

PRESCOTT CITY COUNCIL  
STUDY SESSION  
TUESDAY, JULY 1, 2008  
PRESCOTT, ARIZONA

MINUTES OF THE STUDY SESSION MEETING OF THE PRESCOTT CITY COUNCIL held on JULY 1, 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:** Police Chaplain Larry Gotfredson

Police Chaplain Larry Gotfredson gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilman Roecker

Councilman Roecker 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 said today's Arizona Republic quoted Emergency Services Director Darrell Willis serving as an Operation Chief on the Lane II Fire on Crown King and they were able to get some good updated information. He said currently the fire is approaching 6,000 acres and they feel like they did make a stop preventing it from going in to Crown King. Mr. Norwood said there is some fear it is going to head toward the small community of Horse Thief Basin. He said there was a fire in that area two or three years ago and there was some treatment done and some defensible space created and hopefully that will help. He said at this point

they have 0% containment, approaching about 500 firefighters on the scene. Mr. Norwood said the Granite Mountain Hotshots will be there this afternoon from New Mexico. He said hopefully the rain will make a difference and at least they are getting a little ahead of it.

Mr. Norwood said this is 4<sup>th</sup> of July week with the City's big festivity Friday out at Pioneer Park starting at 12 noon. He said Becky Garvin does an incredible job pulling this together and it is a huge undertaking. He said they also get a lot of help from Parks and Recreation, and also the volunteers of City employees. He said they are expecting some large crowds and they do have an agreement this year with Embry Riddle this year for free parking and shuttles to Pioneer Park. He said they could not do it without their sponsors, Tim's Toyota, KOLT, Prescott True Value, Fry's, Embry Riddle, and Prescott Newspapers.

## **I. DISCUSSION ITEMS**

- A. Ratification of presentation of awards on June 24, 2008, to Spencer L. Campbell, Spencer R. Campbell, Merritt M. Moore, Taylor Goodman and Tyler Goodman in recognition of their accomplishments and achievements for attaining Eagle Scout.

City Attorney Gary Kidd said at the last meeting staff had omitted the presentation to the Boy Scouts and in order to comply with the Open Meeting Law they need to ratify that action. He said the presentation includes recognizing Spencer L. Campbell, Spencer R. Campbell, Merritt M. Moore, Taylor Goodman and Tyler Goodman for the accomplishments and achievements for attaining the position of Eagle Scout. He said they were there with their families and the City wanted to make sure to comply with the Open Meeting Law.

Councilwoman Suttles asked if this item goes on the consent agenda. Mr. Kidd answered yes and recommended that the Council take action to approve those presentations.

- B. Authorization to purchase golf carts in the amount of \$571,396.00 plus tax from EZ-Go Golf Carts through a lease agreement with a monthly not-to exceed amount of \$9,295.35.

Administrative Services Director Mic Fenech said this item is to ask Council to approve purchase of 152 replacement golf carts for Antelope Hills Golf Course. He said about every three years for the past 15-18 years Antelope Hills has replaced the carts primarily due to the number of rounds and the wear and tear. He said the three-year warranty is also up at that time. He said the carts bring in about \$1.8 million over the course of the lease. He said the expense of those carts is about \$264,000 once guaranteed buy back

is attained, which is a net cost of the carts of about \$1,700 over the three year period.

Mr. Fenech said they looked at EZ-Go, the current holders of the Federal General Service Administration contract, which means they must give the City the absolute lowest price for the golf course that they can sell to anyone in the nation. He said the golf carts they are looking at in this agreement get almost 50% better gas mileage than the carts they currently have or any other carts they have on the market. He said staff looked at the possibility of electric carts and because of the additional expense of the carts up front and the lower buy back they opted to stay with the gas carts at this time. He said the new carts are \$571,396 on the expense side but at the end of the three year term they have a \$319,000 guaranteed buy back, which makes the cost of the new cart \$81 less than the carts they are currently using and they get 50% better gas mileage.

Councilman Lamerson said from time to time they get a lot of criticism over that golf course and they get a lot of accolade over that golf course. He asked what kind of projected annual profit they get just off of the golf carts, which goes into the Enterprise Fund and actually helps the golf course.

Mr. Fenech said the annual profit from the carts minus the cost of labor, fuel, parts and debt service is \$413,996 per year. He said over the course of the three year term about \$1.2 million in profit just in the carts and that goes into the Enterprise Fund to offset some of the other expenses.

C. Approval of recommended expenditures for Fiscal Year 2009 for the Acker Trust funds, totaling \$19,962.00

Parks, Recreation & Library Director Debbie Horton said no one from the Acker Trust Board is present and explained that this is their annual grant funding that they are recommending for a total of \$19,962.00. She said the Council packets have the breakdown of the recommended distribution.

Councilwoman Suttles asked how they decide to break that amount down to the different groups. Ms. Horton said the Acker Board has a presentation from each group making a request and Councilman Luzius usually sits in on the presentations to the Board. She said at a following meeting the Board will discuss where the dollars will be best spent and what guides them the most is the most children touched by the dollars.

Councilman Luzius said it is based upon merit and then read the list of grants awarded

- Yavapai College Artists in Residence Program \$10,000
- Elks Opera House \$ 5,100

- Yavapai Symphony Guild Music Memory           \$ 3,000
- Prescott Fine Arts Association Scholarships       \$ 2,000
- Prescott Pops Symphony                             \$ 2,000
- Chaparral Music Fest                                 \$ 1,000

Mayor Wilson said there is a computation error that needs to be resolved before the next Council meeting and it needs to be pulled from the consent agenda.

- D. Approval of amendment to Contract No. 2005-336 with Tyler Technology in an amount not to exceed \$477,000.00 for the Finance and Budgeting Computer System.

Finance Director Mark Woodfill said the existing finance system is approximately 30 years old; however it has been modified throughout the years to keep current with the City's needs. He said several years ago they started looking at a replacement that would help take the City into the next level with the Web and e-commerce. He said they started a process in 2005 with Tyler Technology's Munis Division to start the conversion with Payroll and HR. Mr. Woodfill said this item is continuation of that part of the project to be completed this fall and this is the completion of the conversion taking the rest of the finance system as well as dog license, billing and all those types of projects over to the new system. He said the amount of the contract is an amount not to exceed \$477,000.00 and it is anticipated that this will be funded with a capital lease, which will be entered into with the golf carts and bundled into one lease package.

Councilman Luzius said at first glance this seems like a lot of money but if it is based out over the 30 years that they have had with the last system is comes out to about \$15,000 a year, which is a good investment for doing all of financial data. Mr. Woodfill said he is not guaranteeing this one will last 30 years, which is a long time in the industry. He said this system is one that brings in all of the City's revenue; it does all of the billing of utility bills, airport hangar bills, and sales tax reports so it is a significant system.

- E. Adoption of Ordinance No. 4658-0860 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting public water easements from Deep Well Ranches, Inc., and James Revocable Trust: Ron and Laura James, Trustees, in the vicinity of the intersection of State Routes 89 and 89A, and authorizing the Mayor and City staff to take necessary steps to complete acceptance and dedication as City of Prescott public water easements.

City Utilities Engineer Jim Ciaffoni said this item is request for approval of an ordinance authorizing the acceptance of six water utility easements associated with Airport Zone 18" and 12" Water Mains Project He said the

project is one of the water projects the City is obligated to do under Fann Development Agreement and the City is under a timeline to get the design completed, which includes the acceptance these easements. He said all six easements are out in the vicinity of the intersection of SR89 and 89A with three separate owners. He said two of the parcels are owned by Deep Well Ranches, Inc.; three are owned by James Revocable Trust; and the last one is owned by the Harold James Family Trust. He said the compensation for these easements is that the Utilities Department will provide a water stub-out, which is a T in the mainline with a valve so the property owners can connect on some future date at a lesser expense than they normally would. He said the department has done some analysis with work done by Jim Holt in acquiring easements for the big Chino Project in order to establish the value of the easements and they figure it is equal.

Mr. Ciaffoni said he has included the location map. He said the ordinance was not available for this Study Session but will be made part of the packet next week.

- F. Acceptance of a grant from the Arizona Department of Transportation, Aeronautics Division, in the amount of \$150,000.00 (City share \$15,000.00) for Airport improvements to accommodate expanded airline service starting September 8, 2008 and further authorizing the Mayor and Staff to execute any and all documents related to the procurement.

Airport Manager Ben Vardiman said this item is the acceptance of a \$150,000 grant from ADOT Aeronautics Division. He said after Council approved the airline service agreement with Horizon Air in April 2008 and the need for terminal improvements was abundantly clear they contacted ADOT Aeronautics Division to request any and all assistance they could provide up to \$150,000 in terms of a grant. He said this is needed to assist them in developing the airport facilities so they can accept the new air service. He said the ADOT Aeronautics Division took this to the State Transportation Board where it was approved and the Airport does have the grant offer at this time. He said there is a \$15,000 City matching share but it is still better than paying the full sum. He said they request the Council accept this grant so they can continue forward and finish the improvements at the terminal.

Councilman Lamerson said he thinks he heard a comment on a local radio show about this being a good investment and he agrees that it is something they should do.

Councilwoman Lopas said any time they can leverage funds like this it is awesome and thanked Mr. Vardiman for bringing it forward.

Mr. Norwood said they typically do not say a lot of thanks to ADOT but they really did a quick job turning this around. He said they turned this in on a

Friday and they had approval within about two weeks. He said they do not usually move this fast but in this instance they really appreciate ADOT working with the City to make it happen.

Councilman Luzius said on July 17, 2008 the State Transportation Board is having their annual meeting here in Prescott and he invited the Director of the Aeronautics Division to come to a Council meeting. He said the Director has accepted and this would be a good opportunity to be here and perhaps they could do more networking.

- G. Approval of engineering professional services contract with Brown and Caldwell in the amount of \$126,806.00 for construction engineering and management services associated with the Airport Wastewater Treatment Plant Centrifuge Project.

Mr. Ciaffoni said he assumes a lot of people do not know what a centrifuge is and explained it is like a washing machine that wrings water out of whatever is put in it. He said in this case they put sludge, which is the solid portion of the wastewater treatment plant, and they wring as much water out of it as they possibly can. Mr. Ciaffoni said that process reduces the weight that they need to haul away. He said the City pays on the basis of weight regardless of whether they are sending it for land application purposes or for incorporation into a landfill. He said they presently use a very outdated, small, obsolete and troublesome belt press, which squeezes the water out instead of spinning it out. He said the belt press has the City in a very vulnerable position.

Mayor Wilson asked how long the project will take and when will they start it if approved. Mr. Ciaffoni said it will take about nine months and construction should start later this summer and be completed in the late fall.

Mr. Ciaffoni said Brown & Caldwell did the design on this same project and this is not a run of the mill project or something the City does day in and day out. He said it is something that warrants the inclusion of the design engineer during the construction stage to make sure that when they receive submittals on proposed equipment that they are assured it will all work when completed. He said staff recommends that the contract be awarded to Brown and Caldwell for \$126,806.

Councilwoman Suttles asked where the City disposes of the sludge. Mr. Ciaffoni said they have been taking it, depending on the season, either to a land application in the Paulden area or to a land disposal. He said it has been left up to the contract hauler and that the hauler is permitted by ADEQ to apply it to certain sites when the conditions will allow and he is under very close guidelines from ADEQ.

Councilwoman Suttles asked who owns the property. Mr. Ciaffoni said he believes that the land they are applying it to in Paulden is owned by the hauler and there may be other sites not owned by that same hauler.

Craig Dotseth said there are other private property owners as well.

Mr. Ciaffoni said their sites have all been inspected periodically as required by ADEQ to ensure that it is applied at a rate that the land can grab it and transport it off site. He said this has become controversial and that contract is up for renegotiation in November and they will be examining their options then if it makes sense to continue for land application or to pay extra for landfill disposal.

Councilwoman Suttles asked if it is landfill does it go to Gray Wolf. Mr Ciaffoni said he believes it does.

Councilman Luzius said he believes when the contract does come up for renewal it should be looked at hard and fast because there are problems out there. He said they are not actually treating the material as they should when they spread that material and that they are supposed to put soil over it. He said if that is not done it dries up and blows into the residents' homes and yards as dust. He said that it has been shown that some of the runoff when it rains actually could go into the Verde River.

Mr. Ciaffoni said one of the projects they have in their capital improvement program is to do a Bio-solids Handling Master Plan this summer. He said that will include an examination of all their options and they will keep the Council informed as they learn more about that.

- H. Approval of a one-year extension for Final Plat submittal for Tuscan Village, a 12-lot patio home subdivision on 1.4 acres located at First Street and Navajo Drive, Applicant: Ralph Burleson, Area Homes LLC (FP08-001).

Community Development Director Tom Guice said the staff included a copy of the letter from Ralph Burleson with Area Homes, LLC explaining the rationale for the request.

Mayor Wilson asked if this is the first request for an extension and Mr. Guice said that is correct.

Councilman Luzius said he is glad to see they are initiating a charge when these come back for an extension.

Councilwoman Suttles asked the amount of the fee and Mr. Guice said it is \$192.

- I. Adoption of Resolution No. \_\_\_\_\_ - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, designating the election date and purpose of election; designating the deadline for voter registration; and designating the place and deadline to file arguments to be included in the informational pamphlet.

Mr. Norwood said they talked at the last meeting about the continuation of the discussion of the projects, the timing, clustering, sales tax or general obligation debt and the date to call an election. He said they are a week away from the final deadline so they need some direction from Council on the method of financing as well as whether they will be call an election or not. He said If so which projects. Mr. Norwood asked Mr. Kidd if they need to include the clustering.

Mr. Kidd said when staff was trying to write the resolution they were trying to figure out which clustering the Council wants if any. He said they need an idea as to whether they want them clustered as proposed by the committee or whether the Council wants to break them down into individual items particularly with respect to the public safety issue.

Mayor Wilson said they had a previous discussion on this and the first item of business from his perspective is the question of whether the Council wants to go forward with a bond election. He said if they do not want to go forward then they do not have to worry about anything else because there is nothing else to decide. He said they had the two council members at a previous discussion say they did not think it was the right time and he would like to get some feedback from the Council members.

Councilman Bell said in relation to that in the last few days the State has finally come up with their budget and asked Mr. Norwood what kind of hit can the City can expect.

Mr. Norwood said they are not sure at this point but they are pretty confident about the hit on the HURF funds, which is directly how they maintain streets and staff the maintenance function. He said that every budget year they talk about HURF dwindling and it is currently on life support. Mr. Norwood said the budget that was passed will see a reduction to the City's HURF funds by about \$240,000. He said they have not identified how to make those cuts but without question there will be less street maintenance. He said the second part is there is a \$29,000,000 contribution that the state is asking cities/towns/counties to pay for out of their general funds. He said he thinks there will be some legal issues on that. Regardless, he said, the City of Prescott did not budget for an additional amount to write the State a check and they are not the only one in that situation.

Mayor Wilson asked Mr. Kidd is that is a legal extraction.

Mr. Kidd said it was and there are some issues currently as to whether or not the League is going to file a lawsuit on that particular issue. He said he thinks it is Prop 108 that is violated.

Councilwoman Suttles said she would like this item pulled. She asked if they are discussing just the bonding and not the 1% sales tax in that is to be in March.

Mr. Norwood said they can discuss that but it is the Committee's recommendation is to move that later to March 2009 on the sales tax to get past the November ballots, issues and referendums.

Mayor Wilson said he would prefer to separate it because the pressing issue is whether they are going to bond or not. He said they have a considerable amount of time to go through the sales tax and it is connected to Councilman Bells' question about HURF funds, which directly impacts the 1% sales tax and not the bond.

Councilwoman Suttles asked if the other Council members feel the same way. Councilwoman Lopas said she would like to see them separated.

Councilman Bell said, with all due respect and appreciation for the committee members that worked so hard, it still falls on this Council to make this decision. He said he has talked to a lot of citizens in the past few weeks and the general feeling he is getting is that this is a terrible time economically to go out and ask for this kind of bonding. He said his personal feeling is that perhaps they should back off the bonding at this point.

Councilman Luzius said in part he agrees with Councilman Bell and that the citizens that have been on this committee spent long hours doing what the Council asked them to do and came forward with a plan. He said they eliminated a lot of items on the wish list and he thinks they have done a fantastic job. He said they should go ahead with the bonding although he does not necessarily approve of the bonding, but these are issues that they need to address. He said he would be for putting it on the ballot and let the citizens determine whether or not they want it.

Councilman Roecker asked if this is the appropriate time to suggest removing some of the items for the bond.

Mayor Wilson said he would like to know if they are going to bond and if not then they do not need to go any further.

Councilman Roecker said it is a terrible time but he is in favor of putting it on the ballot. He said the thing that made him decide that way was Elisabeth

Ruffner when she said if they keep paying cash for everything then those that come in the future will not get the privilege of paying for part of the buildings. He said it is time to let the people decide whether or not they want to move forward on the projects. He said he does have some suggestions on elimination of some of them.

Councilman Lamerson said in its present form he does not support putting it on the ballot. Mayor Wilson asked if he would be more amenable with some reductions.

Councilman Lamerson said knowing what the staff is facing and that roads need to be fixed and knowing that they have sewer, water line, public infrastructure problems and the financial problems in getting these things paid for, he thinks at some point they will have to look at ways to pay for these things. He said in its present form he thinks they need to look at how they present this to the public.

Councilwoman Lopas said she has gotten a lot of the same comments as Councilman Bell from the citizens and her response to them is if their roof on their house is bad they will not ignore it. She said they will go out and get a home equity loan or some way to fix it and pay for it. She said they all nod their head and agree and so she asked them what difference is it with the City because they are citizens of the city and the city is their home and they need to get these things fixed. She said nobody wants to go out and bond or get into debt but when there are things that need to be done they need to be taken care of. She said another point she was trying to across to some of these people is that this is also this is an economic stimulus package for their own home town. She said this is going to get some projects going and bring some jobs into that. She said the big sell will be educating the public on these needs. She said it is their duty if they are going to ask for money to educate why they need the money.

Councilwoman Suttles said she is not in favor of this. She said she made the comment last Tuesday because of how the State is first. She said these are all great projects and this study will not be lost but like anything else whether it is six months from now, a year from now or 18 months from now they can come back and look at it again. She said her biggest fear is that if it goes out and it gets voted down, how they bring some of these back. She said government has a big mark against it anyway for how they spend and timing is a huge part of it. She said the education will eventually come out and everything the committee has done will be used but she does not feel right now is the time.

Mayor Wilson said he thinks they have had a lot of good thoughts on this and a lot of diligent work by the 20 people that survived the entire task force process. He said it was arduous. Mayor Wilson said this is the best possible

time for financing because of the downturn in the economy and it is the best possible time to do construction. He said it is the worst possible time because of the fear of additional taxation but what sways him in making a decision is they are asking the voters to decide. He said he favors putting it on the ballot but he also favors listening to the Council in how they may modify in terms of taking stuff off and/or how they package this in order to give voters the maximum opportunity to exercise their democratic right.

Mayor Wilson said it appears they have enough to go forward. Councilwoman Suttles said he was the swing vote so it looks like they will go bond.

Councilman Roecker said if they are going to ask the citizens to bond then they have a fiduciary responsibility to put on the ballot what they think are absolute needs and not wants so they can sell to the public what those are. He said he would make the following recommendations:

1. Each individual item be separate.
2. Eliminate the Willow Creek/Watson Lake Fire Station
3. Ask that the Fire Department look at the downtown Fire Station and at the minimum try to reduce the cost of that building by \$1,000,000. He said that it has been demonstrated in other communities that it can be done and it will not suffer for that reduction.
4. Eliminate the new Police Headquarters.

Councilman Roecker said he thinks that the public will support and agrees with the Mayor that it is a good time to borrow money.

Councilman Luzius said he will go along with part of the way with Councilman Roecker but he thinks that everything should be left on the ballot and the items that are batched together for public safety should be voted on individually. He said that way they are doing the same thing and that if the citizens think they do not need to spend \$19,000,000 for a new police station then they would vote no and the same with the fire station. He said as an example Flagstaff had an election with five items relating to transportation. He said they broke them down into five different ballot items and every one of them passed by about 58-62%. He said it is possible that everything could be voted in or it is possible that citizens will be more selective than Flagstaff and some may be eliminated. He said he would hate to see the public safety package eliminated because of one or two somebody does not like.

Mayor Wilson said he would like some clarification on something Councilman Roecker said regarding the downtown fire station and asked Chief Bruce Martinez to come forward to the microphone. He said he believes the \$8,500,000 includes not just the building but a fire engine and some other stuff.

Chief Bruce Martinez said that is correct, that \$500,000 of that was for a Type I engine/pumper.

Mr. Norwood said of that \$8.5 million, \$1.2 million was for contingency and a truck. He said they are not saying that they will issue a 20 year bond on a ten year piece of equipment but they are just trying to show the total project costs. He said the building it self is coming in roughly at about \$7,000,000.

Councilman Roecker said the bond issue should be what the building costs because they certainly are not going to be bonding for a fire truck.

Mayor Wilson said he wants to be clear about the fire engine being part of the cost. Mr. Norwood said they can take that out and the \$8.5 million was just a total project to open up downtown fire station.

Councilman Lamerson asked if the \$8.5 million also included the park setting that is next door. Chief Martinez said what they saw on the preliminary plan was the parking area and they would hope to incorporate that into the price. Councilman Lamerson asked if that should be part of Parks and Recreation and not necessarily coming out of the budget of the Fire Department. Councilman Lamerson said that is part of his concern is that they have included things that are part of Parks and Recreation into a Public Safety package. He said, along with Councilman Roecker, he thinks they have clouded the package of Public Safety with things that belong somewhere else.

Mr. Norwood said they can look at how that is broken out. He said part of that in the design of the fire station kind of cheated into the park lands so in exchange for using some of the park land it was thought to put in some public for meeting room and/or park users. He said they can look at some of the financing for that but Parks and Recreation are in the same position a lot of other departments are in.

Councilman Lamerson said in no way does he wants to cut Public Safety short because he does agree that this is an investment in the community. He said on the other hand when they go to the public and ask the public to borrow on the future he wants to make sure they are borrowing on the right items in the areas with the right priorities. He said some areas can be postponed and others are needed right now.

Mayor Wilson said in response to Councilman Roecker's suggestion he also supports segregating each item individually on the ballot. He said that gives the voters the fullest choice. Mayor Wilson said given the will of the Council he would be willing to delete the Willow Watson Lake Fire Station if they have enough Council support. He said he disagrees with eliminating the

Police Station and he thinks they need to go forward on that. He said it belongs on the ballot; the voters may disagree and that is their prerogative.

Councilman Bell said he appreciates the sentiment of the Council even though he feels they are somewhat abrogating their responsibility when they turn it over to all the voters when they elected the Council to make these decisions. He said he would agree with Councilman Luzius that they should put all of the items on the ballot and let the voters then make the decision. He asked Mr. Norwood about the funding source to repay the bonds and if they know which way that would go.

Mr. Norwood said it would be stated that these are General Obligation bonds and it would be communicated to the public that it would be through property tax.

Councilman Luzius said they have a situation where the City has Central Yavapai Fire Department over on 6<sup>th</sup> Street and they have an Intergovernmental Agreement with CYFD that CYFD can pull out of there any time with a 60 day notice. He said he thinks it is very important to build that station along with the headquarters that will be there also. Councilman Luzius said right now the headquarters are in rented space out on Willow Creek Road. He said as far as CYFD is concerned, they want to get out of there as quickly as possible because right now they are driving by two fire stations to get to their district and they want to move closer to their district. He said he is putting in another vote for the downtown fire station to stay as it and eliminating the \$500,000 for the new apparatus. Chief Martinez confirmed that Councilman Luzius was correct on all counts.

Councilwoman Lopas said she agrees that everything needs to be separated because that has been a big comment from many citizens. She said she agrees with Mayor Wilson to leave the Police Station on there and everything else that Councilman Roecker said she agrees with and postponing Fire Station at Willow and Watson.

Councilman Lamerson said toward the end of last week's conversation with the 20 survivors of the Prescott Capital Needs Committee he said he asked them if they felt they had pared this wish list down to the basic needs. He said they felt comfortable with it and today they came up with a few more items that may be excessive. Councilman Lamerson asked Mr. Norwood how comfortable is he feeling as the City Manager with the group's recommendation because the people that live here are going to be hung with the bonding for a long time. He said city managers come and go, as do council members and staff. He asked Mr. Norwood if he thinks the needs have been identified for a few years.

Mr. Norwood said without question and that this was a lengthy process but it was one that they compressed quickly. He said there were no wallflowers on the Committee and there were a lot of questions and no one got a free ride. He said the Committee worked hard and they narrowed it down to what they defined as needs. He said these are truly investments in the community. He said there is no law that says they have to have a downtown fire station or brand new police headquarters. He said this community has time and time again invested in public safety, park improvements, the rodeo grounds and they have a history of making these investments.

Mr. Norwood said they can absolutely handle it from a debt load and that this debt will not come on everyone all at one time. He said building Watson and Willow is the cheap part but the City will have to staff it and they will not be able to do that in the next couple of years. He said some of the Council members think this is not the right time and he does not necessarily disagree with that. He said he is concerned with taking a 4-3 Council vote to the voters. He asked, if the citizens see this body as being split, what kind of message that sends.

Councilman Lamerson thanked Mr. Norwood for his candor and said he appreciates his leadership through the process because that concerns him too.

Mayor Wilson reviewed his understanding of the will of the Council that they do want to bond; they do want to separate each issue so the voters can decide, and he thinks the one issue that is not decided is pulling the Willow/Watson Fire Station off of the list.

Councilman Luzius said he thinks in the long range plan they should plan for that fire station.

Councilman Bells said to leave it up to the voters.

Mayor Wilson asked if they have a general agreement that they will bond, that they individually put the items on the ballot, that they will delete the \$500,000 fire truck from the Prescott Downtown Fire Station, that they will leave everything else on the ballot and the voters will tell the Council what they think and if nobody has heartache with that they will give direction to staff to have the resolution worded in such a fashion for next week.

Mr. Norwood said the Committee would like to have a couple members be on the committee that drafts the wording and asked Mr. Kidd if that needs to happen before next Tuesday. Mr. Kidd said no, they are just going to do the call to election and it will be specific as to Council's direction. He said they will bring the resolution back for a vote and will work with the committee for the ballot language.

Mayor Wilson said this will be off of the consent agenda because they need to look at the wording.

Milbeth Mauer, 1410 Kiawawna Court, said she served on the Capital Needs Committee. She said she was going to ask that the Council consider discussing with the entities, the fire and police, before making a decision about clustering because they have more of a vested interest than anyone else feels their input would be important the decision making of the Council. She said since they are concerned about not all being together in thought about this it may be an opportunity to hear from the entities as they have a vested interest in each and every one of the projects and asked them if they would chose to gamble and put them all on one ballot. She said she cannot answer for them but that might be something the Council may like to ask. She said she approves of the decision the Council has made so far.

Edward Burdick, 123 South Mt. Vernon, asked if it is going to be funded by a property tax or a sales tax. Mayor Wilson replied a property tax.

- J. Notice of Public Hearing (July 8) and consideration of liquor license application from Ruben Garcia, agent for CIA La Fonda Corp., for a Series 12, *Restaurant*, license for La Fonda located at 628 Miller Valley Road.

City Clerk Liz Burke said this is notice of a Public Hearing scheduled for July 8, 2008 for a new liquor license for La Fonda located at 628 Miller Valley Road. She said the property has been posted, they have received no public comment to date, and the applicant has been asked to attend the hearing next week.

- K. Approval of the Minutes of the Prescott City Council Budget Special Meeting of May 22, 2008, the Regular Voting Meeting of May 27, 2008, the Special Meeting of May 27, 2008, the Regular Voting Meeting of June 10, 2008, the Special Meeting of June 17, 2008 and the Study Session of June 17, 2008.
- L. Selection of items to be placed on the Regular Voting Meeting Agenda of July 8, 2008.

Councilwoman Suttles said on the Consent Agenda will be items A, B, D, E, F, G, H, and K. She said they are pulling items C, I and J from the Consent Agenda.

**II. ADJOURNMENT**

There being no further business to be discussed, the Prescott City Council Study Session of July 1, 2008, adjourned at 4:07 p.m.

---

JACK D. WILSON, Mayor

ATTEST:

---

ELIZABETH A. BURKE, City Clerk