

**PRESCOTT CITY COUNCIL
STUDY SESSION
TUESDAY, JUNE 17, 2008
PRESCOTT, ARIZONA**

MINUTES OF THE **STUDY SESSION MEETING** OF THE **PRESCOTT CITY COUNCIL** held on **JUNE 17, 2008** in the **COUNCIL CHAMBERS** located at **CITY HALL, 201 SOUTH CORTEZ STREET**, Prescott, Arizona.

◆ **CALL TO ORDER**

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

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Bobbie Root, Unitarian Universalist Fellowship.

Pastor Bobbie Root gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilman Lamerson

Councilman Lamerson led the Pledge of Allegiance.

◆ **ROLL CALL**

Present:

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

Absent:

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

City Manager Steve Norwood reminded the Council and audience that City Council and the Prescott Capital Needs Committee will have another workshop for public comment and questions next Tuesday, June 24, 2008 at 1:30 p.m. He said if they have questions of staff, to please direct to the appropriate person or himself so they can have answers ready for next week's meeting. Mr. Norwood said there will be no action taken at the meeting next Tuesday.

Councilman Roecker said the meeting last week was a little contentious at times

and he too got involved with that and wanted to let them know that John Phillips sent an apology and offered it to Craig McConnell. He said he wanted to offer it himself because it is a heartfelt thank you.

Mayor Wilson said that last night they had Grady Gammage, Jr. up to speak as part of their Looking Forward Speaker Series to talk about megapolitans over at Yavapai College. He said the next speaker will be on June 26, 2008 at Prescott College at 6:00 p.m. and Lori Sterling will be speaking about sustainability.

I. PROCLAMATIONS

A. June 15 – 22, 2008 as *Prescott Pow-Wow Week*.

Mayor Wilson read the proclamation proclaiming June 15 – 22, 2008 as Prescott Pow-Wow Week and presented it to a member of the Pow-Wow committee.

The member thanked the Council, on behalf of Pow-Wow committee, for the proclamation, noting that it may be the first time outside of a tribal entity that such a proclamation was received. He said the Prescott Pow-Wow Committee is a group of many people not only from this area but from outside of the area and it is not connected to the Yavapai Prescott Indian Tribe although they are supported in many different ways by the Nation. He said it is important to know that they are a separate entity that has developed a program that has become a 501(c)(3), a nonprofit organization, that is not only sponsoring the Pow-Wow, but will develop programs that will benefit the youth of reservations, the people on the reservations and the Prescott Community. He said the programs will be educational and socially based to enhance the development of their cultural and educational needs as they move on into the next century.

II. PRESENTATION

A. Presentation on Focused Future II Final Document and Implementation Plan.

Jane Bristol said they are getting to the end of their planning process for Focused Future II. She said this plan has been brought to the City of Prescott through Arizona Public Service's Community Development and Economic Development Divisions. She said it has been almost 18 months since starting the process. Ms. Bristol introduced Sally O'Dette who has been their contact with APS from the beginning, who then gave a PowerPoint Presentation, Exhibit A attached hereto and made a part hereof.

Sally O'Dette thanked the Mayor, Council and the members of the Focused Future II action team and recognized the members present.

Mayor Wilson said they get a lot of complaints about using outside consultants and thanked Ms. O'Dette for her time and excellent work. He also recognized and thanked Mike Johnson from APS. Mayor Wilson thanked Ms. Bristol for pushing this through and said it is a good basis for getting started.

Councilwoman Suttles said the report is great and asked where they will start.

Ms. Bristol said once they are sure that the Council votes to accept the plan they will print the final document and then they will begin to get with all of the agencies involved. She said many of these things are already in process and they will continue and add on looking at the three to five year time span. Ms. Bristol said some are predicated by the Council's goals and objectives for the coming year.

Councilwoman Suttles said a number of these lead agencies go to the Mayor's Advisory Council on Economic Development. She asked if this has to pass through Council before they get this information and where they start.

Ms. Bristol said they have been apprised of the progress, there have been checkpoints with them, and have asked for direction on various ways they are going to make sure it fits with their impressions of what Economic Development should be doing. She said some of their recommendations were added in the middle of the process. The MACED is fairly comfortable with this and they have a meeting tomorrow morning to go over this and what exactly relates to the committee. She said the MACED has always been the oversight, the guiding force, through the Mayor's office to be sure that the items in the plan are relevant in today's economic development work and achievable by the City of Prescott.

Councilman Roecker said he knows this is not something new to APS, that Focused Future has been around for some time, and asked Ms. O'Dette to give the public an overview of how Focused Future builds on itself.

Ms. O'Dette said the Focused Future began in 1991. She said there are currently 57 communities in Arizona that have gone through either Focused Future, Focus Future II and/or Focus on Success and that one plan builds on the other. She said Prescott was involved with the first

Focused Future in the early 1990's and after reviewing the accomplishments they felt they could go forward with a second version in Prescott. She said they like to provide products to communities out of their Community Development Department that might not be able to be done on their own, or they cost thousands for consultants to put together. She said this is a grassroots-driven process so it is from the community. Ms. O'Dette said this is not a consultant coming in and telling the communities what they should do.

She said many communities have been thrilled and they have had 13 come back after Focused Future to do Focused Future II and they keep building. She said they look at what is out there and what is real in Economic Development. She said sustainability is the new buzz word, but it is important. She said more importantly they need to be diversified and they cannot rely on one particular thing like tourism, mining or manufacturing. She said she thinks the group did a great job of thinking out at least three to five years to what could be accomplished.

Councilman Luzius thanked Ms. O'Dette, Mr. Johnson and the group for a job well done. He said he thinks it is an admirable plan and one thing about a plan is it is not worth anything unless it has proper implementation. He said he would hope that the MACED takes a hand in guidance as this proceeds through next three to five years.

Councilman Lamerson said he has gone through the document and it is a very well presented documented. He said having gone through it and not knowing what to expect, it screams of the community and they see things in there not only from Chamber but from other economic engines in the community like the hospital, Embry Riddle, and it is a document designed by the entire community. He said this is not something where some consultant came in and told them what they need to do. It is something the community has developed; sometimes planning is not a bad idea.

Councilwoman Lopas said one of the neatest parts of this plan was the Community Analysis. She said in her job as a realtor she this is a huge help and she can see where the lacks are so that she can possibly bring in some investors or others to fill gaps.

Mayor Wilson said he concurs with Councilman Luzius on the importance of implementation. He said the other thing that is extremely important is metrics or the Performance Indicators in this particular report, and as they go forward they need to focus on those metrics along with periodic follow-ups. He said if they do the implementation and they do not do the follow ups it will not mean anything in a year or so. Mayor Wilson said it is not just rolling this report out but the year to year looking back at it and

making the mid-course corrections as they go forward. He said a good plan is obsolete the day they publish it and better is the one they follow up on.

III. DISCUSSION ITEMS

- A. Approval of Focused Future II Community and Economic Development 3-5 Year Strategic Plan.

Jane Bristol said she does not have much more to add and it is an agenda item for their consideration.

Gary Edelbrock thanked Ms. Bristol for the opportunity to participate with the group. He said they received support from the Council, the Mayor, the educational community, the hospital and it is a broad based group. He said he hopes they adopt it and follow through on it.

- B. Approval of a three-year Economic Development Agreement with Prescott Historical Society, Inc. in an annual amount not to exceed \$12,500.00.

Ms. Bristol said this agreement was last seen by the City Council in 2005 where there was a three-year contract due to expire at the end of this month. She said the agreement solidifies an older agreement that the City has had to support the activities at Sharlot Hall Museum in the community going back many years. She said some of the areas in which the City has participated have been some of the ongoing expenses of the Museum related to tourism. She said the last agreement had a \$10,000 annual cap on support by the City of the following services:

- 1) Payment of sanitary sewer service for three sewer accounts.
- 2) Payment of sanitation service for a dumpster twice a week.
- 3) Providing an annual credit toward water fees of \$5500.

She said those three traditionally were capped at \$10,000 but it has been three years and costs have gone up and the agreement proposed increases that to \$12,500 per year. She said that would be the most that the City would contribute for all of those services in any one fiscal year. She said they recommend a three-year term for the agreement, which means it would expire in 2011.

Councilwoman Suttles asked if the credit toward water fees on their main line of \$5500 starts at a certain time. Ms. Bristol said it is in a fiscal year and no more than that within the cap of \$12,500 for all of those services.

Councilwoman Suttles asked if the Museum uses the \$5500 worth of water do they begin to pay their own bill.

Mark Woodfill said the way they administer that in utility billing is they credit their account until they reach that cap and then bills start going to them.

Councilman Bell said he noticed that the Executive Director, Dr. John Langellier, is in the audience and asked him to tell the Council how things are progressing regarding the funding from the State.

Dr. Langellier said the Sharlot Hall Museum, the Prescott Historical Society on the State side is their 501c3, is the Sharlot Hall Historical Society, at this point still does not have a budget. He said they assume their budget will be cut another percent that will be incremental to one position and they have lost one position per year for the last 12 years from the State side. He said the nonprofit side has picked up all the slack going from 75% State supported and 25% nonprofit in the 1990's to 45% State supported and 55% nonprofit with this projection. He said this is the most critical time to keep their doors open, maintain economic tourism and civic tourism, which means it is not only good for economic purposes but to make the quality of life in town continue to be good for the locals. He said this is probably going to be their most difficult year in the last ten years of the institution.

Mayor Wilson said he thinks the State has been draconian in their cuts for Sharlot Hall Museum and the Museum has picked up the slack. He said their Board of Directors, including Nick Malouf, has been working on endowments for that organization. He said it is in the fabric of their downtown and they need to support it.

- C. Approval of a consulting contract for court-related computer services with M.C. Woodfill & Associates.

Rolf Eckel, Court Administrator of City Court, said the court would like to request a three year extension to their current contract with M.C. Woodfill & Associates. He said the court currently has a highly-developed case management system they have developed in house over the use. He said the clerks are very efficient using this particular product and it also has a web capability where citizens can go on line to look up case statuses. He said they are asking for a three-year extension on this contract and Mr. Woodfill has not asked for a price increase so they are staying at the dollar amount they had previously.

- D. Adoption of Resolution No. 3895-0863 – 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, the Central Yavapai Fire District, the Groom Creek Fire District, the Williamson Valley Fire District, the Chino Valley Fire District and the Yavapai Community College District for the provisions of consolidated dispatch services, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

Darrell Willis, Emergency Services Director, said this item deals with an Intergovernmental Agreement for joint dispatch services for the Prescott Regional Communications Center. He said in 2005 they opened the Center and provided service for then agencies. Mr. Willis said they currently provide for the following eight agencies: Prescott, Prescott Valley, and Yavapai College Police Departments; Prescott, Central Yavapai, Chino Valley, Groom Creek and Williamson Valley Fire Departments. He said over the last year they answered 240,000 telephone calls through the Prescott Regional Communications Center and dispatched approximately 76,000 emergency calls for service.

Mr. Willis said all of the eight agencies have taken this contract/agreement to their governing bodies and there are no known issues with any of them. He said the City of Prescott Legal Department has looked over the agreement and there have been very few additions or corrections to this agreement that will last for three years. He said a couple of additions are the reverse 911; MDC, the Mobile Data Computer; and AVL, the satellite tracking of units. Mr. Willis said this means the Center can provide the service if the partners want to implement that service. He said the City of Prescott cost for both Police and Fire Departments is \$1,283,536 and that has been included in the Fiscal Year 2009 budget.

Councilwoman Suttles asked which two groups dropped out of this service. Mr. Willis said Mayer Fire District and Black Canyon City Fire District and they are now dispatched by Sedona. Councilwoman Suttles asked if they see anyone else coming on board over the next three years. Mr. Willis said they are currently working with Walker Fire District, but it will be miniscule. He said the problem is they support Walker but they cannot communicate with them. He said there some other communities out there that could use the services but they do not want to force it on them, for example the Chino Valley Police Department does not participate but their Fire Department does.

Councilman Lamerson asked if the \$1.2 million comes out of General Fund. Mr. Willis said it does. Councilman Lamerson asked if that is the fund generated by the 1% sales tax and Mr. Willis said it is.

Mayor Wilson asked what the motivation of the two organizations that left was. Mr. Willis said they were unhappy with the service they felt they were getting and they tried to resolve those services. He said he thinks they work closer with the east Verde side than the west Prescott area side and it came down to business deal. He said they used a lot of time and did not pay a lot. He said they were glad they left in that for the number of calls and hours of work put into them, it was good for them.

Mayor Wilson asked if there are any other unsatisfied customers. Mr. Willis said he did not know of any.

- E. Approval of lease agreement with Chartier Drywall, LLC to house the Fire Department's Fuels Crew in the amount of \$2,585.00 per month for rent and \$150.00 per month to include all utilities.

Darrell Willis said he is going to label this "Of Mice and Men." He said they have a building at the training center that houses the Granite Mountain Hot Shot Crew and the Fuels Management Division of the Fire Department and that is in a high level of health hazard due to rodent infestation. He said it is next to the Transfer Station and they have tried everything in their power including poisoning, cats, high pitch rodent devices, and a variety of traps. He said the building was originally constructed at the Prescott Airport and moved in 1975 by the Fire Department to the current location. Mr. Willis said it has been in service for 33 years and it is a bolt Butler Building with lots of gaps in it and no way to seal it off.

Mr. Willis said they went out to look for alternative locations such as Yavapai College, Yavapai County, all of the City facilities and there is no place that met their needs. He said they came up with a local business, Chartier Drywall, and they just bought some property at 655 Brannen Avenue. He said they looked at leasing some property from them for 3600 square feet at \$.72 per square foot. Mr. Willis said in the current market they can get storage for about \$.70 and classroom offices \$1.50. He said they are proposing an agreement with Chartier Drywall, L.L.C. to rent this 3600 square foot building at 655 Brannen Avenue for \$2585 per month and \$150 per month for utilities that includes waste removal, water and electricity.

Mayor Wilson said the Hot Shot is a profit center currently and asked if it will be a profit center after this. Mr. Willis said it would and explained that

they have an agreement with the State Land Department, which contracts with federal agencies like the Bureau of Land Management. He said this year the City increased their price with them for when they fight fire on BLM or Forest land and that cost will cover the cost of this agreement.

Councilwoman Suttles asked where 655 Brannen is located. Mr. Willis said it is off of Miller Valley road, just before Fair Street, heading north, off to the east, by West Yavapai Guidance Clinic. He said it is in a commercial area with businesses around it. Councilwoman Suttles asked if this is for only two years until they find a permanent location. Mr. Willis said that is up to the Council. He said the proposal earlier from the Prescott Capital Needs Committee included one of the buildings they propose to build is a joint police/fire building at the training center to store and that is part of the proposal.

Councilwoman Suttles asked if that building does not get built right away what their future plans would be. Mr. Willis said they would hope to be able to renew the lease or maybe there is a City building that comes open at that time. He said there are some great buildings that the City will occupy at the Fairgrounds and that is also an alternative.

Councilman Roecker said he is curious whether the building that is there is salvageable. Mr. Willis said it is salvageable for certain uses, but it would not be for fire fighters. Currently when they return after an assignment rats have made homes in their car engines, etc.

Councilman Bell suggested the building be used to practice fire suppression. Mr. Willis said prior to 2002 they set up some self contained breathing apparatus training.

Councilman Roecker said he has been in the building and the materials and stuff inside are rudimentary anyway.

Councilman Luzius said he thinks it is deplorable that their hotshots are exposed to these conditions and he is for anything for the betterment of the department. He thanked Mr. Willis for bringing it to the attention of Council.

Councilman Lamerson asked if the property is big enough to burn it down, kill all the rats and then build something new on it. Mr. Willis said it is a metal building and they will tear it down. He said it is in their master plan for the training center development if that goes forward.

Steve Blair, 1802 Northside, said he is not privy to the information in the packet but he would question why they do not use the Sixth Street

property that the City of Prescott owns as well as the warehouses on the back of the Sixth Street Property.

Steve Norwood said the Sixth Street Property has been for sale but they did not get any bidders. He said the direction received from Council is to put the property on the market and that is the main reason they did not pursue it. He said they are still getting these costs covered through State the Feds. He said that is something that may be an option in two years depending on market conditions.

Councilman Luzius asked the City Clerk if the packet is available in the lobby. She confirmed that it is.

- F. Award of a contract to Duke's Root Control, Inc. in the amount of \$104,722.00 for the application of root control agents to the sanitary sewer system.

Jim Ciaffoni said they have roots from above-ground vegetation that gets into the sewer lines and will partially plug the lines, which causes blockages that cause sewer overflows. He said this is a means to reduce that problem and the City's liability. He said Duke's Root Control carries a two year warranty period. Mr. Ciaffoni said the project was advertised and bid according to the City's procurement code and only one bid was received. He said there is funding in the amount of \$150,000 for this wastewater fund for Fiscal Year 2009 for this project. He said he has included a copy of the proposal in the packet.

- G. Award of a contract to Asphalt Paving and Supply, Inc., in the amount of \$317,510.70, for the Sundog Wastewater Treatment Plant Pavement Reconstruction Project.

Mr. Ciaffoni said this item is award of a contract to Asphalt Paving and Supply for removal of the existing asphalt that was placed in 1980 around the buildings at the wastewater treatment plant. He said this proposal would replace the current 2" thick asphalt with 4" thick asphalt, including some concrete areas around the area of the solids handling building, and the removal of 14 sludge dewatering beds from obsolete processes. He said there were four bids received with the lowest bid of \$317,510.70 from Asphalt Paving and Supply, Inc. and the highest bid was \$402,000, a fairly tight group of bids that indicates the City is getting a competitive bids.

Mr. Ciaffoni said the main reason they are doing this is that underneath the existing asphalt are a lot of pipelines in the plant that have begun to breakdown because they do not have a good surface on top of them. He

said the engineer's estimate for the job was \$529,000 and the City has \$775,000 in the tentative budget for Fiscal Year 2009.

Councilwoman Suttles said they are moving the dewatering bed areas to enlarge that plant and asked if they are not needed. Mr. Ciaffoni said they are going to abandon them because they will not need them anymore.

- H. Approval of Utility Agreement No. 3082-08-COPR with the Arizona Department of Transportation in the amount of \$573,751.18 to increase the size of the 12" Chino Transmission Main to 18" from Center Street to Road 4 South in conjunction with SR89 improvements and relocation of the main.

Mr. Ciaffoni said the City of Prescott transmission main extends from just south of Center Street to the Southern limit of Chino Valley in the middle of the two-lane Highway 89. He said ADOT has a plan to widen that stretch of the highway to four lanes. He said because of their regulations the 12" main cannot be in the middle of the road anymore and it has to be out on the edge of the right of way. Mr. Ciaffoni said the City would like to increase the size of the line to 18", the size necessary for hydraulic and capacity reasons recommended by the Carollo water model. He said this first came up in discussions this year with ADOT and they initially took the position that the City would have to bear the entire cost of having the main moved. He said that estimated cost would have been about \$3,000,000.

Mr. Ciaffoni said due to the efforts of Project Manager Tim Burkeen, City Engineer Bruce Canavan and the City Clerk's Office they were able to establish that the City had prior rights because the pipeline actually existed before the road was there and before Statehood. He said because of that the City only has to pay for the difference in size between an 18" pipeline and a 12" pipeline, the total amount being \$573,751.18, which is about a two and a half million dollar savings. He said he has included the main provisions of the utility agreement in the packets and the resolution will be available for consideration next week.

Councilwoman Suttles asked the Mayor if he wants to leave this item on the consent agenda or wait for the resolution. Mayor Wilson said he can do it either way.

Gary Kidd said he will prepare the resolution approving the contract as written and included in the packet. He said it will allow staff and the Mayor to execute all necessary documents. Mayor Wilson said to leave it on the consent because they can always pull it if they need to.

Councilman Luzius asked if they will have opportunity to view the Resolution prior to the meeting and Mr. Kidd said they would.

Councilwoman Suttles asked Mr. Norwood about the employee that was able to find out this information and if they hadn't recognized him a few weeks ago. Mr. Norwood said that was correct; Tim Burkeen received the G.E.M. award for this and a couple of other projects where he did an amazing job.

- I. Award of a bid for the Annual Striping and Pavement Marking Project to Traffic Safety Inc., in the amount of \$130,995.92.

Mark Nietupski said this is their annual Pavement Marking Project to refresh the lane lines and the crosswalks throughout the community. He said it is a two phase project effectively before the July 4th holiday. He said they had one bid from Traffic Safety, Inc. of Prescott Valley and they are the only local contractor that provides this kind of service. He said it is a budgeted project in Fiscal Year 2009 and would be paid for from the \$.01 Sales Tax for streets and open space.

- J. Adoption of Ordinance No. 4657-0859 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona abandoning portions of Adams Avenue and Kile Street located south of Iron Springs Road near the intersection of Meadow Ridge Road, retaining any necessary public utility easements, and authorizing the Mayor and City staff to take all necessary steps to effectuate such abandonment.

Mr. Nietupski said this abandonment is not detrimental to access or connectivity as Meadow Ridge Road was extended to Adams Avenue. He said the City is retaining easements for utilities that exist and/or improvements associated with the Iron Springs Road Project. He said there was no consideration as far as compensation to the City for this because it was a part of the agreement that was originally approved by Council back in November of 2005.

- K. Adoption of Ordinance No. 4656-0858 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of real properties, easements and improvements from Donald A. Guzzo, Nicholas and Lorraine Guzzo, Donald and Joan Guzzo Nicholas and Lorraine Guzzo Joint Tenants with Rights of Survivorship, Michael S. Drew, Rutkowski Family Trust, Dale and Vanessa Coffman, Robert and Michele Flori for the widening of Williamson Valley Road, and authorizing the Mayor and staff to execute any and all document to effectuate said purchases.

Mr. Nietupski said this is for the acquisition of rights of way, drainage, slope and temporary construction easements associated with the upcoming Williamson valley Road project. He said there are 35 parcels that they need to acquire and in this packet there is a spreadsheet of seven of those. He said the cost for the seven is \$117,015, each of them under separate contract that will go through an escrow process with Yavapai Title Company. He said all the agreements and acquisitions are based on appraisals and/or market data provided by Michael Wolff Appraisal Services of Chino Valley. He said this is a project that they contemplate doing in concert with Yavapai County at some point in the future. He said it is a budgeted project in Fiscal Year 2009 and would be paid for from the \$.01 Sales Tax for streets and open space.

Councilman Luzius said he would like to pull this item from the consent agenda.

Councilman Bell asked if they have a target date to have all of these rights of way acquired. Mr. Nietupski said they are hopeful that in the next three to four months they will have completed the process.

Mayor Wilson asked if they have run into any problems with the residents resisting the right of way acquisition process. Mr. Nietupski said they have not encountered any problems at this point in time. He said they have been looking at questions raised by property owners with respect to the construction of the improvements and impacts it has on their individual properties. He said they have tried to work through those with everyone. He said at this point he does not have anything that is disturbing to him with respect to the process.

- L. Approve contract with AT Systems Security for Granite Street Parking Garage security services in an amount not to exceed \$43,800.00.

Mic Fenech said for the last three years AT Systems Security has been providing security services at the garage on Granite Street and they have done a very good job in such areas as keeping graffiti and vandalism down. He said they only had two instances of break-ins to vehicles and those occurred during the time when they were not there. He said they recently were awarded the State of Arizona contract for \$14.86 per hour not subject to overtime or holiday pay. He said this is a budgeted expense and staff would request to reduce this to a one-year in keeping with the State contract with an option for two one-year extensions. He said in addition to the exit of the contract after one year, the contract does provide for two additional means of exiting: one, if Council decides not to

fund the contract; two, a 10-day notice of intent to exit with or without cause. Mr. Fenech said this is a budgeted item.

- M. Discussion on policy for extending City service into unsewered developed areas.

Craig McConnell said this is discussion for purpose of policy formulation of extending City sewer service into unsewered developed areas. He said they have had six workshops with opportunities for information and public input and as previously mentioned all of the information that has been presented by staff including Frequently Asked Questions is available on the City's website, www.cityofprescott.net.

Mr. McConnell said as they have discussed before, the objective for policy formulation has been a combination of financing and connection policy. He said in the packet this week there is a draft resolution with three policy options for sewer retrofits and those options are combination of financing mechanisms and connection requirements. He said in the staff report to Council there is an alternative to adopting a resolution, which would move toward implementing projects to defer such action.

Mr. McConnell said in summary what they have found through the presentations and public process is it boils down to cost. He said the sewerage of unsewered developed areas is expensive. They started with over 12 of those areas and whittled them down to 4 candidate areas, areas from which property owners have come to the City stating they have a problem and asked for help. He said those candidate projects were provided with cost estimates. He said what they have also heard is that equity is a significant issue.

Mr. McConnell said they have also heard questions about the need to extend sewer into these areas and how that benefit relates to potential water quality improvements in the lakes and their tributary watersheds. He said the issue of water quality in the lakes and tributary watersheds is larger than four unsewered areas and is a larger question than all of the unsewered areas because there are other factors involved. He said he does not think anyone could say that sewerage unsewered areas will totally resolve that problem, but it could help.

He said they have shown that the value of effluent is not a valid consideration from a cost standpoint. He said it is simply very minor with respect to the overall cost of eight million dollars for construction. He said that brings them to the present and they were asked to bring a draft resolution to Council with policy options and the Council has the prerogative of embarking upon or defining other policy options.

Mayor Wilson said he will offer an alternative and then they will take questions. He said they have been looking at the issue of providing sewer service to unsewered areas in Prescott for at least 10 years and perhaps 37 years based on the comments at last week's public Workshop on this topic. He said during that period the Council and the citizens have been frustrated by the councils' inability to agree on a workable solution. Mayor Wilson said at this point it would be politically expedient for them to walk away from the issue. He said he feels political expediency is not the proper course of action and the citizens of Prescott expect more from Council than that. He said he is proposing the following:

- ◆ They defer a decision on unsewered area policy for a period of at least 60 days and likely longer to accommodate data gathering.
- ◆ They form a Mayor's Advisory Committee on Unsewered Areas chaired by former Councilmember Marlin Kuykendall to evaluate all potential options for City of Prescott unsewered area policy. He said Mr. Kuykendall has already agreed to do this and the committee would consist of up to nine people to be appointed by the Mayor. He said they would include Mr. Kuykendall as Chair and representatives from the four unsewered areas under consideration. Mayor Wilson said given that North Prescott area is the largest of the areas the committee would have two representatives from there and one each from the other three areas of Antelope Hills, White Oak Circle, and White Cloud Lane.
- ◆ Prescott Creeks needs to be involved as they have been deeply involved in tracking pollutants in creeks, streams and lakes. He said their representative would be Michael Byrd, Executive Director of Prescott Creeks.
- ◆ He said Mr. Kuykendall has asked that the City Council liaison to this committee be Councilwoman Lopas, who would provide the interface for this committee's request for staff support from the City itself.
- ◆ The proposed functions of this committee are:
 - Evaluate all options to address public safety issues within the four identified unsewered areas.
 - Evaluate all options to determine if the sewerage of these areas can be affordable to residents of these areas, especially retirees on fixed incomes.
 - Consider all sources of pollution including Yavapai County locations by obtaining data from Yavapai County Health Department representatives.

- Focus on a win/win solution acceptable to residents of the four unsewered areas, to all citizens of the City and the City of Prescott.

Mayor Wilson said it is incumbent on all of them as elected officials to look at all available options for concluding the issue. He said they heard last week that some residents of North Prescott have been waiting 37 years for sewers. He said he thinks they have an obligation to go the extra mile to look for a solution they all can live with. He said in the spirit of working as a true community, in the spirit of looking at the greater good, and in the spirit of looking for common ground he urged the Council to support his recommendation.

Councilwoman Suttles said she does not know what he thinks can get accomplished in the next 90 days that she has not been sitting there doing for last five years. She said some of the things that he stated have been discussed and she would certainly like to accomplish this but sees they are at a no win. She said she sees it as two different choices, either the City of Prescott takes care it or the four areas do their own.

Councilman Roecker said he has some recommendations for moving forward also. He said they have been going around and around so he came up with a little less-complicated suggestion for consideration with three steps:

- ◆ Request in the next 30 days to have City staff contact the County Health Department to explore the possibility of establishing a voluntary disclosure program to work with the citizens in these areas in order to correct the problems they have with their septic rather than fining or punishing them. He said he would ask that City Attorney Gary Kidd do that.
- ◆ Ask City staff to identify funds, preferably grant money, to assist qualified homeowners to help them cover the costs of correcting their septic issues.
- ◆ If they can do the first two steps he asks that they send letters to the citizens in the four identified areas, or any area under consideration, requesting their cooperation to pinpoint this problem and correct it at a minimal cost. He said the letter could identify options to the citizens in order to make the decision whether or not they would like to participate in the program.

Councilman Luzius said he thinks the Mayor's plan is a good plan and also recommends that Councilman Roecker's suggestions be considered by this new committee.

Councilwoman Lopas said Mr. Kuykendall spoke at one of the workshops and had a positive solution. She said he asked if a group could be put together if she would serve on it and she said she would be more than happy to do that. She said she thinks they owe it to the citizens to take this a little further and she does not think the problem will go away. She said this will have to be a combined effort of the City, the County, and organizations like Prescott Creeks that can help them gather the data. She said if they do not have the data they cannot make any decisions and enough effort has not been made to get all the information yet. Councilwoman Lopas said she is all for the task force and if it ends up something that they work on for the next year or two then that is what it is going to take. She said the City will have ADEQ and EPA telling them to clean up the creeks and the lakes, so they can either do it on their own or they will have an unfunded mandate down the road and they need to be proactive on this.

Councilman Roecker said he suggests that they do these things simultaneously so that perhaps they could make some progress on both suggestions. Mayor Wilson said that would be no problem.

Councilman Lamerson said he has always seen this in his five years on City Council as two separate issues. He said they have property responsibility issue and they have a policy issue. He said if the property rights issue is that the property owner owns a septic tank that creates a public health issue they have the responsibility to fix that septic tank. Councilman Lamerson said the other issue is if the policy is going to be citywide sewer then they have more than just the four identified areas. He said if there is a policy set up addressing certain areas of town and omit other areas of town, he thinks that is the wrong approach. He said they are going to have citywide sewer, then they should have citywide sewer. Councilman Lamerson asked at what level the City wants to have ownership of citywide sewer. He said if that is what they decide then put in the sewer and charge the property owners the hookup fees to go on citywide sewer. He said he has said that in the past and maintains that position.

Councilman Bell said as much as he shudders every time they talk study and especially when they are paying for those studies, he thinks the Mayor has offered a good solution. He said any of the three options in front of them is not acceptable. He said they need to move ahead with the task force and that they need to wait until next week to proceed with it.

Mayor Wilson said Mr. Kuykendall is in Mexico this week but said he is committed to doing this.

Councilman Bell said he would like to hear the public's comments.

Bob Remp, 2206 Sandia Drive, asked how many people came to the City asking for help out of the 440 property owners in the north district. He said they do not have a number on that. Mr. Remp also asked if they would still please consider the fact that he has 292 property owners who said they cannot afford to pay this cost.

Mayor Wilson said they will consider anything but the survey had a bad question on it that stated the City will pay for it if the property owners say no.

Mr. Remp disagreed and said if they will look at the survey there are four questions they will find out that people cannot afford this. He said to look at the questions they signed, not a note was attached to it.

Councilman Roecker asked Mr. Remp if the recommendation or suggestion made by Mr. Kuykendall was considered not affordable with that survey. Mr. Remp said he would have to see that in writing.

Councilman Roecker said Mr. Kuykendall's recommendation was a one time buy in fee of \$3300 per lot and a \$25 fee assessed per month upon completion of pipeline.

Mr. Remp said that sounds very reasonable if they will take into consideration the pumps and who will pay the electricity on the pumps and little details like that. He said they understand if they were to have a pump on their property that they would have to pay the electrical costs.

Councilman Roecker said it would not cover the individual hooking up to pipe and that each individual home would have to do that on their own.

Councilman Bell said he thinks Mr. Kuykendall was searching for his first brush to find some common ground and he did not get into all the details. He said the Mayor is suggesting that it will not necessarily be Mr. Kuykendall's recommendation but it will be nine people who will get together and 60 days from now they bring the Council their recommendation.

Councilman Lamerson said there is still one issue that bothers him; they will be asking or requiring people who could have perfectly functioning septic systems to abandon them and go onto the City sewer system. He said there is going to be some sort of buy in by the community and there has to be some understanding as to what level of buy in this community wants to absorb without creating different classes of people.

Richard de Laveaga, 403 Arena, thanked Councilman Lamerson for making his point. He said he has a perfectly good working septic system and he does not see a reason why he should have to abandon it. He said he has four children who play in his backyard and the greenway behind it where a creek runs through and they have never had any sickness and asked the Council to show him why he has to do this. He said he has counted maybe 20 septic systems that had some kind of problem so not all of them have to be replaced. Mr. de Laveaga said he sees this as an area that needs a lot of justification and if there is going to be a committee he respectfully requests to be a part of it. He said as far as the survey goes that Mr. Remp sent out he has the four questions that were asked and proceeded to read them:

- ◆ Property owners should not be required to pay for the main trunk line.
- ◆ It should be the decision of each property owner with adequate operating septic systems as to when an actual connection be made from private property to the main sewer line.
- ◆ It should be the right of each property owner to decide whether to have the City make the sewer connections from septic tanks to the main trunk line or hire private contractors to make that connection.
- ◆ If the City Council mandates that each property owner must pay for the entire cost of the proposed sewer project we will vote no in forming a sewer district.

John Phillips, 2280 Sandia Drive, thanked the Council for their attention to this matter. He said he did feel that he made Mr. McConnell feel uncomfortable with the manner of his questions and he apologized., but his questions were valid and they remain. He said Councilman Roecker's suggestion sounds very good and is the first inquiry regarding need. He said it seems to be a more prudent exercise to look at need for the first time apparently, before they spend \$8,000,000. He said he supports the Mayor's idea of forming a Mayor's Committee and would suggest in the charge to the committee that Mr. Roecker's recommendations be included. He does note that of the two people suggested by the Mayor to represent North Prescott one is the only person who spoke in favor of the sewers and he does not know what the position of the other one is. He said he would suggest that they have a great deal of citizen input because they had people stand up in unison to present a very detailed report and he asked that the Mayor commit to appointing one from that group.

Mayor Wilson asked who he suggests. Mr. Phillips said the person who just requested to be on the committee. Mayor Wilson suggested that he submit a letter and asked if anyone has a problem having three people from North Prescott on the committee.

Mayor Wilson said they have four areas that are identified problems that they have concentrated on from day one. He said the question of overall policy is a template solution and if they can come up with a solution for these four areas they can certainly apply it to other areas. He said he is fairly comfortable if they go forward with these four areas they have sufficient representation, especially if they include Prescott Creeks they will be taking a more global approach than North Prescott or White Cloud or whatever.

Councilman Lamerson said he would defer to the majority of the Council and he is pointing out that there are more areas of town than just North Prescott.

Councilwoman Suttles asked why they don't send out an invitation and get one for each one of those areas. Mayor Wilson said they intend to for the four areas they have been discussing for the last several months. He said for Antelope Hills they have John Reed, President of the Antelope Hills Homeowners Association; for White Oak Circle they have Gary Worob; and for White cloud they do not have a representative and they need one.

Mayor Wilson said he does not have an argument with citywide sewers but he thinks they need to have a viable solution to bring forward to the citizens of Prescott. He said they do not have a viable solution now and they have had a bunch of contention and rather heated discussion on this issue. He said he is hoping that by backing off slightly and taking it from a different angle, maybe a lateral approach on this, they can come up with an approach they have not looked at before that will be amenable to the City Council and then apply on a policy wide basis citywide.

Gary Worob, White Oak Circle, said he has one point to add that if they are going to pass this as a resolution that along with the appointees they will be allowed to have an alternative because he likes vacations. Mayor Wilson said he will take that into consideration.

Councilman Roecker asked if it is the pleasure of the Council to include his suggestions and the consensus was they were in favor.

Mr. McConnell said with respect to an item on the agenda he heard that they do want an item on the agenda next week and asked if his understanding is correct, that they want a simple item wherein the Council as a whole would endorse the Mayor's task force rather than create resolutions and that endorsement is to include the incorporation of the specific proposals of Councilman Roecker. The consensus was that was correct.

- N. Notice of Public Hearing (June 24) and adoption of Resolution No. 3896-0854 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, finally determining and adopting estimates of proposed expenditures for the Fiscal Year 2009, and declaring that the same shall constitute the budget for the City of Prescott for said fiscal year and establishing the expenditure limitation and adopting the Capital Improvement Program for Fiscal Years 2009 through 2013, approving and updating the job roster for the City of Prescott and setting forth its determination as to unfunded capital and other unfunded budgetary requests.

Mark Woodfill said the public hearing is scheduled for next week and is there to remind them the tentative budget was adopted, and the public hearing for the budget expenditure limitation, and the proposed property tax will be next week. He said following the public hearing there will be a special meeting where the Council will consider the budget as well as the capital plan, the expenditure limit, the City job roster and all the other things associated with the budget.

- O. Award of annual contract for legal advertisement of public notices to Prescott Newspapers, Inc. (Daily Courier) for Fiscal Year 2009 at the rate of \$11.16/column inch for straight copy and \$9.30/column inch for camera-ready copy.

Ms. Burke said this was award of a contract for the annual legal advertisement for the City as required by both the City Charter and state statutes. She said they go out every year about this time and usually receive only one bid, which they did this year as well, from Prescott Newspapers. She said their bid has come in at \$11.16/column inch for straight copy and \$9.30/column inch for camera-ready copy. Ms. Burke said this amount is budgeted and they recommend awarding of the contract.

- P. Notice of Public Hearing (June 24) and consideration of liquor license application from Song Pok Kwak, agent for DO5M, LLC, for a Series 9, *Liquor Store*, license for Liquor Barn located at 405 West Goodwin Street.

Ms. Burke said that this is notice of a public hearing scheduled for next week for a new liquor license due to a change in ownership. The property had been posted and the City has received no comments to date. The applicant has been asked to be present next week.

- Q. Approval of the Minutes of the Prescott City Council Regular Voting Meeting of May 13, 2008, the Budget Special Meeting of May 22, 2008 and the Regular Voting Meeting of May 27, 2008.
- R. Selection of items to be placed on the Regular Voting Meeting Agenda of June 24, 2008.

Councilwoman Suttles said the following items will be placed on the June 24, 2008 Consent Agenda: Items A, B, C, D, E, F, G, H, I, J, L, and O.

IV. ADJOURNMENT

There being no further business to be discussed, the Prescott City Council Study Session of June 17, 2008, adjourned at 4:58 p.m.

JACK D. WILSON, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk