support highway safety enforcement and educational efforts.

Because of the May 12, 2008 deadline for this grant application and the cycle of Prescott City Council Meetings, we are submitting the initial application in order to meet the submittal deadline pending City Council approval on May 13, 2008.

This grant does not require City match funds.

**Recommended Action:**

**Move to approve completion of application to the Governor's Office of Highway Safety for 402 grant funds in the amount of \$33,500.**

**COUNCIL AGENDA MEMO – 05/06/08 & 05/13/08**

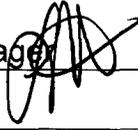
**DEPARTMENT:** City Manager

**AGENDA ITEM:** Resolution Confirming Sister City Partnership with the City of Suchitoto, El Salvador.

**Approved By:**

**Date:**

**Department Head:** Laurie Hadley, Deputy City Manager



May 6, 2008

**Finance Director:** Mark Woodfill

**City Manager:** Steve Norwood

**Background:**

In June 2006, the Honorable Enrique Melendez, Consul to El Salvador, presented a unique opportunity to the Prescott City Council, on becoming a Sister City with a city in El Salvador, Central America. On July 11, 2006, the Prescott City Council adopted Resolution Number 3767, authorizing City staff to investigate a possible Sister City relationship with a city of similar size in El Salvador. After learning more about the Country and visiting the City of Suchitoto, an informal decision was made to move forward with the relationship.

At the request of Councilman Roecker and Councilman Bell, Resolution Number 3888-0856 is being placed on the Council's agenda for discussion and potential formal adoption. The passing of this Resolution will create the City of Prescott's second Sister City relationship, the first being with Caborca, Mexico.

**Recommended Action:** MOVE to adopt Resolution Number 3888-0856.

**RESOLUTION NO. 3888-0856**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE OFFICIAL DEVELOPMENT OF A SISTER CITY RELATIONSHIP WITH THE CITY OF SUCHITOTO, EL SALVADOR**

**RECITALS:**

WHEREAS, on June 13, 2006, the Prescott City Council heard a presentation from the Honorable Enrique Melendez, Consul to El Salvador, asking the City to consider a potential Sister City relationship with a city in El Salvador, said city to be named at a later date; and

WHEREAS, on July 11, 2006, the Prescott City Council adopted Resolution No. 3767 authorizing the potential development of a Sister City relationship with a city in El Salvador; and

WHEREAS, an informal relationship has been developed with the City of Suchitoto, El Salvador including visits and exchanges of ideas; and

WHEREAS, the City of Prescott encourages the continued exchange of ideas, through such a Sister City relationship, as it relates to tourism, economic development and cultural diversity.

**ENACTMENTS:**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

THAT the City of Prescott wishes to officially develop a Sister City relationship with the City of Suchitoto, El Salvador, with continued visits between the cities, as well as continued exchange of ideas relating to tourism, economic development and cultural diversity.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 13th day of May, 2008.

\_\_\_\_\_  
JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH A. BURKE, City Clerk

\_\_\_\_\_  
GARY D. KIDD, City Attorney

<b>COUNCIL AGENDA MEMO – May 6, 2008</b>
<b>DEPARTMENT:</b> City Manager
<b>AGENDA ITEM:</b> Approval of Amendment Two to Contract No.07-235, Big Chino Water Ranch Physical Availability Demonstration, with Southwest Ground-water Consultants, Inc., in the amount of \$19,950.00

<b>Approved By:</b>	<b>Date:</b>
<b>Deputy City Manager:</b> Craig V. McConnell <i>Craig McConnell</i>	4-21-08
<b>Finance Director:</b> Mark Woodfill	
<b>City Manager:</b> Steve Norwood <i>SNorwood</i>	4/23/08

**Item Summary**

This item is to amend the existing professional services contract with Southwest Ground-water Consultants, Inc. (SGC), for the purpose of developing technical data and accomplishing additional analyses requested by the Arizona Department of Water Resources (ADWR) in support of the City's Application for Modification of Designation of Assured Water Supply (ADWR No. 86-401501.0001). Council was previously advised of the ADWR request and need for these supplemental services by the attached memorandum dated January 16, 2008.

**Background**

In April 2007 the City entered into Contract No. 07-235 with Southwest Ground-water Consultants, Inc., in the amount of \$9,960.00 to conduct an analysis necessary for demonstration of the physical availability of groundwater in the Upper Big Chino Sub-basin for the Big Chino Water Ranch Project. This analysis was an essential element supporting the City's Application for Modification of Designation of Assured Water Supply (ADWR No. 86-401501.0001). Tasks of the original contract included:

1. Definition of required content and methodology
2. Pre-application meetings with ADWR
3. Hydrologic analysis of available groundwater utilizing an updated BCWR groundwater flow model
4. Preparation of technical report

Following completion of this work, the City was obligated to respond to further ADWR requests through additional work performed by SGC under Amendment One to the contract at a cost of \$3,157.50. The City's Application for Modification of Designation of Assured Water Supply was subsequently formally submitted to ADWR in October 2007.

In January 2008 the City received correspondence from ADWR requesting yet more hydrological data and analysis. The ADWR letter included a list of nine (9) items for which supplementary technical information and/or clarifications were required.

**Agenda Item:** Approval of Amendment Two to Contract No. 07-235, Big Chino Water Ranch Physical Availability Demonstration, with Southwest Ground-water Consultants, Inc., in the amount of \$19,950.00

This Amendment Two is to compensate SGC for that work:

1. Multiple numerical model runs to address convergence issues
2. Two additional hydrological cross-sections
3. Revised numerical model files
4. Review of model runs and comparison with newly published data
5. Preparation of the report and formal response to ADWR

In March 2008 SGC submitted a 22 page report and digital groundwater flow model input/output files to ADWR in fulfillment of the agency's request and scope of work for Amendment Two. At this time the City is awaiting ADWR review of the material.

### **Budget**

Amendment Two to Contract No. 07-235, BCWR Hydrologic Physical Availability Demonstration, is in the amount of \$19,950.00. Funding is available in the Alternate Water Fund (Water Ranch) for this amendment.

Pursuant to Agreement No. 04-255 (December 7, 2004), Intergovernmental Agreement for the Sale of Water and Cost Participation, the City share of the cost of Amendment Two will be \$10,792.95 (54.1%) and the Town of Prescott Valley share \$9,157.05 (45.9%).

**Attachments**

- Memorandum to Council re: ADWR request (1-16-08)
- ADWR request for technical information (1-3-08)
- SGC scope of work and fee proposal (2-19-08)

**Recommended Action:** MOVE to approve Amendment Two to Contract No. 07-235 with Southwest Ground-water Consultants, Inc., in the amount of \$19,950.00.



## **City of Prescott**

**Public Works Department**

PO Box 2059 Prescott, Arizona 86302

Phone: (928) 777-1130 TDD: (928) 778-5680 FAX: (928) 771-5929

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### **MEMORANDUM**

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**TO: The Honorable Mayor and City Council**

**FROM: James Holt, Water Resource Manager**

**DATE: January 16, 2008**

**SUBJECT: Application for Modification of Assured Water Supply**

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As briefly indicated in my Council update on January 8, 2008, the City recently received comments from the Arizona Department of Water Resources (ADWR) regarding our Application to Modify the Designation of Assured Water Supply (AWS) to include Big Chino Sub-basin groundwater. As you may recall, in an effort to seek greater certainty from ADWR with respect to the Big Chino Water Ranch (BCWR) Project before commencement of construction, the City submitted an application for Modification of Designation of Assured Water Supply with ADWR on October 12, 2007.

The City, in coordination with its technical specialists, prepared this application to update our AWS portfolio by including extensive Big Chino Water Ranch Project content. Technical hydrologic information is contained within the application on BCWR groundwater resource availability for importation from the Big Chino Sub-basin into the AMA. Much of the information contained in the Hydrology Report of the application is the direct result of complex hydrologic investigations performed by the City subsequent to the purchase of the Ranch in late 2004.

The Department's January 3, 2008, correspondence to the City is a routine request for clarification and additional information common to such AWS applications, particularly to applications as complex as this one. Southwest Ground-water Consultants, the City's hydrology experts, have reviewed the request and estimate it will take 3-4 weeks to make the necessary adjustments to the groundwater flow model supporting the application, and to prepare a written response. ADWR's request does not present a high degree of difficulty or complexity. Southwest Ground-water Consultants will prepare the report and route through the City to ADWR as soon as possible. The cost of their work is estimated at approximately \$19,000.

Copies: Steve Norwood, City Manager  
Laurie Hadley, Deputy City Manager  
Craig McConnell, Public Works Director

ARIZONA DEPARTMENT OF WATER RESOURCES  
Office of Assured and Adequate Water Supply  
2<sup>nd</sup> Floor, 3550 N. Central Ave, Phoenix, AZ 85012  
Telephone 602 771-8585  
Fax 602 771-8689



Janet Napolitano  
Governor

Herbert R. Guenther  
Director

January 3, 2008

James Holt  
City of Prescott, Public Works Department  
PO Box 2059  
433 N. Virginia St.  
Prescott, Az 86303

**Re: Application for a Modification of Designation of Assured Water Supply  
City of Prescott, Arizona (DWR No. 86-401501.0001)  
Administrative Completeness Review**

Dear Mr. Holt:

We received your application for a Modification of Designation of Assured Water Supply on October 12, 2007. During our administrative review, we have determined your application to be incomplete. The following is a list of items and concerns that must be addressed before Hydrology continues review of the above referenced application:

Model Concerns

- 1 > Your 092407 model scenario does not converge in time-step 29 of stress-period 2. Since the model did not converge it is unknown how this will affect the overall model results, both for the model water budget and water levels. This must be rectified before further review can be conducted on the model. A narrative must be provided on how the convergence issue was resolved. Please note that after the Department receives the revised model that it may have other issues and concerns related to the study that need to be addressed.
- 2 > Your 092407 scenario had model percent discrepancies intermittently in excess of 1% (with a maximum percent discrepancy of 1.87%) in stress periods 32 and 33. Percent discrepancies below 1% are generally considered acceptable for models provided to the Department for determinations of Assured and Adequate Water Supply. Since stress periods 32 and 33 represent the last 75 years of the projection scenario, please explain why the model has percent discrepancies in excess of 1%. If a percent discrepancy of greater than 1% will be used, you must demonstrate to the Department that the percent discrepancy error does not adversely affect the results of the simulation or make modifications to the model to correct the percent discrepancy to less than 1%.
- 3 > The model report indicates that stress period 33 (the last stress period) is 50 years (18,250 days) in duration. However, the PERLEN value in the discretization file indicates that stress period 33 is 50.25 years (18,341 days) in duration. This discrepancy must be justified or the PERLEN and INSTP values must be adjusted to match information presented in the modeling report.
- 4 > A detailed narrative is required discussing how the hydraulic conductivity values and the distribution of these values were determined. The narrative must include, but not limited to, a detailed discussion on how PEST was used and the results of using PEST.

- 5 ➤ The geologic cross-sections (Figure 3-1) were located outside of the model boundaries (except for B-B' in the southern area), or were limited to a restricted zone in the trough area (Figure 3-14) associated with the proposed production wells. You must prepare a minimum of two east-west trending cross-sections that fully extend across the model area. These additional cross-sections need to be located north of cross-section B-B'.
- 6 ➤ A review of Figures 3-7 and 3-11 suggest that the saturated thickness, west of the bounding fault towards the western side of the model is approximately 100 feet. In the report it was stated that this portion of the model boundary had a "lowering of the bottom elevation" during calibration in order to prevent cells in this area from going dry. You must provide a narrative and justification explaining why the bottom of the model was lowered, as well as how much and why the saturated thickness was artificially increased.
- 7 ➤ You must provide a narrative relating measured transmissivity values for the study area with the transmissivities used in the model. If they do not match, justification must be provided of why they were modified and the effect that this has on the model results.
- 8 ➤ Review of natural recharge in the model, Figure 4-4, suggests that the western edge of the model has a significantly lower volume per mile (226 ac-ft/mile) than the eastern edge (321 ac-ft/mile, not including Partridge Creek). You must provide a narrative and justification explaining how the recharge values presented in the model correlate with the major watershed drainage areas and conceptually match the range of potential values.
- 9 ➤ The model indicates that natural recharge occurs primarily in model layer two. You must provide a narrative explaining how this recharge moves into layer two as well as the other model layers and why this recharge is not occurring in the Limestone units outside the basin-fill area. The effect this could have on the results of the model must also be provided.
- All new model datasets must be provided in electronic format.

Please submit the requested information to the Office of Assured Water Supply within 60 days of this notice. Our review of your application has stopped and will resume when we receive the missing items. If you do not respond to this letter within the 60-day time frame, the director of the Department may take action to deny the application and close the file.

The Department is currently reviewing the remainder of the Modification of Designation of Assured Water Supply Application. If the Department determines that the application is not complete, you will be notified of the incomplete items in a subsequent letter and will be provided time to respond.

If you have any questions regarding the contents of this letter or the application in general, please do not hesitate to contact Matthew Nelson at (602) 771-8595.

Sincerely,



J. Scott Miller, Manager  
Office of Assured Water Supply

JSM/mfn



February 19, 2008

Jim Holt  
Big Chino Water Ranch Project Manager  
City of Prescott  
433 N. Virginia Street  
Prescott, AZ 86301

**SUBJECT: SUPPLEMENTAL AGREEMENT TWO,  
PROFESSIONAL SERVICES AGREEMENT (PSA) 2007-235  
BCWR PHYSICAL AVAILABILITY DEMONSTRATION**

Dear Mr. Holt:

Southwest Ground-water Consultants, Inc. (SGC) submits this amendment to Professional Services Agreement 2007-235, dated April 27, 2007. Work to be performed under PSA 2007-235 was detailed in our proposal dated February 16, 2007 and included tasks associated with the City's application for a Physical Availability Demonstration (PAD) to the Arizona Department of Water Resources (ADWR). The scope of work was divided into the following four (4) tasks:

- Task 1 – Prepare a Proposed Scope of Work
- Task 2 – Attend a Pre-Application Meeting with ADWR
- Task 3 – PAD Analysis
- Task 4 – Report

As you are aware, the above tasks were completed and the PAD submitted, along with other required data in Attachment 2, "Hydrology Report Big Chino Water Ranch (BCWR)" dated September 2007 to the City's modification of its Designation of Assured Water Supply. On January 3, 2008 the City received a letter from ADWR requesting additional data and analyses. A copy of this letter is attached.

We have reviewed the letter and believe that ADWR's comments and questions can be satisfactorily addressed. However, this will entail additional time and work beyond that included in the original scope and budget.

The January 3<sup>rd</sup> ADWR letter lists nine (9) bulleted items requiring a response. Work to be accomplished in responding to these items is summarized below:

- Multiple model runs to identify and address convergence issues
- Preparation of two (2) additional hydrogeologic cross-sections
- Review of model files and comparison with newly published (since model development) data
- Preparation of additional narrative (beyond that in the Hydrology Report) regarding transmissivity and natural recharge distributions
- Preparation of a formal response letter and revised numerical model files.

We estimate that the above work will require approximately four (4) weeks to complete. The level of effort is estimated be 166 hours with a cost of \$19,950. These additional costs would bring the total PSA to \$33,067.50.

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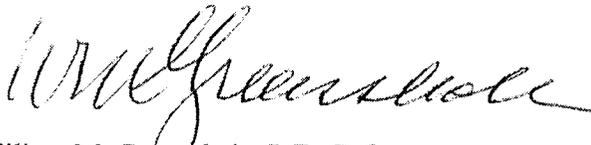
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We appreciate the opportunity to be of service. If you have any questions, do not hesitate to call us at 602-995-5547.

Sincerely,

**Southwest Ground-water Consultants, Inc.**



William M. Greenslade, P.E., R.G.  
Principal/Senior Hydrogeologist

Attachment: ADWR January 3, 2008 letter



<b>COUNCIL AGENDA MEMO – May 6, 2008</b>	
<b>DEPARTMENT:</b>	City Manager
<b>AGENDA ITEM:</b>	Approval of a professional services agreement with Herb Dishlip Consulting in an amount not to exceed \$50,000.00 for water resource and project management services

<b>Approved By:</b>		<b>Date:</b>	
<b>Deputy City Manager:</b>	Craig V. McConnell <i>Craig McConnell</i>		4-21-08
<b>Finance Director:</b>	Mark Woodfill		
<b>City Manager:</b>	Steve Norwood <i>SNorwood</i>		4/23/08

**Item Summary**

This item is to approve a new professional services agreement with Herb Dishlip Consulting for technical work associated with the Big Chino Water Ranch Project and other highly specialized services necessary for the development and implementation of City water resource management strategies, policies, and plans. The agreement updates and supersedes the prior (2004) contract between the parties.

**Background**

In January 2004 Herb Dishlip was retained by the City to assist with technical aspects of the CV/CF Ranch Project. A registered professional civil engineer and former Deputy Director of the Arizona Department of Water Resources (ADWR), Mr. Dishlip is a recognized and respected expert in water resource issues in Arizona and the Southwest.

Subsequent to the CV/CF Ranch Project, Mr. Dishlip worked on purchase of a portion of the JWK Ranch (the City's holding is now named the Big Chino Water Ranch), and preparation of the City's 2004 and 2007 applications for modification of its Assured Water Supply Modification. The latter application includes a request for recognition of Big Chino water within the City's portfolio. Mr. Dishlip has additionally provided expert advice to Prescott on water legislation and its complex agreement with the Chino Valley Irrigation District, and made several presentations to the Council.

As the City moves forward with a variety of water resource initiatives, some of which are listed below, Mr. Dishlip's assistance will continue to be required:

1. Big Chino Water Ranch Groundwater Importation Plan
2. Big Chino Water Ranch Management Plan
3. Assured Water Supply Planning
4. Long Range Water Supply Planning
5. Chino Valley Irrigation District Agreement
6. Underground Storage and Recovery Management
7. Analysis of Legislation and Agency Rulemaking

**Agenda Item:** Approval of a professional services agreement with Herb Dishlip Consulting in an amount not to exceed \$50,000.00 for water resource and project management services

**Budget**

This professional services agreement is in an amount not to exceed \$50,000.00 with compensation at an hourly rate of \$125.00 for work authorized by the City. Funding is available in the Alternate Water Fund (Water Ranch).

Pursuant to Agreement No. 04-255 (December 7, 2004), Intergovernmental Agreement for the Sale of Water and Cost Participation, for activities pertaining to the Big Chino Water Ranch Project costs incurred under this contract will be allocated 54.1% to Prescott and 45.9% to the Town of Prescott Valley.

**Attachment – Scope of Work**

**Recommended Action:** MOVE to approve a professional services agreement with Herb Dishlip Consulting in an amount not to exceed \$50,000.00 for water resource and project management services.

## **Exhibit "A"**

### **Water Resources and Project Management Professional Services**

#### **Scope of Work**

##### **Herb Dishlip Consulting**

Upon request of the Deputy City Manager, or designee, Herb Dishlip Consulting (hereinafter "Contractor") shall accomplish highly specialized analysis and associated services needed by the City for the development of management and implementation strategies and associated policies for water importation into the Prescott Active Management Area, and more specifically into the City of Prescott's water service area. The Contractor shall also conduct work pertaining to other resources in the City's water portfolio. Specific tasks of the Contractor shall include, but not be limited to:

1. Big Chino Water Ranch Groundwater Importation Plan – With the City's Water Resource Management Team work to develop and implement a strategic plan to assist the City with decisions related to development, transportation and importation of groundwater including the role of imported water in the City's long term water management policy.
2. Big Chino Water Ranch Management Plan – Assist the City's Water Resource Management Team in developing and implementing a strategic plan to enable City decisionmaking related to operation, conservation, development and operation of the Big Chino Water Ranch.
3. Assured Water Supply – Assist the City with activities related to review, analysis and modification of Prescott's Decision and Order of Assured Water Supply with the Arizona Department of Water Resources to recognize and acknowledge the role of imported water in the City's water supply.
4. Long Range Water Supply Planning – With the City's Water Resource Management Team assist in development of a long range water management plan and water allocation policy including preparation of water supply and demand projections, definition and analysis of alternative scenarios, integration of safe yield policy alternatives, and compliance with Proposition 400.
5. Chino Valley Irrigation District – Provide continuing assistance associated with implementation of the City's complex agreement with the Chino Valley Irrigation District.
6. Underground Storage and Recovery - Assist with the licensing, permitting, analysis and review of the City's underground water storage and recovery program.
7. Legislative and Agency Rulemaking Analysis – Analyze and provide advice to the City with respect to pending or proposed legislation and state agency rule making that might affect the City.

8. Other Meetings - Initiate, attend, and coordinate with the Water Resource Management Team and other City personnel meetings with Big Chino Sub-basin property owners and other stakeholders, agencies and departments including U.S. Bureau of Reclamation, U.S. Fish and Wildlife, U.S. Geological Survey, AZ Game & Fish, AZ State Land Department, AZ Department of Water Resources, Salt River Project, Prescott area municipalities, Verde Valley area municipalities, Yavapai County, City technical contractors, attorneys, and others as needed.

Compensation. The Contractor shall be compensated at an hourly rate of \$125.00 per hour for services authorized by the City and performed by the Contractor. No minimum amount of compensation shall be guaranteed, and the total amount of compensation shall not exceed \$50,000.00 without prior approval by the City.

Reimbursable Expenses. The Contractor shall be reimbursed for direct expenses incurred during the course of performing services in support of this Scope of Work. Reimbursable expenses shall include postage, reproduction and copying costs, travel expenses including meals, lodging and mileage. Expenses shall be reimbursed at actual cost without mark-up with the exception of mileage which shall be reimbursed at a standard rate of \$0.55 per mile of travel. At the time of billing, the Contractor shall provide copies of receipts for all actual reimbursable expenses.

Contract Term. Services performed pursuant to this contract shall be on an open-ended, as needed basis when authorized by the Prescott Deputy City Manager or his designee.

4/21/2008

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<b>COUNCIL AGENDA MEMO – May 6, 2008</b>
<b>DEPARTMENT: Economic Development</b>
<b>AGENDA ITEM: Approval of Tourism Development Agreement with the Prescott Area Coalition for Tourism (PACT)</b>

<b>Approved By:</b>	<b>Date:</b>
<b>Department Head: Jane Bristol</b>	<b>04/28/08</b>
<b>Finance Director:</b>	
<b>City Manager: Steve Norwood</b> <i>SNorwood</i>	<i>05/01/08</i>

**BACKGROUND**

On December 21, 2004, Council approved a 3-year agreement (7/1/05 to 6/30/08) with PACT to provide tourism promotion for the greater Prescott region.

**NEW CONTRACT**

As proposed, the new contract would be a one-year agreement beginning July 1, 2008 and ending June 30, 2009. Staff believes this will allow PACT an opportunity to obtain increased funding from area governments as they develop their own tourism assets.

The city would pay PACT up to 40 percent of the bed tax revenues each year, based upon revenues received in the prior fiscal year. Per discussions with various tourism groups that supported the recent increase in bed tax, the amount granted to PACT each year may fluctuate depending on the needs of each group. In FY09, however, 40 percent is the maximum amount granted to PACT.

The money received must be used for the purposes contained in an annual budget that will be submitted by PACT and approved by the city manager prior to payment. In addition, a full accounting of the monies spent must be made to the city quarterly.

**FUTURE OPPORTUNITIES**

The one-year agreement also allows the City time to complete its tourism development strategy which could include an increased role for PACT. The suggested 3% Bed Tax allocation for FY2009 is attached and is included in the FY09 Budget as a decision package.

<b>Recommended Action: Move to approve the Tourism Development Agreement with the Prescott Area Coalition for Tourism (PACT).</b>
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**ANNUAL ALLOCATION OF 3% BED TAX**  
**Estimate FY2009**

Organization	Percent	Estimated Amount	Purpose
PACT	40.0%	\$272,286	Regional tourism support
City	40.0%	272,286	City staff support
Rodeo	7.5%	51,054	Out of Market Advertising
PAAHC	7.5%	51,054	Support for the Arts
Chamber	5.0%	34,036	Annual Courthouse Lighting
Total	100.0%	\$680,716	

\*The estimated amounts are not to exceed amount. For example, the \$51,054 for the Arts does not mean they are obligated to receive that amounts. Council will have the opportunity each year to fund "up to" that amount.

TOURISM DEVELOPMENT AGREEMENT  
PRESCOTT AREA COALITION FOR TOURISM

THIS AGREEMENT, made this \_\_\_ day of \_\_\_\_\_, 2008, by and between the CITY OF PRESCOTT (hereinafter referred to as "City"), an Arizona municipality, and the PRESCOTT AREA COALITION FOR TOURISM (hereinafter referred to as "PACT"), a tax-exempt organization existing under the laws of the State of Arizona.

WHEREAS the City has the authority to enter into this Agreement pursuant to Article I, Section 3 and Article VI, Section 7 of the City Charter, and ARS § 9-493; and

WHEREAS it is in the best interests of the City of Prescott for the City to enter into this Agreement in order to publicize the Prescott area and encourage tourists to visit the Prescott area and businesses to relocate to the Prescott area.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. The City shall provide to PACT the following payments: on or before August 31 of each year during the term of this Agreement or any extensions thereof, the City will pay PACT its share of the transient occupancy (bed) tax revenues to be based upon forty percent (40%) of the bed tax revenues collected by the City of Prescott during preceding fiscal year, subject to the City Manager approving the budget more particularly described in Paragraph 2 below. The payment to be received by PACT pursuant to this Agreement will be determined during City budget deliberations and may in fact equal more or less than forty percent (40%) of the bed tax revenues collected by the City of Prescott during the preceding

fiscal year, depending on Council goals or priorities.

2. Before each payment is made under Paragraph 1, PACT shall submit a budget to the City Manager, to be approved by the City Manager, and further agrees to expend all funds pursuant to Paragraph 1 solely for the purposes set forth in the attachment.

3. (A) The term of this Agreement shall be from July 1, 2008 through June 30, 2009.

4. PACT shall provide the City Manager with a full accounting of all of the above monies expended by PACT on a quarterly basis. Each quarterly accounting shall be received by the City no later than thirty (30) days following the conclusion of any quarterly period.

5. PACT shall allow representatives of the City to review and make available for inspection any and all records, disbursements, expenditures and other documents relating to the expenditure of the above funds during normal business hours at the offices of PACT.

6. PACT hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of PACT's receipt of or expenditure of monies pursuant to this agreement, whether said claims, liabilities, expenses or lawsuits arise by the acts or omissions of PACT or its agents, or whether by the acts or omissions of third persons.

7. Pursuant to A.R.S. Section 38-511, the City of Prescott may cancel this agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the City is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other party to the agreement in any capacity or a consultant to any other

party of the agreement with respect to the subject matter of the agreement. In the foregoing event, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this agreement on behalf of the City of Prescott from any other party to the agreement arising as a result of this agreement.

8. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The parties hereto further expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys fees, either pursuant to the Contract, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute.

9. It is expressly agreed and understood by and between the parties that PACT is an independent contractor, and as such PACT shall not become a City employee, and is not entitled to payment or compensation from the City or to any fringe benefits to which other City employees are entitled. As an independent contractor, PACT further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent contractor, PACT further agrees that it will conduct itself in a manner consistent with such status, and that it will neither hold itself out nor claim to be an officer or employee of the City by reason thereof, and that it will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City,

including but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

10. In the event that PACT breaches its obligations as set forth in Paragraphs 2, 4, 5 or 6 of this Agreement and fails to cure said breach within thirty (30) days notice of default, the City may terminate this Agreement and provide no further funding to PACT, and the City shall be entitled to a return of all unspent monies paid to PACT in the fiscal year in which the breach occurred.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this \_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH A. BURKE  
City Clerk

\_\_\_\_\_  
GARY D. KIDD  
City Attorney

DATED this \_\_\_\_ day of \_\_\_\_\_, 2008.

PRESCOTT AREA COALITION FOR TOURISM

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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<b>COUNCIL AGENDA MEMO – May 6, 2008</b>	
<b>DEPARTMENT: Economic Development</b>	
<b>AGENDA ITEM: Approval of IGA for Cooperative Action with Town of Prescott Valley regarding Horizon Air Service Agreement</b>	

<b>Approved By:</b>	<b>Date:</b>
<b>Department Head: Jane Bristol</b> <i>JB</i>	<b>04/28/08</b>
<b>Finance Director:</b>	
<b>City Manager: Steve Norwood</b> <i>SNorwood</i>	<b>04/30/08</b>

**BACKGROUND**

On March 25, 2008, Council approved an Air Service Agreement with Horizon Airlines to provide nonstop passenger service from Prescott Love Field to Los Angeles International Airport beginning September 7, 2008. The Air Service Agreement included a revenue guarantee of potentially \$142,000 and a commitment to spend local dollars advertising the new service in our region, as well as providing other airport improvements to accommodate a second airline.

**REGIONAL BENEFIT**

Recognizing the tremendous regional benefit of this new air service, the Economic Development office approached other governmental agencies to help defray some of the first-year costs of providing this service to the region. Council now has an opportunity to review and approve the attached draft IGA that will be discussed at the May 8<sup>th</sup> Town of Prescott Valley work/study session.

**IGA HIGHLIGHTS**

The IGA commits the City of Prescott to enter into agreements with Horizon Air sufficient to provide the new service as detailed in the Air Service Agreement recently approved. In exchange, the Town of Prescott Valley commits to a maximum payment of \$42,000 to the city, with \$29,500 dedicated to the revenue guarantee and \$12,500 dedicated to local marketing.

**Recommended Action:** Move to Adopt **Resolution No. 3887-0855**

**RESOLUTION NO. 3887-0855**

**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 THE TOWN OF PRESCOTT VALLEY AND AUTHORIZING THE MAYOR AND STAFF TO TAKE ANY AND ALL STEPS NECESSARY TO ACCOMPLISH THE ABOVE**

**RECITALS:**

WHEREAS, the City of Prescott and the Town of Prescott Valley wish to enter into an intergovernmental agreement to provide for joint funding, marketing and related cooperative venture opportunities to enhance regional air service to be provided by Horizon Air in benefit of and furtherance of the regional transportation opportunities, economic welfare and related benefits to their citizens; and

WHEREAS, the City of Prescott and the Town of Prescott Valley have the authority to enter into the foregoing agreement pursuant to ARS Sections 11-952.

**ENACTMENTS:**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

Section 1. THAT the City of Prescott hereby approves the attached Intergovernmental Agreement with the Town of Prescott Valley, which agreement is attached hereto as Exhibit "A".

Section 2. THAT the Mayor and staff are hereby authorized to execute the attached Intergovernmental Agreement and to take any and all steps deemed necessary to accomplish the above.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 13<sup>th</sup> day of May, 2008.

\_\_\_\_\_  
JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH A. BURKE, City Clerk

\_\_\_\_\_  
GARY D. KIDD, City Attorney

**INTER-GOVERNMENTAL AGREEMENT  
FOR  
COOPERATIVE ACTION  
City of Prescott  
Town of Prescott Valley**

THIS AGREEMENT, entered into by and between the CITY OF PRESCOTT, a municipal corporation of Arizona ("City"), and the TOWN OF PRESCOTT VALLEY, a municipal corporation of Arizona, ("Town");

WITNESSETH:

WHEREAS, the City and the Town (hereinafter the "Cooperating Agencies") each have implicit authority to engage in cooperative regional activities, including engaging in regional transportation, economic, and planning activities; and

WHEREAS, it is the desire of the parties to engage in cooperative funding to facilitate and further the regional benefits which accrue to all local communities and citizens in Yavapai County as a result of increased air transportation services and facilities; and

WHEREAS ARS §11-952 authorizes the parties to jointly exercise any powers common to them and to enter into inter-governmental agreements for cooperative action;

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein, the parties hereto agree as follows:

**ARTICLE 1. PURPOSE.** The purpose of this Intergovernmental Agreement ("IGA") is for the City to provide for cooperative funding for the Prescott Municipal Airport to be used for the purpose of attaining and funding regional air service to the Los Angeles area and to greatly enhance travel time and accessibility to area residents of direct, expeditious, and convenient air service thereto.

**ARTICLE 2. IGA TERM.**

A. This IGA is effective on the last date of adoption by the Cooperating Agencies.

B. This IGA shall be for a term from the effective date through June 30, 2009.

**ARTICLE 3. PERFORMANCES – CITY.** The City shall provide the following services under this IGA:

A. Provide for and carry out the necessary approvals for and agreement with Horizon Air, which is intended to provide services as outlined in that certain agreement between the City and Horizon Air under the terms of the agreement as approved by the City (the "Horizon Agreement"), in furtherance and betterment of regional air transportation.

**ARTICLE 4. PERFORMANCE – TOWN.** In furtherance of the objectives of the Cooperating Agencies and in the spirit of regional cooperation in furtherance of the mutual objectives of the parties to enhance and further the goal of regional air service benefitting all persons residing in Yavapai County, the Town shall:

A. Remit to the City a maximum of \$42,000.00, including \$12,500.00 for marketing and up to \$29,500 towards the revenue guarantee set forth in the Horizon Agreement. It is understood that any payment under the revenue guarantee would be made in June 2009.

**ARTICLE 5. INDEMNIFICATION.** Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') for, from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

**ARTICLE 6. TIME IS OF THE ESSENCE.** Time is of the essence in this IGA. It is expected that the parties shall diligently and deliberately carry out their respective performances hereunder.

**ARTICLE 7. AMENDMENTS.** This IGA may be amended at any time by mutual written agreement. No other agreements or understandings shall modify the provisions of this IGA.

**ARTICLE 8. NOTICES.** Any notice by either party to the other shall be considered duly served if delivered in person to the office of the authorized representative listed below, or if deposited in the U.S. mail, properly stamped with required postage, and addressed to the authorized representative listed below. Either party may change its representative or the address thereof giving the other written notice. Unless changed, notices shall be sent to the following:

City: Steve Norwood, City Manager  
City of Prescott  
201 S. Cortez Street  
Prescott, AZ 86303

Copy to: Gary Kidd, City Attorney  
City of Prescott  
222 S. Marina Street  
Prescott, AZ 86303

Town: Larry Tarkowski, Town Manager  
Town of Prescott Valley  
7501 E. Civic Circle  
Prescott Valley, AZ 86314

Copy to: Ivan Legler, Town Attorney  
Town of Prescott Valley  
7501 E. Civic Circle  
Prescott Valley, AZ 86314

**ARTICLE 9. ACCOUNTING AND AUDITING.** The City shall keep accurate and complete records of its performances hereunder in accordance with generally recognized accounting principles and practices. The Town shall have the right at any reasonable time to examine, audit, and reproduce all records pertaining to costs, including (but not limited to) payrolls, employees' time sheets, invoices and all other evidence of expenditures for the performances hereunder. Such records shall be kept by the City and made available for one (1) year after completion of the performances hereunder or termination of this IGA, whichever is later.

**ARTICLE 10. GOVERNING LAW.** This IGA shall be interpreted in accordance with the substantive and procedural laws of the State of Arizona and shall be deemed made and entered into in Yavapai County.

**ARTICLE 11. ALTERNATIVE DISPUTE RESOLUTION.** The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The parties hereto further expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys fees, either pursuant to the Contract, pursuant to ARS §12-341.01(A) and (B), or pursuant to any other state or federal statute.

Moreover, if a conflict or problem develops between the parties to this IGA or a third party brings a tort cause of action against the parties, the following resolution process shall be utilized:

A. Both parties shall expeditiously meet at a mutually agreed-upon place, date and time to work diligently and faithfully to resolve conflicts or problems that may arise between the parties in the performance of this IGA.

B. Both parties shall expeditiously meet to discuss a common and mutual defense, including proportional liability and payment of possible litigation

expense and damages. Such meeting(s) shall be held at a mutually agreed-upon place, date and time should a third party file or bring a vicarious liability claim against either the City or the Town for any bodily injury (including death) or property damage caused by, or alleged to have been caused by, either the City or the Town, their respective officers, officials, agents, employees or volunteers performance, work or service under this IGA.

**ARTICLE 12. SAVINGS CLAUSE.** In the event any phrase, clause sentence, Article, section, article or other portion of this IGA shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this IGA shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

**ARTICLE 13. ENTIRE AGREEMENT.** This IGA constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

**ARTICLE 14. CONFLICT OF INTEREST.** This IGA may be canceled without penalty pursuant to ARS §38-511 in the event of a conflict of interest as described therein by any person significantly involved in negotiating this IGA on behalf of the respective parties.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this \_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
JACK D. WILSON  
Mayor of the City of Prescott

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH A. BURKE  
City Clerk

\_\_\_\_\_  
GARY D. KIDD  
City Attorney

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the Town of Prescott Valley this \_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
HARVEY C. SKOOG, Mayor, Prescott Valley

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
DIANE RUSSELL  
Town Clerk

\_\_\_\_\_  
IVAN LEGLER  
Town Attorney

Pursuant to A.R.S. Section 11-952(D), the foregoing agreement has been reviewed by the undersigned attorney for the City of Prescott, who has determined that the agreement is in proper form and is within the powers and authority granted under the laws of this State to the City of Prescott.

\_\_\_\_\_  
GARY D. KIDD  
City Attorney

Pursuant to A.R.S. Section 11-952(D), the foregoing agreement has been reviewed by the undersigned attorney for the Town of Prescott Valley, who has determined that the agreement is in proper form and is within the powers and authority granted under the laws of this State to the Town of Prescott Valley.

\_\_\_\_\_  
IVAN LEGLER  
Town Attorney

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<b>COUNCIL AGENDA MEMO – 05/06/08 &amp; 05/13/08</b>	
<b>DEPARTMENT:</b> Utilities	
<b>AGENDA ITEM:</b> Approval to enter into Supplemental Agreement Two with Layne Christensen Company for reimbursement of incurred capital investment-related interest expense in the amount of \$30,708.60.	

<b>Approved By:</b>		<b>Date:</b>
<b>Department Head:</b> Jim Ciaffoni		<i>May 1, 2008</i>
<b>Finance Director:</b> Mark Woodfill		
<b>City Manager:</b> Steven P. Norwood		

**Item Summary**

This item is to reimburse Layne Christensen Company for interest expense incurred for storage of previously purchased mechanical and electrical equipment with a cost basis of \$1,228,344 for a period of three (3) months not contemplated by the original contract between the City of Prescott and Layne Christensen, while the both parties jointly applied for Conditional Use Permits from the Town of Chino Valley.

**Background**

The original contract with Layne Christensen to provide wellhead arsenic treatment equipment at five (5) well sites within the Town of Chino Valley was awarded by Council on April 3, 2007. The amount of that contract consisted of two parts: (1) a guaranteed annual lease price for the arsenic treatment equipment (\$765,443); and (2) an annual operation & maintenance cost that will vary in relation to the amount of water treated, estimated to be \$574,200. These two components total approximately \$1.34 million per year. The installation and verified, correct operation of all equipment was to occur by January 23, 2008, by the terms of the contract. Although the City's deadline to meet the lower arsenic levels was January 1, 2008, there was a sensible expectation at the time that the actual work would be completed well within the time frame allowed.

During the early portion of the original contract period, Layne Christensen was diligent in designing, procuring, assembling, and storing the necessary equipment at their site in Fontana California. Due to delays associated with the time needed to obtain Conditional Use Permits for all sites from the Town of Chino Valley, Layne Christensen was not able to install the equipment in the originally planned time frame, and thereby incurred storage costs and lost opportunity by having a very large capital investment that was not able to be put to an income-producing use. This capital investment totals \$1,228,344, and has been verified by the submission of Layne Christensen Received Items Lists and Purchase Order Cost Summaries, as well as photographs of the assembled equipment stored in Fontana, aptly demonstrating the state and extent of progress.

Due to the complexities of the contract provisions and facts regarding the establishment of beginning and ending dates of the delay, the Utilities Department and Layne

**Agenda Item:** Approval to enter into Supplemental Agreement Two with Layne Christensen Company for reimbursement of incurred capital investment-related interest expense in the amount of \$30,708.60.

Christensen have negotiated a 3-month period as being the time period for the calculation of the interest settlement. Furthermore, the parties have negotiated an interest rate of 10% as being a fair measure of the degree of capital investment risk incurred by Layne Christensen during this time period. The proposed interest reimbursement payment is thus calculated as follows:

$$\$1,228,344 \times 0.10 \times (3 \text{ mo.}/12 \text{ mo.}) = \$30,708.60$$

### **Schedule and Related Concerns**

Layne Christensen has submitted plans and a building permit application for Well Site 6, and Chino Valley has indicated that they will expeditiously process the application. Layne Christensen indicated that they expect to begin construction at Well Site 6 in early June, followed closely by permitting and construction on the other sites, allowing completion of the contract by October 31, 2008. The Utilities Department and Layne Christensen are in the process of formalizing the extended time for performance of contractual obligations.

The Utilities Department continues to work closely with Arizona Department of Environmental Quality and U.S. Environmental Protection Agency in the interest of meeting processing and reporting requirements for the issuance of an Extension of Compliance Deadline. The extended deadline will be January 23, 2009.

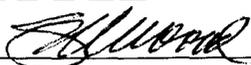
### **Budget**

The current FY 08 budget contains approximately \$766,000 in the Operations, Water Production account, which was intended to cover lease payments made during the current year. The proposed interest payment would be drawn on this account.

**Recommended Action:** **MOVE** to direct staff to enter into Supplemental Agreement Two with Layne Christensen Company for reimbursement of incurred capital investment-related interest expense in the amount of \$30,708.60.

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<b>COUNCIL AGENDA MEMO – May 6, 2008</b>	
<b>DEPARTMENT:</b> Community Development - Planning	
<b>AGENDA ITEM:</b> RZ07-002 Rezoning from Single Family - 9(SF-9) to Industrial Light (IL) on 16 properties totaling 43.37 acres. Located generally on the Southwest corner of Side Road and Highway 89A. <b>Owner:</b> Various Owners and APNs. <b>Agent:</b> Kirby Knoy, 1046 Spire Drive, Prescott, AZ 86305.	

Approved By:	Date:
<b>Department Head:</b> Tom Guice 	4.30.08
<b>Finance Director:</b>	
<b>City Manager:</b> Steve Norwood 	05/01/08

**REQUEST:**

The project comprises a change of zoning from Residential to Industrial. This zoning district would allow for heavy commercial and light industrial uses, but does not allow for residential uses.

The applicants do not wish to apply for preliminary or final plat at this time, therefore, there is no plat to tie the rezoning to. A conceptual site plan has been provided proposing to create a 10 lot industrial subdivision with potential 2 story buildings. The applicants must eventually go through the City of Prescott commercial subdivision plat and site plan review process which will address infrastructure, parking, lighting, landscaping and other issues before Building Permits may be issued.

**BACKGROUND:**

Council approved annexation of the area on March 25, 1963.

**EXISTING SITE and AREA CONDITIONS:**

The subject property is located generally on the Southwest corner of Side Road and Highway 89A. This property is currently single family residences and vacant land. The area is relatively flat and not affected by any FEMA flood zones. Granite Creek lies to the West of the property, but is not within the development.

The property is also located within the Airport Specific Area Plan (ASAP), but is distant enough that it would not require any special construction techniques for noise abatement. It is also within the inner Airport Influence Area as described in the ASAP. The ASAP Landuse Plan shows this area as Mixed Commercial/Employment which allows for commercial, light industrial and residential uses that are not more than 1 dwelling unit per 5 acres.

The entire property is within the aircraft approach and departure routes that are within a 1 mile wide area near the runways. Properties within this area are required by City Ordinance to grant an "Avigation" Easement to acknowledge airport operations.

**Agenda Item: RZ07-002 Side Road Rezoning**

**SURROUNDING ZONING AND LAND USE:**

<u>Direction</u>	<u>Zoning</u>	<u>Land Use</u>
North	Industrial and Residential	Centerpointe East Industrial Subdivision
South	Residential	Vacant
East	Unincorporated Residential	Vacant and Trail
West	Industrial	Centerpointe East Industrial Subdivision

**COMPATIBILITY WITH NEIGHBORHOOD CHARACTERISTICS, ZONING & LAND USE:**

The surrounding properties to the North and West in proximity to the project proposal are predominately industrially zoned. There is one residence to the North. There are 2 residentially zoned parcels within the development that are not a part of the rezoning request. These 3 parcels will retain their SF-9 zoning. The property to the East is residentially zoned within the unincorporated area of the County.

The surrounding industrial zoning and proximity to the airport suggests restricted residential uses. Should the rezoning be approved, the residential uses currently on the property would be "grandfathered" and any further construction of housing or additions to existing houses would be prohibited.

**CONSISTENCY WITH THE GENERAL PLAN:**

The proposed project is consistent with and conforms to the City's adopted 2003 General Plan. This area is designated as Commercial/Employment in the 2003 Prescott General Plan which is defined as commercial and light industrial uses.

**TRAFFIC, ROADS AND UTILITIES:**

The site plan provides for access to the development at two driveways leading from Side Road. At the time of Final Plat, Public Works will require the applicant to provide a Traffic Impact Analysis (TIA) to consider impacts to the existing roadway network. The applicant will be required to contribute toward a portion of the development of a Side Road interchange at Highway 89A.

There is currently excess available capacity for both water and sewer in the area. However, with the recent Fann annexation, that capacity is likely negligible. At the time of construction, the applicant will be required to contribute toward a portion of upgrading the pump stations in the area.

**AGENCY COMMENTS:**

No objections have been received regarding the rezoning request. Public Works and Engineering Services have indicated that the project will require a thorough review upon application for preliminary and final plat.

**PUBLIC COMMENTS:**

Due to the industrial nature of the area, an area meeting was not held. However, on March 18, 2008, notices were mailed regarding the subject zone change application, to the surrounding property owners of record. The mailing included a vicinity map and a description of the rezoning. Also, the application has been advertised and posted according to State requirements. No opposition has been received as of this writing.

**Agenda Item: RZ07-002 Side Road Rezoning**

Scott Lyle, the owner of the larger of the properties which is **not a part** of the application, called by telephone to express support of the rezoning. He indicated that he wished to maintain the ability to add on to the home at a later date. Additionally, the loan on the property may be dependant on maintaining a residential zoning status.

**PLANNING AND ZONING COMMISSION:**

The P&Z Commission met at its regularly scheduled meetings on March 27<sup>th</sup> and April 10<sup>th</sup>. The discussion included traffic issues including costs to the developer for the Side Road / 89A intersection. Also discussed was the possibility of future annexations of the properties to the East of the project. Comments were provided by Councilman Luzius. No other public comment (other than by the agent) was provided during each meeting. The P&Z Commission recommended to approve the application by a vote of 6-0, with Commissioner Gardner not in attendance.

**Attachments:**

- Vicinity and Zoning Map.
- Conceptual Site Plan.

**Recommended Action: MOVE to adopt Ordinance No. 4648-0850.**



**ORDINANCE NO. 4648-0850**

**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 ON THE SOUTHWEST CORNER OF SIDE ROAD AND HIGHWAY 89A**

**RECITALS:**

WHEREAS, the owner of certain property within the corporate limits of the City of Prescott has requested a rezoning of his property; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held public hearings regarding said rezoning; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to rezone certain property; and

WHEREAS, the requirements of Section 9.15 and the other provisions of the City of Prescott Land Development Code have been complied with.

**ENACTMENTS:**

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the following described parcel of land, legally described on Exhibit A, and graphically described on Exhibit B, both attached hereto and made a part hereof, shall be and is hereby reclassified and rezoned from Single-Family 9 (SF-9) to Industrial Light (IL) with the following conditions:

1. Property to be developed in substantial conformance with the associated site plan.
2. Property owners to grant avigation easement.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 13th day of May, 2008.

\_\_\_\_\_  
JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH A. BURKE, City Clerk

\_\_\_\_\_  
GARY D. KIDD, City Attorney

## EXHIBIT "A"

## "Side Road" Rezoning

All that portion of the Southwest Quarter of Section 31, Township 15 North, Range 1 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

COMMENCING at the Southwest corner of said section 31, a G.L.O. brass cap in place;

Thence, North 89°44' East along the South line of said Section 31, a distance of 823.90 feet to the southeast corner of Tract "B", CENTERPOINTE EAST COMMERCE PARK, as recorded in Book 54 of Maps and Plats, Pages 92, 93 and 94, on file in the office of the Yavapai County Recorder, being the **TRUE POINT OF BEGINNING**.

Thence, North 00°02'10" West, 2030.15 feet to an angle point in the south line of Tract "C", CENTERPOINTE EAST COMMERCE PARK;

Thence, North 89°43'20" East, 1211.84 feet to a point on the south right-of-way of Centerpointe East Drive at the intersection with the west right-of-way line of the A.T. & S. F. Railway;

Thence, South 13°18'00" West, 383.71 feet along said right-of-way line of the A.T. & S.F. Railway to the northeast corner of the certain parcel described in Book 4188 of Official Records, Page 22, on file in the office of the Yavapai County Recorder;

Thence, North 89°45'56" West, 489.62 feet to the northwest corner thereof;

Thence, South 13°18'00" West, 137.27 feet to the southwest corner thereof;

Thence, North 89°45'56" East, 489.62 feet to the southeast corner thereof, being a point on the right-of-way of the A.T. & S. F. Railway;

Thence, South 13°18'00" West, 867.24 feet along said right-of-way line of the A.T. & S.F. Railway;

Thence, South 89°38'22" West, 225.00 feet;

Thence, South 13°18'00" East, 75.00 feet;

Thence, North 89°38'22" East, 225.00 feet to a point on the west right-of-way of the A.T. & S.F. Railway;

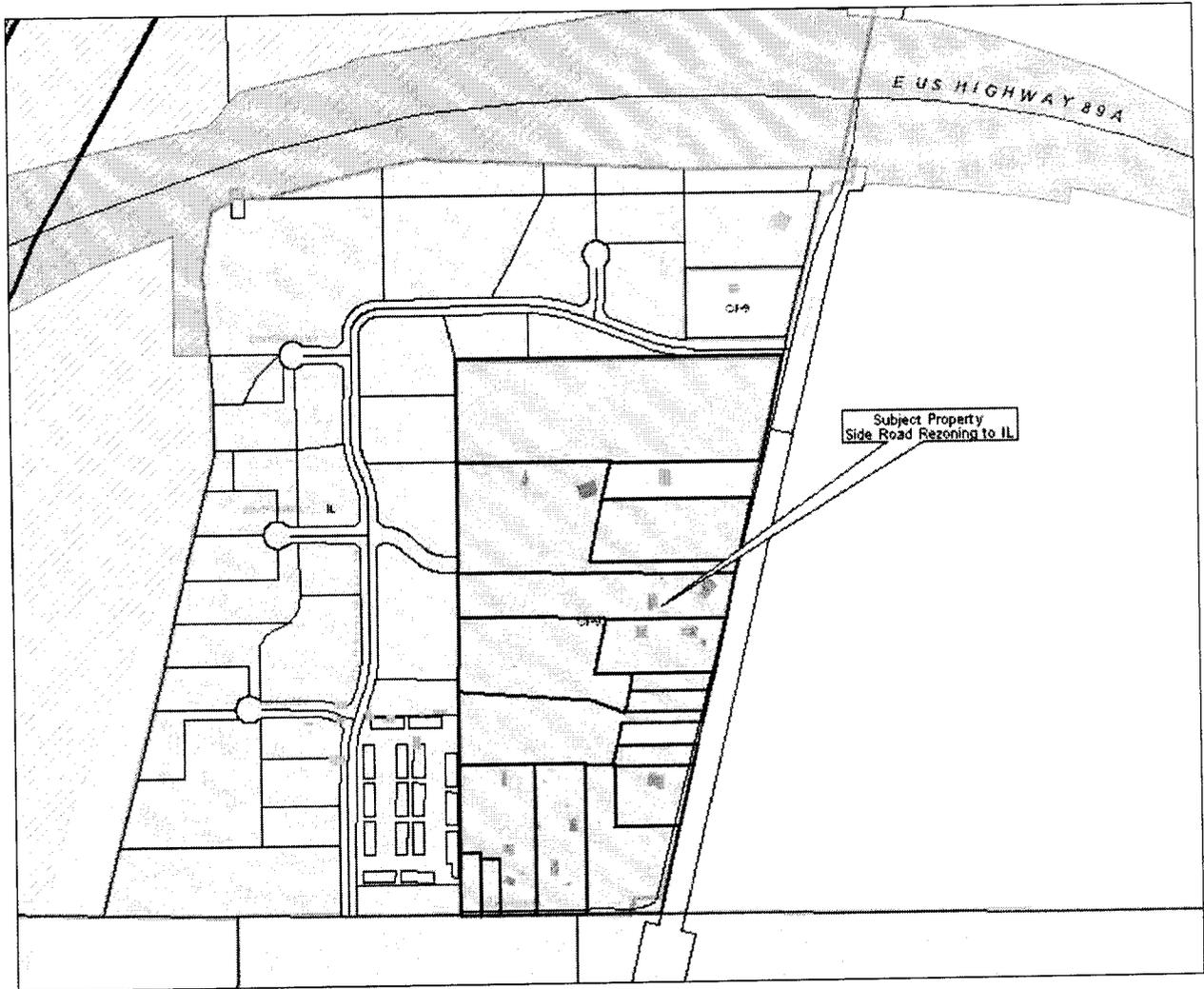
Thence, South 13°18'00" West, 625.10 feet along the right-of-way line of the A.T. & S.F. Railway to a point on the south line of said Section 31;

Thence, South 89°44'00" West along the said south line of Section 31, a distance of 730.05 feet to THE TRUE POINT OF BEGINNING;

Containing 43.374 acres, more or less.

REVIEWED & EDITED  
APRIL 30, 2008  
G. MICHAEL HAYWOOD, LS

EXHIBIT "B"



<b>COUNCIL AGENDA MEMO – May 6, 2008</b>
<b>DEPARTMENT:</b> City Manager
<b>AGENDA ITEM:</b> Notice of Intention to Increase Water and Wastewater Impact Fees

<b>Approved By:</b>	<b>Date:</b>
<b>Dep. City Manager:</b> Craig McConnell <i>Craig McConnell</i>	4-23-08
<b>Finance Director:</b> Mark Woodfill	
<b>City Manager:</b> Steve Norwood <i>SNorwood</i>	04/28/08

**BACKGROUND**

Economists.com has been engaged by the City to update rates and impact fees for the City's potable water enterprise; and overhaul rates and fees for operating and improving the wastewater collection, treatment, and recharge system. New funding is needed to keep the Water and Sewer Funds on a stable financial footing, enable quality service delivery, and safeguard the public health, all of which contribute toward achievement of the Council's "1<sup>st</sup> Class Utility System" goal; and assure that "growth pays for growth" through impact fees.

At the Council's April 1, 2008, workshop, Dan Jackson, principal of Economists.com, presented the draft rate and impact fee study. The final report has been filed with the City Clerk as required by Arizona Revised Statutes (ARS).

Since the legal procedures for adjusting impact fees (one-time demand charges for new connections) and rates (billed monthly for services) vary, they are being addressed via separate Council agenda items. A notice of intention has already been issued for water and wastewater rates, setting that public hearing for May 27, 2008. The public hearing date for impact fees is indicated below.

**RATE SETTING TIMETABLE**

Required steps for adjusting water and wastewater rates, and the associated timetable, are as follows:

5/13/08	Notice of Intention	Declares the Council's intent to increase impact fees, sets the public hearing date, and notifies the public that the Economists.com final report is available for review.
7/22/08	Public Hearing	A public hearing will be held on the proposed water and wastewater impact fees.
8/26/08	Adoption of CIP and Impact Fees	Adoption of the water and wastewater Capital Improvement Program (CIP) and impact fees as set by the Council via ordinance approval.
11/9/08	New Impact Fees Effective	New water and wastewater impact fees effective (payable at the time of building permit issuance).

**Agenda Item:** Notice of Intention to Increase Water and Wastewater Impact Fees

The timetable can be adjusted by the Council in the event additional information or workshops are determined necessary, as long as: (1) the public hearing is held not less than 60 days after approval of the Notice of Intention; (2) the CIP and ordinance adopting the new impact fees are considered not less than 30 days following the public hearing; and (3) the new impact fees become effective not less than 75 days after approval of the CIP and adoption of the ordinance.

It should be further noted that approval of the attached notice only expresses the Council's intent to increase impact fees and sets the date for the required public hearing; it does not set the actual water and wastewater impact fees.

- Attachments:**
- Notice of Intention to Increase Water and Wastewater (Sewer) Impact Fees
  - New water and wastewater impact fees (as presented at the 4/1/08 workshop)

**Recommended Action:** MOVE to approve the Notice of Intention to Increase Water and Wastewater Impact Fees, providing for a public hearing on July 22, 2008.

NOTICE OF INTENTION TO INCREASE WATER AND WASTEWATER (SEWER)  
IMPACT FEES

NOTICE IS HEREBY GIVEN, in accordance with ARS Section 9-463.05, that the Prescott City Council intends to increase City water and wastewater (sewer) impact fees. The City Council will hold a public hearing on July 22, 2008, at 3:00 P.M. in the City Council Chambers, 201 South Cortez Street, Prescott, Arizona, to consider said increases. Copies of the written findings justifying the need for said increases are available from the Prescott City Clerk at the above address.

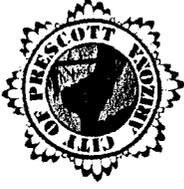
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Elizabeth A. Burke, Prescott City Clerk

Publish: \_\_\_\_\_

# Water Impact Fees

Presented at April 1, 2008, Workshop



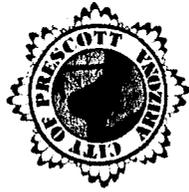
## AWWA

	AWWA Meter Ratio	CURRENT Fee	\$	CURRENT Fee	\$	New Fee
5/8" x 3/4"	1.00	5,132	\$	5,132	\$	6,209
1"	2.50	8,571		8,571		15,522
1 1/2"	5.00	17,091		17,091		31,044
2"	8.00	27,356		27,356		49,671

- ◆ Impact fees for meter sizes over 2" to be calculated individually according to a demand analysis
- ◆ Water Resource Development Fee amount unchanged; \$4,709 Fee Per Dwelling Unit to be applied regardless of metering type (master or individual)

# Wastewater Impact Fees

Presented at April 1, 2008, Workshop



Water Meter Size	AWWA Meter Ratio	CURRENT Fee	New Fee
5/8" -- 3/4"	1.00	**	\$ 3,273
1"	2.50	**	8,183
1 1/2"	5.00	**	16,367
2"	8.00	**	26,187

◆ Wastewater impact fees for new connections with water meter sizes over 2" to be set calculated individually according to a demand analysis

◆ \*\* Current "Buy-In" Fee based on fixture units which vary by customer will no longer be in effect (Typical current residential buy-in fees range from \$1,300 – 2,500 depending upon size of residence)

<b>COUNCIL AGENDA MEMO – 05/06/08 &amp; 05/13/08</b>
<b>DEPARTMENT:</b> City Clerk
<b>AGENDA ITEM:</b> Public Hearing (05/13/08) and consideration of a liquor license application from Judith Fulton, Agent for The Golf Club at Hassayampa, Inc., for a Series 14, Club, license for Hassayampa Golf Club located at 2060 Golf Club Lane.

<b>Approved By:</b>	<b>Date:</b>
<b>Department Head:</b> Elizabeth A. Burke	04/03/08
<b>Finance Director:</b>	
<b>City Manager:</b> Steve Norwood <i>SNorwood</i>	4/29/08

A Liquor License Application, City No. 08-048 and State No. 14133009, has been received from Judith Fulton, Agent for The Golf Club at Hassayampa, for a Series 14, Club, License for **Hassayampa Golf Club** located at 2060 Golf Club Lane.

The public hearing will be held at the Regular Council Meeting of Tuesday, May 13, 2008. The applicant has been requested to attend the Regular Meeting to answer any questions Council may have.

The Golf Club at Hassayampa, Inc. is the new owner of the Hassayampa Golf Club. The initial liquor license was issued in 1998.

A copy of the application is available for Council's review in the City Clerk's Office.

<b>Recommended Action:</b> (1) <b>MOVE</b> to close the Public Hearing; (2) <b>MOVE</b> to approve/deny State Liquor License Application No. 14133009 received from Judith Fulton, Agent for The Golf Club at Hassayampa, Inc., for a Series 14, Club, license for Hassayampa Golf Club located at 2060 Golf Club Lane.
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**ARIZONA STATE LIQUOR LICENSES  
TYPES / PURPOSES  
AS OF 04/07**

**License Types: Series 01 In-State Producer's License**

Allows an in-state producer to produce or manufacture spirituous liquor and sell the product to a licensed wholesaler.

**License Types: Series 02 Out-of-State Producer's License**

Allows an out-of-state producer, exporter, importer or rectifier to ship spirituous liquor into the state to a licensed Arizona wholesaler.

**License Types: Series 03 Domestic Microbrewery License**

Allows the licensee of a microbrewery to manufacture or produce not less than 5,000 gallons of beer in each calendar year following the first year of operation and not more than 620,000 gallons of beer in a calendar year.

**License Types: Series 04 Wholesaler's License**

Allows a wholesaler to warehouse and distribute for sale, spirituous liquor to a licensed retailer.

**License Types: Series 05 Government License**

Allows the holder of a government license to sell and serve spirituous liquor solely for consumption on the premises for which the license is issued. The license is issued in the name of a county, city, town or state university whose governing body has authorized its use.

**License Types: Series 06 Bar License – Transferable**

Allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

**License Types: Series 07 Beer and Wine Bar License - Transferable**

Allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

**License Types: Series 08 Conveyance License (Airplanes, Trains, and Boats)**

Allows the owner or lessee of an operating airline, railroad or boat to sell all spirituous liquors in individual portions or in original containers for consumption *only* on the plane, train or boat.

**License Types: Series 09 Liquor Store License (All spirituous liquors) - Transferable**

Allows a spirituous liquor store retailer to sell all spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

**License Types: Series 10 Beer and Wine Store License (Beer and wine only)**

Allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

**License Types: Series 11 Hotel/Motel License (with Restaurant)**

Allows the holder of a hotel/motel license to sell and serve spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises.

**License Types: Series 12 Restaurant License**

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

**License Types: Series 13 Domestic Farm Winery License**

Allows a domestic farm winery licensee to manufacture or produce more than two hundred (200) gallons, but less than seventy-five thousand (75,000) gallons of wine annually, from grapes or other agricultural products, of which at least seventy-five percent (75%) are grown in this state.

**License Types: Series 14 Club License**

Allows the holder of a club license to sell and serve spirituous liquor for consumption only on the premises owned, leased or occupied by the club, and only to bona fide members of the club and their guests.

**License Types: Series 15 Special Event License**

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

**Non-transferable License Types: Series 16 Wine Festival/Wine Fair License (Temporary)**

1. Wine festival license: Allows a licensed domestic farm winery to serve samples of its products on the wine festival premises and the sale of such products in original containers for consumption off the wine festival premises.
2. Wine fair license: Allows a licensed domestic farm winery to serve samples of its products at a sanctioned county or state fair, and the sale of such products in original containers for consumption off the fair premises.

**License Types: Series 17 Direct Shipment License**

Allows an out-of-state producer, exporter, importer, or rectifier to take orders from retail customers by telephone, mail, catalog or the Internet. The orders must be shipped into the state to a licensed Arizona wholesaler. The wholesaler must sell the product to a licensed retailer. The retailer will deliver the spirituous liquor to the customer.

## R19-1-102. Granting a License for a Certain Location

Local governing authorities and the Department may consider the following criteria in determining whether public convenience requires and that the best interest of the community will be substantially served by the issuance or transfer of a liquor license at a particular unlicensed location:

1. Petitions and testimony from persons in favor of or opposed to the issuance of a license who reside in, own or lease property in close proximity.
2. The number and series of licenses in close proximity.
3. Evidence that all necessary licenses and permits have been obtained from the state and all other governing bodies.
4. The residential and commercial population of the community and its likelihood of increasing, decreasing or remaining static.
5. Residential and commercial population density in close proximity.
6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers.
7. Effect on vehicular traffic in close proximity.
8. The compatibility of the proposed business with other activity in close proximity.
9. The effect or impact of the proposed premises on businesses or the residential neighborhood whose activities might be affected by granting the license.
10. The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report(s) of such activity at least 20 days before the hearing by the Board.
11. Comparison of the hours of operation of the proposed premises to the existing businesses in close proximity.
12. Proximity to licensed childcare facilities as defined by A.R.S. § 36-881.

### **Historical Note**

Former Rule 2; Former Section R4-15-02 renumbered as Section R4-15-102 without change effective October 8, 1982 (Supp. 82-5). Repealed effective July 11, 1983 (Supp. 83-4). New Section adopted effective March 3, 1993 (Supp. 93-1). R19-1-102 recodified from R4-15-102 (Supp. 95-1). Amended by final rulemaking at 11 A.A.R. 5119, effective January 9, 2006 (Supp. 05-4).

Editor's Note: The following Section was amended under an exemption from the Arizona Administrative Procedure Act (A.R.S. Title 41, Chapter 6) pursuant to Laws 1996, Ch. 307 § 18. Although exempt from certain provisions of the rulemaking process, the Department was required to provide for reasonable notice and hearing. This Section was not reviewed by the Governor's Regulatory Review Council; and the Department did not submit notice of proposed rulemaking to the Secretary of State for publication in the Arizona Administrative Register (Supp

**COUNCIL AGENDA MEMO – 05/06/08 & 05/13/08**

**DEPARTMENT:** City Clerk

**AGENDA ITEM:** Public Hearing (05/13/08) and consideration of a liquor license application from Lauren Merrett, Agent for Texas Roadhouse Holdings, LLC, for a Series 12, Restaurant, license for Texas Roadhouse located at 3310 Gateway Blvd.

**Approved By:**

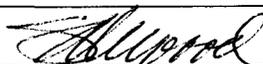
**Date:**

**Department Head:** Elizabeth A. Burke

04/03/08

**Finance Director:**

**City Manager:** Steve Norwood



04/29/08

A Liquor License Application, City No. 08-133 and State No. 12133409, has been received from Lauren Kay Merrett, Agent for Texas Roadhouse Holdings, LLC, for a new Series 12, Restaurant, License for **Texas Roadhouse** located at 3310 Gateway Blvd.

The public hearing will be held at the Regular Council Meeting of Tuesday, May 13, 2008. The applicant has been requested to attend the Regular Meeting to answer any questions Council may have.

The Texas Roadhouse Corporation is headquartered in Louisville, Kentucky, with a chain of about 280 restaurants in 44 states. They specialize in steaks and promote a western theme. This is a new license application.

A copy of the application is available for Council's review in the City Clerk's Office.

**Recommended Action:** (1) **MOVE** to close the Public Hearing; (2) **MOVE** to approve/deny State Liquor License Application No. 12133409, received from Lauren Kay Merrett, Agent for Texas Roadhouse Holdings, LLC, for a Series 12, Restaurant, License for Texas Roadhouse located at 3310 Gateway Blvd.

**ARIZONA STATE LIQUOR LICENSES  
TYPES / PURPOSES  
AS OF 04/07**

**License Types: Series 01 In-State Producer's License**

Allows an in-state producer to produce or manufacture spirituous liquor and sell the product to a licensed wholesaler.

**License Types: Series 02 Out-of-State Producer's License**

Allows an out-of-state producer, exporter, importer or rectifier to ship spirituous liquor into the state to a licensed Arizona wholesaler.

**License Types: Series 03 Domestic Microbrewery License**

Allows the licensee of a microbrewery to manufacture or produce not less than 5,000 gallons of beer in each calendar year following the first year of operation and not more than 620,000 gallons of beer in a calendar year.

**License Types: Series 04 Wholesaler's License**

Allows a wholesaler to warehouse and distribute for sale, spirituous liquor to a licensed retailer.

**License Types: Series 05 Government License**

Allows the holder of a government license to sell and serve spirituous liquor solely for consumption on the premises for which the license is issued. The license is issued in the name of a county, city, town or state university whose governing body has authorized its use.

**License Types: Series 06 Bar License – Transferable**

Allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

**License Types: Series 07 Beer and Wine Bar License - Transferable**

Allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

**License Types: Series 08 Conveyance License (Airplanes, Trains, and Boats)**

Allows the owner or lessee of an operating airline, railroad or boat to sell all spirituous liquors in individual portions or in original containers for consumption *only* on the plane, train or boat.

**License Types: Series 09 Liquor Store License (All spirituous liquors) - Transferable**

Allows a spirituous liquor store retailer to sell all spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

**License Types: Series 10 Beer and Wine Store License (Beer and wine only)**

Allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

**License Types: Series 11 Hotel/Motel License (with Restaurant)**

Allows the holder of a hotel/motel license to sell and serve spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises.

**License Types: Series 12 Restaurant License**

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

**License Types: Series 13 Domestic Farm Winery License**

Allows a domestic farm winery licensee to manufacture or produce more than two hundred (200) gallons, but less than seventy-five thousand (75,000) gallons of wine annually, from grapes or other agricultural products, of which at least seventy-five percent (75%) are grown in this state.

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**PRESCOTT CITY COUNCIL  
STUDY SESSION  
PRESCOTT, ARIZONA  
APRIL 1, 2008**

A STUDY SESSION OF THE PRESCOTT CITY COUNCIL was held on TUESDAY, APRIL 1, 2008, in the Prescott Municipal Building, located at 201 S. Cortez Street, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Wilson called the meeting to order at 3:00 p.m.

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Chris Motto, First Church of Christ Scientist

Mr. Motto gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilwoman Mary Ann Suttles

Councilwoman Suttles introduced Beth Sharp, a teacher at Prescott Mile High Middle School and the sponsor for the Diversity in Action Club. Ms. Sharp introduced club members Sage, Bianca, Brittney, Karen Ann, Randy, Melissa, Tess, Sam, Nubia, Carley, Jasmine, Muchai, Danielle, and Brianna. Ms. Sharp explained that Diversity in Action is an after school club with three primary goals:

- 1) Help the community at Mile High become more aware of diversity issues and be more tolerant of diversity within their community
- 2) Help the Mile High community be more aware of diversity outside of the school community
- 3) Fundraising project that will specifically address the needs of an age diverse community

Ms. Sharp and the students led the Council and audience in the Pledge of Allegiance.

Tammy Linn said that this group is special to her because she is the parent of a 13 year old at Prescott Mile High Middle School and because she chose to work with them on probably the largest packages drive for the troops in Arizona. Ms. Linn said that last year this school alone gave 350 boxes to the troops and this year their goal is to pack 600 boxes tomorrow. Ms. Linn invited the public to come and see children and adults working together to benefit the troops who help keep their freedom. She then thanked the Council and public for their help. Councilwoman Suttles said it is always a pleasure to have the kids with them not just to lead the Pledge but to get an idea of what it is to be part of a community.

◆ **ROLL CALL:**

**Present**

Mayor Wilson  
Councilman Bell  
Councilman Lamerson  
Councilwoman Lopas  
Councilman Roecker  
Councilwoman Suttles

**Absent**

Councilman Luzius

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

City Manager Steve Norwood provided a grants updates and said the City will be applying for a bulletproof vest grant in the amount of \$15,000; they received a REDI grant for Economic Development for \$6,000 with no match required and it was the highest in the State out of that pool; they also received a \$5,000 grant for spay and neutering at Animal Control. Mr. Norwood also said that Councilman Bob Luzius is in Tucson attending a conference on transportation.

## **STUDY SESSION**

**I. PROCLAMATIONS**

A. *April 2008 - Water Awareness Month*

Shaun Rydell, members of the Water Conservation Committee, Councilman Jim Lamerson and Councilwoman Mary Ann Suttles joined Mayor Jack Wilson as he read the Proclamation for Water Awareness Month.

Tim Crews said water conservation is admirable and is extremely instrumental in helping this community and others come into balance with our demands on the aquifer. Mr. Crews expressed gratitude for the hundreds of Prescott citizens who have participated in conservation efforts, which has led to the saving of over 3.6 million gallons a year. He said from the Water Conservation Committee that is working diligently towards advancing water conservation efforts in the City, they would like to thank Prescott and say "keep at it."

Councilman Lamerson said as Council liaison for the Water Conservation Committee, he thanked the committee and said that they worked very hard. He said the citizens of Prescott need to know that these volunteers

put their money where their mouth is – they spend hours working on water conservation, which at this time in history, is very important because it is not just about their resource, it is about their money.

B. *April 2008 – Fair Housing Month*

Councilman Lamerson said it gave him great pleasure and honor to read the Proclamation for Fair Housing Month. He read the proclamation and presented it to Linda Hartmann. Ms. Hartmann said this is the 40<sup>th</sup> anniversary of the Fair Housing Law. She said the City of Prescott is partnering with the State of Arizona Attorney General's Office, the Department of Housing and a few other organizations to present a forum on Landlord Tenant Law updates on Friday, April 18, 2008 at 9:00 a.m. in Council Chambers.

C. *April 4, 2008 – Teen Challenge of Prescott Day*

Councilwoman Lora Lopas read the Proclamation for Teen Challenge of Prescott Day. Josh introduced himself and Brett from Teen Challenge and thanked the City of Prescott for supporting and showing their recognition of Teen Challenge. He said they promise to commit to partner with Prescott and the rest of state in the fight against drug addiction. Josh extended an invitation to the Mayor and members of the City Council to attend the Teen Challenge Banquet on April 4.

## II. DISCUSSION ITEMS

A. Approval of contract amendment with Prescott Area Arts and Humanities Council.

Jane Bristol, Economic Development Director, said this is an amendment to the City of Prescott Contract with the Prescott Area Arts and Humanities Council. Ms. Bristol explained that during the current fiscal year the City Council allocated \$35,000 from the Bed Tax fund to assist various arts and culture projects within the City and this process is administered by the PAAHC. She said there are two minor changes from the previous contract: 1) a clarification that only non-profit arts and humanities organizations are eligible for the funding; 2) an eligible project could include the creation of an object. She said the receipt and ranking of the applications for the funds as well as a recommendation for funding will be presented to the Council a little later this year.

Deborah Thurston, representing the PAAHC said on April 24, 2008 a five-member group will meet to review applications for the City of Prescott arts grants. Ms. Thurston said three of the members are members of the business community, the fourth one is from the Arizona Commission on the Arts, and the fifth member is David Mauer, who was appointed by the

City. She said once the recommendations are made for the grant awards, they are given to the PAAHC for board approval, and then the PAAHC Board brings them back to the City Council for approval.

- B. Approval of contract with Prescott Frontier Days in the amount of \$30,000.00.

Jane Bristol said this is a contract with the Prescott Frontier Days for the World's Oldest Rodeo this year. Ms. Bristol said that during the budget cycle the City Council allocated \$30,000 from the general fund to the marketing effort this year. City Manager Steve Norwood said the funds are actually from the Bed Tax. Ms. Bristol said the Rodeo is being held June 30 – July 5 and the funds the City contributes are used for out of market advertising in accordance with Exhibit A attached to the proposed contract. She said that by contract, the Prescott Frontier Days will come back to the Council before the end of the calendar year to report on the results of their rodeo.

J.C. Trujillo, General Manager of Prescott Frontier Days, thanked the Mayor and City Council, Jane Bristol, and the staff of City of Prescott for their support and for the great working relationship they have now that the City is their landlord. Mr. Trujillo said the Prescott Frontier Days is doing really well and repeated the dates for the rodeo. He said he can guarantee that they will see one of the best shows in professional rodeo this year. Mr. Trujillo introduced Irene Winters, Secretary, Diane Judge-Cox, Vice President and Dan Schichtel, President.

Councilwoman Suttles said this \$30,000 is from bed tax which makes Councilman Lamerson very happy that it is not general fund money. She said PFD appeared to concentrate on a lot of local advertisement such as Scottsdale papers, Phoenix Magazines, Phoenix radio, Bullhead City, and Kingman indicating economic times have come to the rodeo. Mr. Trujillo agreed, saying PFD tried to target the in-state areas due to the cost of fuel but they still market out of state. He said one of the new things they are doing at the Rodeo is "Back to Back," where the professional rodeo cowboy can come in on one day and be done. Councilwoman Suttles said the Council appreciates what they do and it is one of the best rodeos out there because of what they do.

Councilwoman Lopas said they are working on a master plan now that the City owns the property and they will be working closely with Prescott Frontier Days. She said their goal is not to have just the World's Oldest Rodeo here but the World's Best Rodeo.

Councilman Lamerson said he is a big proponent and supporter of the Rodeo, that they do a great job. He said the Council agreed with all of that to the tune of millions of dollars of investment in the Rodeo when

they stood up and worked the deal with Yavapai County, procuring the rodeo grounds to stay in the City of Prescott, also securing the legal industry in the city. Council Lamerson said the open space people stepped up and supported the Rodeo. He asked if they ever envision a day that the Bed Tax funds they use to market the Rodeo will be freed up to leverage that money for some of the other cultural icons in the community. Mr. Trujillo said he sees some great future in the PFD financially, that there will be some slack someday where they won't need that money. He said that this year, with the sponsorship program being a little down because of the financial situation, they really do need the money but in the future as the Rodeo becomes more of a success PFD will be able to be on their own.

- C. Adoption of Resolution No. 3896-0854 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, repealing Resolution Nos. 3439 and 3691 and adopting new fees for the Antelope Hills Golf Course.

Mic Fenech said this is for Council consideration of a golf course user fee price increase and a resolution to allow up to \$1 increase for green fees per year. Mr. Fenech referred to the staff report that indicated the last price increase at Antelope Hills was in August of 2005 and prior to that increase they had two others since 1996: 2002 and 1996.

Mr. Fenech said the five items before the Council are not meant to represent a majority of golf course increases and cost expenditures nor is it intended to represent all of them. The items are to give Council an idea of what has been going on in the golf industry over the last few years. Mr. Fenech said he added a letter from Simplot partners that outlines why the price increases are taking place. He said gasoline/petroleum products have a big impact on everything they do. Mr. Fenech explained in the short time since the agenda item was done gasoline has gone from \$3.06 to \$3.20. He said one of the objectives is to make sure that they mitigate the cost increases by reducing expenditures yet they have to be cognizant of the quality of the product they are putting out in front of the public.

Mr. Fenech said they are asking Council to consider a \$2 increase in user fees for residents both during the week and on the weekend and a \$5 increase for non-residents. He explained that one of the reasons for the larger increase in non-residents is in 2005 when they had a \$3 increase to the resident fees they did not raise the non-resident fees. He said they are also asking for a \$1 increase on carts.

Mr. Fenech said it is important to note that the Golf Advisory Committee, which represents 750 association members - the largest user groups, on three separate actions voted for the green fee increase and cart increase. He said six of the seven members were present and voted unanimously

to endorse the fee increase mainly because of the financial viability of the golf course. Mr. Fenech said as Council knows, last year they did not have a cash flow positive year; this year looks better, but they are still far from covering expenses with income.

In the Fiscal Year 2009 budget, if Council passes the increases, they would hope to be close to a breakeven within about \$3,530, assuming that the rounds hold up, the weather holds up and economic conditions hold up but they feel comfortable that these are reasonable expectations for the golf course.

Mic Fenech said that with regard to the Antelope Hills Player Card, no Council action is required for discounting rates pursuant to the resolution they are currently operating under. He said they felt it was important for Council to be aware of what management is planning at the golf course. Mr. Fenech said the reason they are advocating a player card as opposed to a punch card is because the vast majority of their golfers have indicated it is difficult for many of them to participate in the punch card because it requires that all money be put up front. Mr. Fenech said at a \$22 rate for a 90 play punch card it would cost \$1980. The Player Card program allows a golfer that is a frequent user to take advantage of the \$22 rate by paying just \$150 up front. Mr. Fenech said in a separate action the Golf Advisory Committee also passed this item unanimously.

Mr. Fenech said under the resolution, they are asking that Council consider allowing management the opportunity to raise the green fees by up to \$1 per year. He said management has no intention of raising fees if not necessary. They do not like to be before Council asking for that, but want to cover expenses. Mr. Fenech referred to the Golf Course Enterprise Fund recap for Fiscal Year 2008 and what is being proposed for Fiscal Year 2009, which take into consideration the increase in fees as well as player card introduction.

Councilwoman Suttles said that looking at increased costs and seeing the small fees that are being increased it does not quite balance out. She asked if this will work out in the long run where they do not spend as much. Mr. Fenech said fertilizer has gone up 65% and they use about 60 tons, so the total expenditure they are expecting at \$620 a ton is in the \$36,000 range. He said it is the same thing with irrigation assemblies having gone up 126% increase. Mr. Fenech explained that last year they went through about 250 irrigation assemblies and this year they are expecting to go through about 150 assemblies. He said costs have gone up dramatically and these increases do not represent all of the expenses.

Mr. Fenech said payroll personnel makes up a large majority, supplies and other services, and thankfully debt service is going down to zero over the course of the next couple of years. He said at that time he will come

before City Council to ask how they would like the Golf course to proceed regarding capital improvements assuming the City is still in the Golf business.

Councilwoman Suttles said she sees that the Golf Course Advisory Committee voted unanimously on the proposal as opposed to previous years where a number of golfers disagreed with rate increases. She asked about the 90 play player's card and Mr. Fenech said based on the new rates it would be \$1980. He said that before their last increase in 2005 the player punch cards were \$15. Mr. Fenech explained the proposed increase at that time created some hard feelings among the frequent use golfers so the manager offered that any of the golfers that would like to purchase multiple punch cards could do that and would be given a three-year window to use them. Some of the golfers are able to purchase multiple cards, some up to 4 – 5 cards, and have been playing since 2002 for \$15.

Mr. Fenech said that was good for them but in order for the City to cover their expenses they cannot continue along that path. A lot more of the golfers have expressed an interest in a discount for a small amount up front. Mr. Fenech said that conversations the management team has had with the Golf Advisory Committee citing other courses like Stoneridge that is doing a similar program led to this proposal for the player cards. He confirmed that the punch cards will be honored.

Councilman Lamerson said he had a fit when he read this. He said all of the various cost increases average a 69.4% increase and yet they are recommending an average 8.6% increase. Councilman Lamerson said that Mr. Fenech did not include that this will be leveraged over 80,000 rounds of golf. He said the additional information of the \$112,000 that will bring up it to just a couple thousand dollars difference is appreciated and he will not ask to keep it off the consent agenda.

Councilman Bob Bell said he keeps hearing from golfers that the course is in excellent shape and they are very complimentary about the greens and the restaurant. He said he knows that in an enterprise fund their mandate is that the operation will pay for itself and that no one wants to take \$404,000 from the general fund to subsidize the golf course. Councilman Bell said he is very much in favor of raising the rates so that it will pay for itself. He asked Mr. Fenech if that is correct and if this will take care of the problem. Mr. Fenech confirmed that is correct and that he will be praying for very good weather because weather has a lot to with it. Mr. Fenech said from the standpoint of value, which has been an issue with the community, these are off-peak and peak rates for many golf courses in the area and the state and they are rack rates. He said when they compare posted rates to posted rate, Antelope Hills Golf Course offers the best value of all these courses.

Mayor Jack Wilson said he supports the proposal, particularly balancing the budget. He said he also supports delegating the authority to let the management of the course raise these rates without going back to council on small fees.

City Manager Steve Norwood asked Mr. Fenech if they were recommending increasing the rates even more than what they are proposing. Mr. Fenech said no, they are not.

Steve Blair, 1802 Northside, said because he does not get the staff report his question is if they are going to leave it in staff's hands when they can expect the next price increase and if there was a cap on that. He asked how often will they do that and if it was tied to the cost of living index. Mr. Blair said the public needs to know what to expect he is not hearing that sitting in the audience.

Mr. Fenech said their intention is to get through the next fiscal year and to see how they turn out. He said if they arrive at a break even or a \$3500 loss for the year, they will be in the budget process from January through May. If they expect some of their expenses to go up then they will go to the Golf Advisory Committee to consider an increase.

Mr. Blair said this is cheap entertainment and he recommends raising it another \$1 and quit coming back so often. He said it is an enterprise fund and based upon the information in comparison to the other golf courses, they should raise it \$3 to \$4 a round. Then they do not have to come back as often.

Councilman Bob Roecker said once the debt service goes away, then the pressure will diminish some and they can offer a good service without having to raise the rates.

Mr. Norwood said not necessarily, that there is still a \$1,000,000 due to the general fund and once that debt is paid off the general fund will be paid back in its entirety with interest. Mr. Norwood asked Mr. Fenech if they are talking about bringing this back annually with an additional \$1.00. Mr. Fenech answered no, that they are asking Council to give management the authorization to consider and decide with their Golf Advisory Committee whether to raise the rates \$1.00 without bringing it back to Council. Mr. Norwood confirmed if management wants to they can increase the \$1.00 each year and assured him that is what they plan to do as long as \$1,000,000 is due the general fund.

Councilman Lamerson said they kind of forgot they owe a million here and a million there and that he tends to go along with what Councilman Roecker said, that maybe they should raise it more; with what

Mr. Norwood said, that they ought to raise it all the time and with what Mayor Wilson said, that is what they have management for. Councilman Lamerson said they are watching Mr. Fenech and that the golf course is a very contentious deal. He said the fact of the matter is they sat there today and told people they have to pay a lot to use water yet they are squabbling about people playing golf. He said he has a real problem with some of this and he is not going to ask that this be kept off of the consent agenda because the people ultimately that are members of this enterprise fund have voted that this is what they choose to do. Councilman Lamerson said to keep in mind, next year when they come back, if they haven't whittled down on the \$1,000,000 deficit that is owed the general fund that is used for police, fire, water, sewer, the whole nine yards, then it may be a different story. Mr. Fenech said he understood.

Councilwoman Suttles said she wants to pull it from the consent agenda. She said she thinks they will get more information from the golfers.

Robert Graybill, 3045 Timberline Road, said he attended the water commission meeting and this meeting and it is not about subsidizing the golf course. He said he has lived here for three years. Mr. Graybill said just between this regime and the last regime, they have blown through \$5,600,000 and they are squabbling about a buck for a round of golf. He said he has looked at the debt and for what the Council is willing to pay Horizon Air, and asked if it wouldn't be better served to take care of the citizens of the community. Mr. Graybill said he does not play golf that often but it is getting to be \$41.00 and that people can golf for \$25.00 at most courses in California. He suggested that it would be better to serve what is already here than giving it away to corporate America.

Councilman Suttles said she thinks there is going to be more information and they can pass this next week.

Robert Reuillard, 936 City Lights, said there seems to be a lot of confusion amongst the members at Antelope Hills as he was talking to some of them this past week regarding the \$1 a year automatic, the punch cards and the players cards. He said he thinks there will be more to come forth from players even over and above the advisory committee. Mr. Reuillard said he agrees with Councilwoman Suttles.

- D. Award of a contract to Technology Construction, LLC, in the amount of \$984,111.00 for Airport Well No. 2 Equipment and Well House Project.

Jim Ciaffoni explained that this is a recovery well as opposed to a production well. He said the significance of that can be seen in the pictorial. He pointed out the corner of Highway 89 and Highway 89A, the Airport, the flight strip and the Antelope Hills Golf Course. Mr. Ciaffoni showed where Airport Well No. 2 will go, where the wastewater treatment

plant is, and where the recharge cells are located. He said he points out the recharge cells because Airport Well No. 2, being a recovery well, is intended to extract the water that is recharged per ADWR guidelines and requirements. Mr. Ciaffoni said they have to establish within a one-mile radius of the recharge basins and that this airport well is about one mile from the recharge cells. He said they currently have a consultant under contract to consider possibility of be able to place recovery wells in excess of one mile, which will take a hydraulic analysis.

Mr. Ciaffoni said Well No. 1 was drilled in 2006, which only produced about 150 gallons per minute, and to a large extent drilling wells is a matter of chance. He said they have come to believe they may be able to increase the capacity of Well #1 through a treatment to increase the permeability of the inside of that well.

Mr. Ciaffoni said regarding Well No. 2 there were six bids received on this project ranging from the low bid of \$984,000 to \$1,400,000; the 2<sup>nd</sup> and 3<sup>rd</sup> \$1,100,000 and \$1,120,000. He said this is a very good in the sense that they have enough to consider the bid competitive; the low bidder didn't leave a lot on the table. Mr. Ciaffoni said the engineer's estimate was \$1,070,000 and the contract time will be 150 days and if awarded, they should receive a Notice to Proceed some time in May. He said the work would conclude by August. There is \$1,180,000 budgeted for this project and there is an associated engineering contract that has already been completed for \$190,000 so the summation of the two contracts put them right below the budgeted amount.

Councilman Bob Bell asked Mr. Ciaffoni if he feels the specifications and the contract documents are sufficient so that they can approach this without expecting to see any change orders. Mr. Ciaffoni answered that they do their best to make sure that is the case and he thinks they are very good. Councilman Bell said this Council is getting frustrated and tired of seeing change orders on contracts and that is why he asked the question. Mr. Ciaffoni said they understand that message very clearly from the Council and they will be putting a lot more scrutiny into the quality of those contracts.

Councilwoman Suttles said she sees that one of the bidders expressed concern with the ability and reputation of the low bidder. Mr. Ciaffoni said they checked the references on this contractor and there was one concern raised by another bidder that this particular contractor has had a bad experience with the City of Williams. Mr. Ciaffoni said he talked to the City of Williams, to Bullhead City, Lake Havasu City and to Kingman. He said the last three had very good recommendations. Mr. Ciaffoni said the Williams experience was one that was understandable; there were change orders on that project but every one of the change orders was initiated by the City. He explained the City started out with a very large

master planned water treatment plant upgrade and after getting the contractor on board the City decided to cut it down by a third to half. Meanwhile the engineer on the job went through four different engineers over the course of the job, there were many delays and under the circumstances, he does not think they could find a contractor that has not found themselves in that position. Mr. Ciaffoni said it was entirely understandable to him based on his own experience.

Mayor Wilson asked what the depth of Well No. 1 is and what this is proposed to be on Well No. 2. Mr. Ciaffoni answered that he could not say but agreed to bring that information back to the next Council meeting.

- E. Approval of an agreement on behalf of the Central Yavapai Metropolitan Planning Organization with TransitPlus, Inc. for the Regional Transit Implementation Plan in an amount not to exceed \$96,180.00.

Craig McConnell said this is for preparation of the Regional Transit Implementation Plan. He said, it has been discussed several times, the target for system start up is the Fall of 2009. He said CYMPO members, Prescott, Prescott Valley, and Yavapai County, have expressed an interest in providing services in the initial start up. Mr. McConnell said since these three entities have expressed the interest this implementation plan will be geared toward formulating Phase I start up and Phase II longer term transit implementation plans.

He said the deliverables do include a financial plan and those service options. He said they anticipate the contract work being started this month in April and being completed in October 2008. Mr. McConnell said, as indicated in the staff report, the CYMPO executive board has recommended to the City of Prescott that the City Council enter into this agreement on behalf of CYMPO and reminded Council the City of Prescott and CYMPO have a memorandum of understanding by which the City does purchasing on behalf of CYMPO. He said the majority of funding for this Transit Implementation Plan will be provided through monies which are allocated to CYMPO – Federal Transit Authority monies – for a \$96,000 Transit Implementation Plan; the City of Prescott can expect to pay about 10%, or \$9600.

He said there is substantial community interest in creating this transit plan and it will look at different service options, the City Council will discuss those options in the future, and then decide what option the City should select. He explained the initial costs will be Federal Transit Authority monies but as they go forward and gain more operating expense with system expansion that is when the City and participating entities will have to carefully examine what those costs will be.

Councilman Jim Lamerson said he noticed in the monetary contributions, again it is not as regional as one might hope. He asked if the plan is going to be inclusive of Central Yavapai County and not necessarily the three jurisdictions that have agreed to participate, Prescott, Prescott Valley and Yavapai County and will it include others. Mr. McConnell answered the focus will be on those that have expressed an interest in the initial start up services and the conceptual connections to Chino Valley and so forth were addressed in the Feasibility Study. He said they will look at the possibility of service expansion but will not spend a lot of time on those not participating.

Councilman Lamerson said since the name is Central Yavapai County not Prescott/Prescott Valley County he thinks they do need to look at some of those areas and how at some point they will come along, just not today.

Councilman Bob Bell asked Mr. McConnell if he was present when the CYMPO Board voted to come to the City of Prescott. Mr. McConnell answered yes, he was. Councilman Bell asked if it was a unanimous vote, including Chino Valley. Mr. McConnell answered yes, of those voting it was unanimous but he would have to check the minutes to be sure that everybody voted.

Councilman Bell said since Chino Valley opted out of this, he wondered if they were voting to bring this to Prescott and have them participate in the cost without them doing the same. Mr. McConnell said Councilman Bell is correct and as indicated in the contract Chino Valley is not a participant in the initial startup. He said this particular implementation plan will not be focusing or expending any money on behalf of Chino Valley.

Councilwoman Suttles asked, as mentioned in a previous meeting by Councilman Luzius, if Dewey–Humboldt is going to be part of this also. Mr. McConnell said they will not be participating; the Transit Implementation Plan will not include Dewey–Humboldt in any detail. He said there was some analysis in the study already done. Mr. McConnell said Councilman Luzius' remarks and the subsequent discussion pertained primarily to the membership or non-membership of Dewey-Humboldt in CYMPO. Councilwoman Suttles asked if he is comfortable with all of this and Mr. McConnell answered yes.

- F. Award of bid for the Marina Street Parking Improvement Project, Goodwin Street to Carleton Street, to Fann Contracting, Inc., in the amount of \$114,593.00.

Mark Nietupski said this project would increase parking in this one block segment on this section from 11 to 31 in total, with two identified for handicap use. He said the project was bid in March; they received five bids, and of the two low bids were only \$23 apart. Mr. Nietupski said the

low base bid was \$114,593. He said the project as bid includes security provisions with respect to the installation of bollards to preclude a vehicle from entering or ramming the Police Station building. As bid, it also includes decorative bollards to enhance the appearance of that facility; they have an architectural appearance and some would be lighted. Mr. Nietupski said it is an option the Council can consider and if the Council went with the decorative bollards it would increase the cost of the contract to \$152,626.70. He said will probably take the project about 30 days to be completed pending award of contract.

Councilman Lamerson said that economic conditions were different when they looked at the budget last year. He said they were specific at the plenary session and they told everyone to go to the table to see what planned expenditures could be moved around for different things. Councilman Lamerson said they have had some unplanned expenditures, one was out on Iron Springs Road. He said they have more on Copper Basin Road and they will probably have more unplanned expenditures on Rosser Street and Demerse.

Councilman Lamerson asked Mr. Nietupski if this is a need or if it was something that would be nice to have. He asked if there was some sort of public health or safety issue that requires that they do it this year because they may need the \$150,000 for an overrun or for a road project that does impact public health and safety. Mr. Nietupski said it becomes a level of service question with respect to the provision of access and the provision of service, so if they consider parking a need to provide that level of service then it is a need. He said it may not be a need equivalent to a road reconstruction but it is still a need. Mr. Nietupski said it would be Council's decision whether to go forward. Councilman Lamerson said the community just put up \$6,000,000 for a parking garage that is not full every day, it is a block away, and he thinks people can walk a block. He said he does not see this as a need and is not going to support this.

Mayor Wilson asked Chief Randy Oaks if this was a need. Chief Oaks said their parking situation is well known; they do not have a place for their own employees to park and they do not have a place for their customers, the citizens of Prescott to park. He said there are a number of groups and citizens that use their training room for public meetings and often have nowhere to park. Chief Oaks said the bollards come in because anytime they invite the public to aim their car at a building, especially a high risk public facility, then protection is needed for the benefit of the employees and the public to prevent accidentally or otherwise ramming into the side of the building. He said high profile public buildings are not built without that type of protection.

Mayor Wilson asked for Chief Oaks opinion regarding plain versus the decorative bollards. Chief Oaks answered that his budgetary side said

they will live with concrete filled steel pipes because that accomplished the same purpose even though it may not be as pretty, which is his number one objective.

Councilman Lamerson said his employees walk from the parking garage up to his place of business. He said it is a matter of convenience is what he is hearing and he wished he had a million parking spaces out in front of his store, too. He said they are in a budget scenario; if they need to buy vests or dope dogs he can buy into that but to pay \$150,000 for parking spaces when they have a parking garage does not make a lot of sense at this time.

Chief Oaks said this was not a Police Department driven item; this is also for the library and other public facilities on the Marina Street corridor. Councilman Lamerson said he understands that but they can use the parking garage, too.

Councilman Roecker asked how they would finance this. He said they have been upgrading the City Hall with security issues and are there funds available under that program to put in the bollards. Mr. Nietupski said he cannot answer but the cost of the bollards is about \$38,000 more than the base bid. Mayor Wilson said it is a \$125,000 grant. Mr. Steve Norwood added it is Homeland Security. Councilman Roecker suggested using some of that money for the bollards because it is a security issue. Mr. Nietupski agreed that there is a security need if the parking is to be reconfigured. Mr. Norwood said the use of the entire \$125,000 has been identified. Councilman Roecker said if there are some other monies available in the form of grants they should do it.

Councilman Bell said that in looking at the bids there is an advantage to accepting the alternate for the bollards. He said \$27,000 is the advantage and he strongly recommended that they go that route with Asphalt Paving & Supply base bid and the added alternate of \$38,010.

Mayor Wilson asked Director of Park, Recreation & Library, Debbie Horton, for her perspective and recommendation to Council. Debbie Horton said from the perspective of the Library, if they take into consideration the average age of the people using the library this would be a tremendous asset for users of the Library. Councilwoman Lopas said that they do have a high retirees area and walking the two blocks to the parking garage is not feasible. She said when her children were little it is an extra 15 minute process and this will help a broad spectrum of the community downtown have more parking right downtown where they need it.

Councilman Roecker asked Mr. Nietupski if the \$38,010 for the additive alternates is for the decorative bollards. Mr. Nietupski said yes, that is

correct. He said they would get the plain bollard for about \$115,000 and the decorative bollards for \$152,000. Councilman Roecker said he thinks that is what they should do.

Councilwoman Suttles said they are going to pull this and they are going to come back to consider the options. Mayor Wilson said there are three options. He said Councilman Lamerson does not want to spend the money this year, Councilman Bell prefers to go with Asphalt Paving and Councilman Roecker prefers to go with Fann Contracting.

Councilwoman Suttles said they bid this at \$150,000 and she agrees with Councilman Lamerson that it is time for the City to pull up. She said they are getting ready to go into budget and they are talking about 20 spaces at \$150,000 plus bollards. She said she does not see going either way and that she would like to see this postponed for when things get better. Councilwoman Suttles said she understands Councilwoman Lopas' comment about getting older or having kids along but they just spent about \$5,000,000 on the new Library. She said with a little bit of help of everybody they will get through this year.

Deb Thurston, 330 S. Alarcon, said she is really disappointed because she cannot use the beautiful new library at night. She said If she drives there is nowhere to park and she is afraid to walk because it is dark, so she is for the decorative bollards. Ms. Thurston said there is a safety issue in that area because it is very dark.

Mr. Norwood said they have brought Debbie Horton and Chief Oaks to speak. He said the way this came about is because a year ago the City received a lot of complaints about city staff vehicles parked there in the parking lot. Mr. Norwood said they have moved a lot of those vehicles to the parking garage and required a lot of employees to park there, but they still have challenges for parking. He said this was an opportunity gain 22 spaces and any time they can gain 22 spaces on the east side of town, they need to do that. Mr. Norwood said this is probably not the highest of priorities. He said the City has made an investment on decorative lighting in front of the Goodwin Street Pharmacy at a greater cost than this. He said to do it first time out was probably cheaper than to come back and try to retrofit this later.

Mr. Norwood said when they look at a \$114,000 project and they get six bids and two of the largest contractors in Yavapai County bid on this when not that long ago they have had to go out to bid threes times just to bid on a million dollar job. He said they are taking advantage of local economy because if they wait two or three years they probably will not get any bids and it will probably be two to three times that amount.

Steve Blair, 1802 Northside Drive, said there is a fourth priority and that is to have City staff do the project. He asked if they have checked in house to see what the cost would be. Mr. Blair said the parking spaces are needed at the Library and downtown, but he suggested \$114,000 to change the markings on the road and put in a few bollards is absolutely bizarre and he would love to have that job.

Mr. Nietupski said the reconfiguration will require removal of a portion of the existing parkway between the curb and the sidewalk and new curb work to provide for those parking spaces. He said it is not simply restriping.

- G. Notice of Public Hearing (April 8) and consideration of a liquor license application from John Nielson, Agent for Prescott Brewing Company, Inc., for a Series 3, Winery, license for Prescott Brewing Company located at 697 6<sup>th</sup> Street.

City Clerk Elizabeth Burke said there has been a little confusion because the State changed the name of their Number 3 License from microbrewery/winery and the City Code still calls a Number 3 License a winery. She explained that it is required by the State for Microbrewery license for this location which is strictly packaging and storing of the liquor.

- H. Notice of Public Hearing (April 8) and consideration of a liquor license application from Randy Nations, Agent for Lyzzard's LLC, for a Series 6, Bar, license for Lyzzard's Lounge located at 120 North Cortez Street.

Ms. Burke reviewed this application, noting that it was required as a new license because of a change in ownership. She said that the property has been posted and to date no public comments have been received. The public hearing is scheduled for April 8 and the applicant has been requested to attend.

- I. Notice of Public Hearing (April 8) and consideration of a liquor license application from Martha E. Loza, Agent for Casa Del Sol, for a Series 12, Restaurant, license for Casa Del Sol located at 503 Miller Valley Road.

Ms. Burke reviewed this application, noting that it was required as a new license because of a change in ownership. She said that the property has been posted and to date no public comments have been received. The public hearing is scheduled for April 8 and the applicant has been requested to attend.

- J. Approval of the Minutes of the Prescott City Council Regular Voting Meeting of March 11, 2008.
- K. Selection of Items to be placed on the Regular Voting Meeting Agenda of April 8, 2008.

Councilwoman Suttles said Consent Agenda Items include A, B, D, and E. Items for the regular agenda include C, F, G, H, and I.

III. ADJOURNMENT

The Study Session of April 1, 2008 adjourned at 4:27 p.m.

## SPECIAL MEETING

I. Call to order.

Mayor Wilson called the Special Meeting to order at 4:35 p.m.

II. Recess into Executive Session.

**COUNCILMAN BELL MOVED TO RECESS INTO EXECUTIVE SESSION; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.** The Prescott City Council recessed into Executive Session at 4:35 p.m.

III. EXECUTIVE SESSION:

- A. Discussion or consultation for legal advice with the attorney or attorneys of the public body, pursuant to A.R.S. 38-431.03(A)(3).
  - 1. Highland Engineering final contract payment for Chino Valley Water Production Facility.
  - 2. Big Chino Water Ranch

IV. Adjournment.

The Prescott City Council reconvened into Open Session at 5:17 p.m. at which time the Special Meeting was adjourned.

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JACK D. WILSON, Mayor

ATTEST:

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ELIZABETH A. BURKE, City Clerk

PRESCOTT CITY COUNCIL  
REGULAR VOTING MEETING  
PRESCOTT, ARIZONA  
APRIL 8, 2008

A REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, APRIL 8, 2008, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Wilson called the meeting to order at 3:00 p.m.

◆ **INTRODUCTIONS**

◆ **INVOCATION**

Police Department Chaplain Larry Godfretson gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilman Bell

Councilman Bell led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL:**

Present:

Absent:

Mayor Wilson  
Councilman Bell  
Councilman Lamerson  
Councilwoman Lopas  
Councilman Luzius  
Councilman Roecker  
Councilwoman Suttles

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

Mr. Norwood reminded everyone that this month is Spring Cleanup. He added that for the first time in several years the City will have a recycling program for telephone books, which is a huge effort.

Councilwoman Lopas said that she is on the Board of Primavira School and AP&S, who is doing to Copper Basin Road project, is helping them put in an artificial turf field in the back of their school, donating all of the dirt and boulders and putting in the earthwork. Also, she and Councilwoman Suttles attended the Firefighters VIP Expo last week.

Councilwoman Suttles added that they started about 7:30 a.m. and left at 5:30 p.m. five or six pounds lighter. She said that all that participated got together at the end, and they all have a new respect for the firefighters.

**I. PUBLIC COMMENT (Please limit your comments to five minutes)**

**A. Emma Howland-Bolton & Elizabeth Gritzmacher re Historical Context of Illegal Immigration.**

Emma Howland-Bolton, 714 ½ First Street, and Elizabeth Gritzmacher, 132 N. Pleasant Street, both students at Prescott College gave the following comments regarding Illegal Immigration.

They thanked and applauded the Mayor's timely initiative surrounding the topic, as well as the City's willingness to create a forum around such a hot-button issue. They also thanked the Council for the ability for them to participate in the ongoing dialogue and for allowing them to bring in an academic perspective.

They said they are aware of the limitations of City government in addressing such a concern, and do not desire any action outside of their sphere of influence. They have observed many City Council and Immigration Task Force meetings and have identified two ways which they can affect subtle yet profound change.

They asked that upon hearing their presentation members of the Council would commit to refraining from imploring "illegal" when speaking of undocumented workers. They suggested that changing some terminology could reframe the conversation for a more productive discourse. Secondly, they would like to address the suggestions made by the Area Chapter President of the Minutemen on February 5. They asked that the City Council use its influence in ways other than sending officers to Federal 287G training. They also extended their appreciation to City Attorney Gary Kidd for his illumination of the constitutionality of soliciting work and the deep significant of applying the law equally and without bias.

They said that date the issue has been localized, perhaps to a fault. While immigration has proven itself to be a local issue it is by no means a controversy faced in Prescott alone. Immigration, and specifically undocumented immigration, has become a pressing point of contention, conversation and policy the world over. It is their intention to synthesize the events that have catalyzed this movement of millions of people.

They said that it would be impossible to create a larger context for the clash of cultures on Lincoln and Grove without mentioning a controlling force in the last two decades—globalization, specifically economic globalization. It has been increasingly dominated by free-trade agendas and agreements, such as NAFTA.

Because Mexican farmers cannot compete with US-subsidized farmers, they are slowly being eradicated. On the same token small business owners have found it impossible to compete with multinational and foreign corporations. Because of these factors, the Mexican middle class no longer exists. It is a country of a few very wealthy individuals who have benefited greatly from NAFTA, and masses of displaced people who have had their livelihood and incomes destroyed by it.

They said there has been a 240 percent increase in US subsidized corn in the Mexican market, which has caused the price of the commodity to drop by 70% displacing an estimated 1.7 million farmers. The minimum wage in Mexico is \$4.80 a day; whereas the minimum wage in the US requires that employers pay more than that in an hour. The cost of food in both the US and Mexico is comparable, but the pay that one can expect from the same work is not. It is a challenge for families to feed themselves.

They continued, stating that It is important to consider that through the agreement the US has become complacent in the economic oppression which is the main force in moving so many people across the border each year.

They asked that the Council hear the voices they represent be heard. They see the immigration phenomena as an opportunity for the economy to thrive and the community to become more diverse. In a globalizing world the increasing pace of diversity is an assured event. The way they deal with immigration in their City is a test of their integrity and they asked that the 287G training not be an aim of law enforcement in Prescott. Local police enforcing immigration regulations can lead to all sorts of abuses.

- B. Kathleen Murphy, President and CEO of Big Brothers Big Sisters, and Bille Grobe, Chief Adult Probation Officer and member of BBBS Board of Directors, re their new building.

Kathleen Murphy, President and CEO of Big Brothers Big Sisters, 201 Vista Drive, Prescott, AZ introduced Billie Grobe, Chief Adult Probation Officer for the County, 665 Shadow Mountain Drive.

Ms. Murphy thanked the Council for the opportunity to come to the meeting, and also for the kind words about firemen, as her son is a fireman for the City of Prescott.

Ms. Murphy said that they were at the meeting to review their plans for their new facility. They didn't want the Council and public to think they were leaving, as they have been around the corner for 18 years and in the community for almost four decades. They are moving to a new facility on Willow Creek Road and Willow Lake Road, in order to help them support the area.

She said that they served over 7,000 children during that time, and they would like to give a little information about those children. Ms. Grobe then presented a PowerPoint presentation that covered the following:

- ◆ The World We Live In
- ◆ Secondary Schools
- ◆ Creating a Future
- ◆ What If We Do Nothing
- ◆ Growth Plan
- ◆ Wrap Up

She said that they will be moving to their new facility on April 19 and will be inviting the Council to join them on June 28 for an open house. They wanted to thank the City for providing them with a gift of reducing their building permit by \$7,500.

Councilwoman Suttles said that she would miss them being downtown, but she was sure they would not miss living in five offices.

C. Lori Deutsch re Youth Count Update.

Lori Deutsch, 7231 E. Rush Lane, Prescott Valley, addressed the Council on behalf of Youth Count, and thanked them for their support. She said that they have started their eleventh year and she provided a packet to each Council member that contained information from the three areas that Youth Count is most involved in.

First, is MAT Force. She said that in Prescott they are displaying bus decals on the school buses that promote anti-substance abuse message, as well as a banner across Main Street.

Second is the VISTA project, **Volunteers In Service To America**. Their projects include the Kinship Care program assisting with aging, and the Prescott Area Winter Shelter (PAWS) that assisted those individuals that did not meet the criteria for other sites, bringing in women off of the street, and some have gotten jobs and are going back to school.

Third is the Youth Volunteer Corp, which is under Youth Count and provides programs and projects for youth, working with Prescott Parks and Recreation.

- D. Tammy Linn, Executive Director of United Way of Yavapai County, re recognition of Steve Norwood's years of service on the United Way Board.

Tammy Linn, 1401 Claiborne, Executive Director of the United Way, introduced Melanie Jacobson, President of the United Way Board, 1804 Autumn Drive. Ms. Linn said that the reason for the presentation was that they recently held a Leaders in Giving event and one of the board members was unable to be there because he had to work, that being City Manager Steve Norwood.

She said that many do not know, but Steve Norwood came on the Board three years ago, serving at a time when they needed his leadership, guidance, professionalism, compassion and vision. She said that he came on before she was hired, but in reviewing the past minutes he has left an imprint on the board. He jumped forward to be Campaign Manager for two years and served as Vice President of Development. She said that because of that, they have even a more successful campaign cabinet that will be chaired this year by Councilman Bob Bell and his wife, Sharon. They also had their campaign executive, Don Shaffer, who has been there with them, and he will be there.

She said that while he was on the board, it was important that he kept a balance. They went through some tough times, and he was the guy underneath doing stuff when he needed to get it done. She had mentioned to him that they were going to have the largest packages drive for the troops in Arizona, but they didn't have a place for the boxes, and he made it work.

Also, after that she a group of community citizens come to them from the Fair Start Back to School Drive. Prescott Downtown Campus Coalition invited the United Way to participate and they did. Before they participated they helped 450 children; this year they took care of 900 children, and they could not have done that without the support of the City and Mr. Norwood.

She said that even though he is going off the Board, they were blessed to have him and they look forward to watching him continue his wonderful community service efforts in Prescott. She then presented him with a gift.

- E. Michael Byrd of Prescott Creeks on upcoming Granite Creek Cleanup activities in conjunction with Earth Day.

Mr. Byrd said that he wanted to come and talk about Granite Creek Cleanup for 2008. He said that he was before the Council about a year ago when the Keep Prescott Beautiful Committee, who had run the event for 14 or 15 years, had “passed the torch” of this event to Prescott Creeks.

He said that the event will be held in 1 ½ weeks and starts at Granite Creek Park between 8:00 a.m. and 10:30 a.m. and then the Earth Day celebration will be later in the day at the park.

He said that it is a community-based event done by volunteers that come out and receive t-shirts, snacks, a map and trash bags. He encouraged those wanting to participate to wear pants, steady shoes and gloves. He said that there are many community sponsors in addition to City, from Wal-Mart to grocery stores, coffee shops and local construction businesses. They appreciate that support.

This year he said they are asking for people to pre-register for the event, and so far they have over 120 registered. They are expecting as many as 200 volunteers to show up the day of the event.

He said that some people ask why this is so important. He said that it is a way to give back to the creeks and back to the community, and they have coupled it with Earth Day. He said that later in the afternoon, they can go to the other side of the creek and enjoy Earth Day. He said that if anyone needed more information it was available at [www.prescottcreeks.org](http://www.prescottcreeks.org).

Councilwoman Suttles asked if the City participates and takes the debris to the landfill. Mr. Byrd said that they do. They have a crew that meets them at the park in the morning and take it to the transfer station; by noon they have a weight available. Councilwoman Suttles asked if the City workers volunteer as well. Mr. Byrd said that they do, and they consider that an in-kind match.

Councilman Lamerson thanked Mr. Byrd and all of the volunteers.

## II. PROCLAMATION

### A. April 19, 2008 – *Earth Day*.

Councilwoman Suttles read a proclamation proclaiming April 19, 2008 as *Earth Day*, and presented it to Mr. Byrd. Mr. Byrd accepted the proclamation on behalf of the Open Space Alliance Committee of Yavapai County. He said that they expect over 1,000 people will participate, and they will have music, clowns, dancing, and over 36 vendors and exhibitors.

He said that there is a gentleman named Thomas who is making a 100-mile run around the watershed to raise awareness for the watershed issues as well as Verde River issues.

He said that the festivities begin at 11:00 a.m. and finish up at 4:00 p.m.

### B. April 7-14, 2008 - *Prescott Tartan Week*.

Councilman Luzius asked for representatives of the Tartans to come forward, and he then read the proclamation proclaiming April 7-14, 2008 as *Prescott Tartan Week*.

Councilman Luzius explained that a tartan is the plaid used to represent the various clans. He said that there are many clans that have their own tartans; there are some clans and septs that participate in one tartan. He showed some of the different ones being worn—Anderson, McGregor, Wallace and Rolo.

Kenny McGregor, Chieftain, thanked the Council for letting them come, noting that they have two-legged visual aids. He said that for a little background, after Robert the Bruce defeated Edward II at the Battle of Bannockburn in 1315, a declaration was drawn up and it is a model for America's Declaration of Independence. After that, the Scots fought long against the domination by the English, and the noise of the pipes together with the fierce war cries of the kilted savages of the North, would strike fear into the English soldiers. The Scots were finally defeated at the famous Battle of Culloden in 1745. The English, determined to rid themselves of a thorn in their side forever, passed laws prohibiting playing of the bagpipes and wearing of the kilt on pain of death, until 1800. He said that the Lord blessed Scotland in every way, with its people, its land, except for their neighbors.

Councilman Luzius reminded everyone of the Scottish games, May 17, at Loch Watson.

- C. April 24, 2008 - *GFWC (General Federation of Women's Clubs) Federation Day.*

Mayor Wilson read the proclamation proclaiming April 24, 2008 as *GFWC Federation Day*, and presented it to representatives of the Monday Club, and they thanked the Mayor. She said that many people in Prescott do not know what GFWC stands for and how much volunteer work they do for the community.

### III. PRESENTATION

- A. Mic Fenech re new Fleet Maintenance Facility.

Mr. Fenech said that it was a pleasure to be able to bring this project forward. He said that many were out there today for the grand opening where they cut the ribbon. He said that the project was a Construction Manager at Risk procurement method, and has been a success story. He said that the project team consisted of Rex Mason, the architect, Wayne Ebenheis of FCI Constructors, Ron Miller, himself and Charlie Potts, the Fleet Superintendent. He said that the challenge of the project was to bring it in on budget and in the traditional design-bid-build method of procurement it doesn't typically allow for the costs to be negotiated after initially set. The benefits of the manager-at-risk process include qualifications based instead of low-bid based procurement. The preconstruction design changes to accommodate the design and budget materials, and as a solution, they developed a guaranteed maximum price. The final results of the project are that they had zero contract change orders, and they did come in under budget, the budgeted contingency funds covered all of the changes and enhancements and the guaranteed maximum price was held throughout the project. He said that FCI Constructors Inc. actually returned to the City a little over \$16,000 and in the construction project, they also had some value-added enhancements that returned another \$118,000 to the City. He then showed some pictures of the new facility.

Councilman Lamerson said that this is a home-run deal, reminding him of the World Series. He said that maybe they should take into consideration with a team like that, to look at the process more often. It came in under bid, they got money back, they got the product they asked for; didn't have change orders.

Mr. Fenech said that they had input from the different departments as well. He is not a construction guy and having gone through the process, it was tough, but they able to move forward with the team of professionals they had.

Councilwoman Suttles said that they missed the Mayor at the ribbon cutting. Mayor Wilson noted that he had a previous engagement. She said that it was a pleasure to be there and cut the ribbon and they should be proud of it and the team. She asked if FCI did road work.

Councilwoman Suttles noted that Councilman Blair was on the Council when they approved the project and they had a huge discussion on which way they should go. She said that it was a success story.

Councilman Roecker said that Councilman Blair was probably the impetus that got it going. He said that if they've ever seen a group of hard-core maintenance guys look giddy, today was the day. Prescott should be very proud; the building is functional and will be operating well into the future.

Councilman Bell said that the team that has produced the building deserves a round of applause.

#### **IV. CONSENT AGENDA**

**CONSENT ITEMS A THROUGH E LISTED BELOW MAY BE ENACTED BY ONE MOTION. ANY ITEM MAY BE REMOVED AND DISCUSSED IF A COUNCILMEMBER SO REQUESTS.**

**COUNCILWOMAN SUTTLES MOVED TO APPROVE CONSENT AGENDA ITEMS IV-A THROUGH IV-E; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- A. Approve contract amendment with Prescott Area Arts and Humanities Council.
- B. Approve contract with Prescott Frontier Days in the amount of \$30,000.00.
- C. Award of a contract to Technology Construction, LLC, in the amount of \$984,111.00 for Airport Well No. 2 Equipment and Well House Project.
- D. Approve an agreement on behalf of the Central Yavapai Metropolitan Planning Organization with TransitPlus, Inc. for the Regional Transit Implementation Plan in an amount not to exceed \$96,180.00.
- E. Approval of the Minutes of the Prescott City Council Regular Voting Meeting of March 11, 2008.

**V. REGULAR AGENDA**

- A. Public Hearing and consideration of a liquor license application from John Nielsen, Agent for Prescott Brewing Company, Inc., for a Series 3, *Microbrewery* (Prescott - Winery), license for Prescott Brewing Company located at 697 6<sup>th</sup> Street.

Ms. Burke reviewed the application, noting that the applicant was in the audience should anyone have a question.

There being no public comment, **COUNCILMAN ROECKER MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

**COUNCILMAN BELL MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM JOHN NIELSEN, AGENT FOR PRESCOTT BREWING COMPANY, INC., FOR A SERIES 3, MICROBREWERY, LICENSE FOR PRESCOTT BREWING COMPANY, LOCATED AT 697 SIXTH STREET; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.**

- B. Public Hearing and consideration of a liquor license application from Randy Nations, Agent for Lyzzard's LLC, for a Series 6, *Bar*, license for Lyzzard's Lounge located at 120 North Cortez Street.

Ms. Burke reviewed the application, noting that the applicant was in the audience should anyone have a question.

Councilman Lamerson said that the remodel at the building looks nice. Councilwoman Suttles said that this is the third time they've had a change at Lyzzard's Lounge. Mr. Nations said that they have new owners that are more conscientious than they have had in the past, and he believes they will stay for awhile.

Lex Guinn, new owner, said that it is a pleasure to be in Prescott. He said that he has been in town since February, but they came through 15 years ago, at which time he was in hospital administration for over 30 years, and wanted to find out when the administrator of the hospital was going to be leaving because he wanted to live here. He said that 15 years later he is here, and they have invested heavily in the entire remodel of the entire lounge.

He said that they are looking to reopen on April 18 and welcomes everyone to see the renovations. He said that he plans to be here for a long time, and would like to have a return on the investment, if nothing

else just for the construction, done by Gilbert Phelps of Alphi Construction, who has been phenomenal to work with.

There being no further public comment, **COUNCILWOMAN SUTTLES MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.**

**COUNCILWOMAN SUTTLES MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM RANDY NATIONS, AGENT FOR LYZZARD'S LLC, FOR A SERIES 6, BAR, LICENSE FOR LYZZARD'S LOUNGE LOCATED AT 120 NORTH CORTEZ STREET; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- C. Public Hearing and consideration of a liquor license application from Martha E. Loza, Agent for Casa Del Sol, for a Series 12, *Restaurant*, license for Casa Del Sol located at 503 Miller Valley Road.

Ms. Burke reviewed the application, noting that the applicant was in the audience should anyone have a question.

There being no public comment, **COUNCILWOMAN SUTTLES MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

**COUNCILWOMAN LOPAS MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM MARTHA E. LOZA, AGENT FOR CASA DEL SOL, FOR A SERIES 12, RESTAURANT, LICENSE FOR CASA DEL SOL LOCATED AT 503 MILLER VALLEY ROAD; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.**

Ms. Loza said that they are open already with good food, but their Grand Opening would be held on Cinco de Mayo (May 5).

- D. Adoption of Resolution No. 3886-0854 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, repealing Resolution Nos. 3439 and 3691 and adopting new fees for the Antelope Hills Golf Course.

Mr. Fenech reported that since the last meeting, they have decided to continue with the punch cards at \$22 and senior rates will go from \$18 to \$22. Councilman Lamerson asked if they took the proposed changes back to the advisory board. Mr. Fenech said that they did not. Councilwoman Lamerson noted that it was a management decision.

Councilman Roecker asked if the punch card wasn't the group's idea. Mr. Fenech replied that it was. What staff brought before the advisory committee was to eliminate the punch cards and go for the player's card, but they did have a number of golfers ask if they would keep the punch cards, so they will have both available.

Bob Reuillard, 936 City Lights, said that he did write a letter as the President of the Men's Club asking that the \$1 ongoing fee for increases be sunsetted at five years rather than leaving it open-ended.

Mayor Wilson said that his understanding of the way the resolution is written is that it is not a mandatory increase; it is an optional increase at management's discretion, based on the financial viability of the golf course. The City Manager would have input into that, and they could let the Council know every year.

Councilman Bell said that he thinks that offer is something they should bring back, so they know every year what is going on.

Councilman Luzius said that he is the liaison to the Golf Committee and he spoke with members of the club and they seem to be okay with \$1 a year, provided it doesn't become a habit. Mr. Fenech said that it was correct; it was a unanimous vote by the advisory committee to allow the \$1 a year increase, for green fee only.

Councilman Luzius said that he was not at the meeting last week, but he did watch it on television and he has attended the advisory committee meetings, and there have been very few people, other than the committee members voicing their concerns. He said that if people want to have more influence on changes, they should attend a meeting.

Mr. Fenech said that no one wants to raise rates, but they are just looking at the bottom line of the golf course.

Councilman Bell said that he understood from the information last week that these increases should bring the enterprise fund to a breakeven situation. Mr. Fenech said that is a good assumption, assuming that they have at least as many good golf days they year as they did last year. They are affected dramatically by weather. This year, year to date, they are about 1,000 rounds over last year, in spite of what has shown to be the worst December and January in the last ten years because it was so cold.

Councilwoman Bell said that a statement was made, he believed by the city manager, that was in the newspaper that the enterprise fund owes the General Fund \$1 million. He asked if the increase was set up to pay

back the General Fund. Mr. Fenech said that if there is an excess, that money would first go back to the General Fund. In approximately two to two and a half years they have all of the major debt service dropping off and the first order of business would be to repay the General Fund with interest. Mr. Norwood said that was correct.

Councilman Roecker asked what the downside would be of reviewing this in five years. Mr. Norwood said that there wouldn't be a downside; they will be reviewing it annually.

After further discussion, Mayor Wilson said that it sounded like the general consensus was that they want to sunset this at five years.

Mr. Reuillard said that they believe that the increases must happen to make it a viable product, but they don't want to leave any open checkbook on the table.

Councilman Luzius said that they should keep in mind that he doesn't think that the expenses are going to go down, and he has no problem with having the option for staff to review the prices. He said that another thing to keep in mind is that they just spent \$235,000 to settle for someone who didn't pay their rent. They went to court and bought out of the case. They settled for that and he didn't think it was right that the golf course be saddled with that expense.

**COUNCILMAN ROECKER MOVED TO ADOPT RESOLUTION 3886-0854 AS AMENDED (TO INCLUDE A FIVE-YEAR SUNSET); SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

Robert Graybill, 3045 Timberline Road, said that he worked in California for American Golf and the bread and butter of a golf course was from tournaments. He asked how many tournaments they have. Mr. Fenech said that they have about 200 tournaments a year, in addition to 50 charity tournaments.

Mr. Graybill asked how many comp rounds they have a week and who gets them. Mr. Fenech said that it was about 400; a lot go to volunteers, charity golf tournaments, tournaments themselves as raffle prizes. He said that it has come down dramatically from before Mr. Parker took over. He said that they do have a charge for employees and volunteers, and they vary depending on peak versus nonpeak hours.

- E. Award of bid for the Marina Street Parking Improvement Project, Goodwin Street to Carleton Street, to Fann Contracting, Inc., in the amount of \$114,593.00 or to Asphalt Paving & Supply in the amount of \$152,626.70.

Mr. Nietupski said, as was pointed out last week, they did receive very competitive bids, and this is a small potato in the streets program. With regard to the need for lighting, Deputy Police Chief Kabbel provided a list of groups that use the training center in the Police Station. He said that in conjunction with the Library, there is a need for additional parking. He said that another thing, in comparing this to the garage that was done last week, the cost of the garage spaces was just less than \$13,000 per space; in this instance they can increase 20 spaces with lighted enhancements for \$7,600 per space.

Mr. Nietupski said that there was also a comment made last week about having the City's crews do the work. He said that the streets division crews are maintenance-driven. Right now they are doing crack sealing. When they take those crews and apply them to a construction project, they lose the benefit of that maintenance. They would not recommend that approach.

Mr. Nietupski said that they did some research regarding the lighted bollards and there is a bollard in the marketplace that is solar-activated, which could be provided. It does not have the enhanced look as the others would have, but that is a consideration. He said that if they were to go that direction, he would recommend that they award the contract and then they would discuss those with the contractor.

Councilman Lamerson said that he does not change too much unless someone gives him a reason. He does appreciate Kabbel's observations and Mr. Nietupski's observations about the value of the parking spaces. He realizes that they are in tough economic times and they may not be in one of those times when they don't buy things they want, but need. If they can buy something for half of what it would cost and it benefits that many more people, he will support the project.

Councilman Luzius asked if the cost of the land was included in the garage costs of spaces. Mr. Nietupski said that it did not include the land, but land is not part of the equation for this project either. Councilman Luzius said that the actual real costs for the spaces in the garage are more like \$15,000. He thinks this is a good investment and the bollards are necessary for the security of the police department building.

Councilman Bell said that he did not understand this correctly last week. He did not know that the two low bids on the base bid included bollards.

Mr. Nietupski said that they did include 6" bollards filled with concrete. Councilman Bell said he doesn't think that they need to spend another \$38,000 to light them, with the possibility of vandalism. He is in favor of the project, however.

Councilwoman Lopas asked if there were any cost savings with going with the solar lights versus the regular lighted bollards. Mr. Nietupski said that it is difficult to say for sure without discussing it with the contractor. They know what the manufacturer's cost is, and it would eliminate the need for the conduit lines, so there should be a reduction in work.

Councilwoman Suttles said that she will be voting no. They are in a time that they are asking citizens to cut down. They are raising rates, but not taking care of what she feels they need to do. It may be a small amount, but those 22 spaces will be there later. She thinks they need to start looking at their own house.

Mayor Wilson said that he is going to support this one. He thinks they need to look at the elderly people that are coming to both the police department and the library, and look in favor of providing them safe and accessible parking spots. He said that a \$150,000 project is a drop in the bucket in terms of their total budget.

Councilwoman Lopas said that she will be voting yes. She thinks it is fiscally-responsible to do this now. If they wait two or three years, the costs will have doubled and they will have a hard time getting bids.

**COUNCILMAN ROECKER MOVED TO AWARD THE BID OF THE MARINA STREET PARKING IMPROVEMENT PROJECT, GOODWIN STREET TO CARLETON STREET, TO FANN CONTRACTING IN THE AMOUNT OF \$120,000.00 TO ADD \$5,000 IN THERE, IF THEY CAN GET THE SOLAR LIGHTS ON TOP FOR THAT AMOUNT OF MONEY.** Mayor Wilson asked if they could do that. Mr. Kidd said that they need to award the bid to one contractor or the other, and then direct public works to look at another cost factor.

**COUNCILMAN ROECKER MOVED TO AWARD THE CONTRACT TO FANN CONTRACTING IN THE AMOUNT OF \$114,593.00 FOR THE BASE BID; SECONDED BY COUNCILMAN BELL.**

Mr. Nietupski said that from his perspective, if they are going to consider awarding a contract and they are anticipating a standard bollard, then they would award to Fann, but if they want lighted bollards, it would be appropriate to award to AP&S, because that was the basis of them being low in the alternate situation.

Councilman Luzius said that he will vote no on the motion. He does not want the Police Department to think that he does not want them to have lighted bollards. Mayor Wilson and Councilman Lamerson concurred.

**MOTION FAILED 3-4, WITH MAYOR WILSON, COUNCILWOMEN LOPAS AND SUTTLES, AND COUNCILMAN LUZIUS VOTING NO.**

**MAYOR WILSON MOVED TO ACCEPT THE ASPHALT PAVING & SUPPLY BID IN THE AMOUNT OF \$152,626.70 FOR THE BASE BID, PLUS ADDITIVE ALTERNATIVE; SECONDED BY COUNCILMAN LUZIUS; PASSED 6-1 WITH COUNCILWOMAN SUTTLES CASTING THE DISSENTING VOTE.**

- F. Approval of final payment to Highland Engineering, LLC, in the amount of \$87,387.77 for the Chino Valley Pump Station Expansion Project.

Mr. Kidd said that this was an issue recently discussed regarding additional work done by Highland Engineering on the Chino Valley Pump Station expansion project. He said that there was an issue in terms of the original design work done, and as a result of that additional work had to be done by Highland. There was an extensive review done by the Engineering Department and by the Legal Department, and their recommendation is payment be made.

Councilman Bell asked if the contractor has accepted that amount of money as final. Mr. Kidd replied that they have been in contact with the contractor's legal counsel and were told that the offer is acceptable.

**COUNCILWOMAN LOPAS MOVED TO APPROVE THE FINAL PAYMENT TO HIGHLAND ENGINEERING, LLC, IN THE AMOUNT OF \$87,387.77 FOR THE CHINO VALLEY PUMP STATION EXPANSION PROJECT; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.**

## VI. ADJOURNMENT

There being no further business to be discussion, the Regular Voting Meeting of the Prescott City Council held April 8, 2008, adjourned at 4:34 p.m.

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JACK D. WILSON, 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 Voting Meeting of the City Council of the City of Prescott, Arizona held on the 8th day of April, 2008. I further certify the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2008.

AFFIX  
CITY SEAL

\_\_\_\_\_  
ELIZABETH A. BURKE, City Clerk