



PRESCOTT CITY COUNCIL VOTING MEETING AGENDA

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, JULY 8, 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 Regular Voting 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 Troy Powers, Prescott Methodist Church
- ◆ **PLEDGE OF ALLEGIANCE:** Mayor Wilson
- ◆ **ROLL CALL:**

MAYOR AND CITY COUNCIL:

Mayor Wilson	
Councilman Bell	Councilman Luzius
Councilman Lamerson	Councilman Roecker
Councilwoman Lopas	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. PUBLIC COMMENT (Please limit your comments to five minutes)

- A. Frank Creelman re law enforcement concerns.
- B. John Nixon re Achieve Academy.

II. PROCLAMATIONS

- A. *July 8, 2008 – Alejandro Coto Day.*

III. PRESENTATIONS

- A. Presentation re the Downtown Mural Project “Mural Beyond Words” at the Prescott Public Library Downtown Library.
- B. Presentation by Finance Director Mark Woodfill re City of Prescott Investments.

IV. CONSENT AGENDA

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

- A. Ratification of presentation of awards on June 24, 2008, to Spencer L. Campbell, Spencer R. Campbell, Merritt M. Moore, Tayler Goodman and Tyler Goodman in recognition of their accomplishments and achievements for attaining Eagle Scout.
- B. Authorize 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.
- C. Approve 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.
- D. *Adopt Ordinance No. 4658-0901 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting public water easements from Deep Well Ranches, Inc.; the Harold James Family Trust: Ron James, Trustee; and the James Revocable Trust: Ron and Laura James, Trustees, and 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.*

- E. Accept 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.
- F. Approve 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.
- G. Approve 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).
- H. Approve the Minutes of the Prescott City Council Budget Special Meeting of May 22, 2008, the Regular Voting Meeting of June 10, 2008, and the Study Session of June 17, 2008.

V. REGULAR AGENDA

- A. Public Hearing 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.
- B. Approval of recommended expenditures for Fiscal Year 2009 for the Acker Trust funds, totaling \$23,100.00.
- C. Adoption of Resolution No. 3899-0901 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, ordering and calling a Special Election to be held on November 4, 2008, in and for the City of Prescott, Arizona, to submit to the qualified electors thereof questions of selling and issuing bonds payable from secondary (Ad Valorem) property taxes.
- D. Recess into Executive Session.

VI. EXECUTIVE SESSION

- A.. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, pursuant to A.R.S. 38-431.03(A)(7)
 - 1. Properties in the Granite Dells area.

VII. 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, City Clerk, MMC

PROCLAMATION

“Alejandro Coto Appreciation Day” July 8, 2008

WHEREAS, Alejandro Coto has been one of the most perseverant promoters of the City of Suchitoto, El Salvador; and

WHEREAS, Alejandro Coto has been a Salvadoran movie-maker, born in 1928; and

WHEREAS, the house of Coto is indescribable in its nostalgic collections of writings and paintings of dignitaries from all over the world; and

WHEREAS, Coto has been honored by the King and Queen of Spain, as well as Presidents and Prime Ministers from all over the world; and

WHEREAS, every February since 1990 Coto has promoted the permanent festival of arts and culture; and

WHEREAS, with the promotion of Alejandro Coto, Suchitoto was awarded the title of National City of Cultural Richness in 1997.

NOW THEREFORE, I, Jack D. Wilson, Mayor of the City of Prescott, Arizona, do hereby declare July 8, 2008 as:

ALEJANDRO COTO DAY

IN WITNESS THEREOF, I have hereunto set my hand and caused the Seal of the City of Prescott to be affixed this 8th day of July 2008.

JACK D. WILSON, MAYOR
City of Prescott

ATTEST:

COUNCIL AGENDA MEMO – 7/1/08 & 7/8/08
DEPARTMENT: Utilities
AGENDA ITEM: Adoption of an ordinance authorizing the acceptance of water utility easements for the Airport Zone 18" and 12" Water Mains Project

Approved By:	Date:
Department Head: Jim Ciaffoni	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood <i>Crayton Woodfill for</i>	7-2-08

Item Summary

Approval of this ordinance will acquire water utility easements necessary for the Airport Zone 18" and 12" Water Mains Project scheduled for construction in Summer 2008. The easements are being conveyed by the following property owners to assist and accommodate City needs for these important water system improvements:

Grantor(s)	Parcel
Deep Well Ranches, Inc.	102-05-032C
Deep Well Ranches, Inc.	102-06-005G
James Revocable Trust: Ron and Laura James, Trustees	106-01-003Z
James Revocable Trust: Ron and Laura James, Trustees	106-01-003V
Harold James Family Trust: Ron James, Trustee	106-01-003D
James Revocable Trust: Ron and Laura James, Trustees	106-01-003Y

The new water mains (see attached location map) will feed the Airport Zone, enhancing service to current customers, and providing additional capacity for future development.

Consideration for Easements and Project Budget

This transaction includes six (6) water main stubouts to be provided by the City for future service to the properties the new lines will traverse. The estimated cost of the stubouts (\$37,650) is comparable to the total value of the easements, hence, there will be no additional monetary expense for the acquisition.

A total of \$2.68 million has been budgeted in the Water Fund this fiscal year (FY 09) for construction of the 18" and 12" mains.

Attachments - Location Map

Recommended Action: MOVE to adopt Ordinance No. 4658-0901.

ORDINANCE NO. 4658-0901

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ACCEPTING PUBLIC WATER EASEMENTS FROM DEEP WELL RANCHES, INC., HAROLD JAMES FAMILY TRUST: RON JAMES, TRUSTEE, AND JAMES REVOCABLE TRUST: RON AND LAURA JAMES, TRUSTEES, AND 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

RECITALS:

WHEREAS the City Council of the City of Prescott has determined that two (2) easements on properties owned by Deep Well Ranches, Inc.; three (3) easements on properties owned by James Revocable Trust: Ron and Laura James, Trustees; and one (1) easement on property owned by Harold James Family Trust; all in the vicinity of the intersection of State Routes 89 and 89A and continuing southward along State Route 89 to the vicinity of the Phippen Museum, are needed by the City for public purposes; and

WHEREAS, the owners of the properties, APNs 102-05-032C, 102-06-005G, 106-01-003Z, 106-01-003V, 106-01-003D & 106-01-003Y, identified in the attached Exhibit "A" have agreed to grant easements to the City conveyed by the owners in return for the City providing equivalent consideration of value by including water main stub-outs for future water line connections for the public water easements.

ENACTMENTS:

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

SECTION 1. THAT the easements depicted as "A" through "F" on the attached Exhibit "A", which exhibit is made a part hereof, are hereby accepted by the City of Prescott conveyed by the owners in return for equivalent consideration of the value of water main stub-outs for future water line connections.

SECTION 2. THAT the attached easements and any further deeds and necessary documents pertaining to said easements are hereby ordered to be recorded in the Office of the Yavapai County Recorder, Arizona and the Mayor and Staff are authorized to execute such documents as may be necessary to effectuate this transfer.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 8th day of July, 2008.

JACK D. WILSON, Mayor

ATTEST:

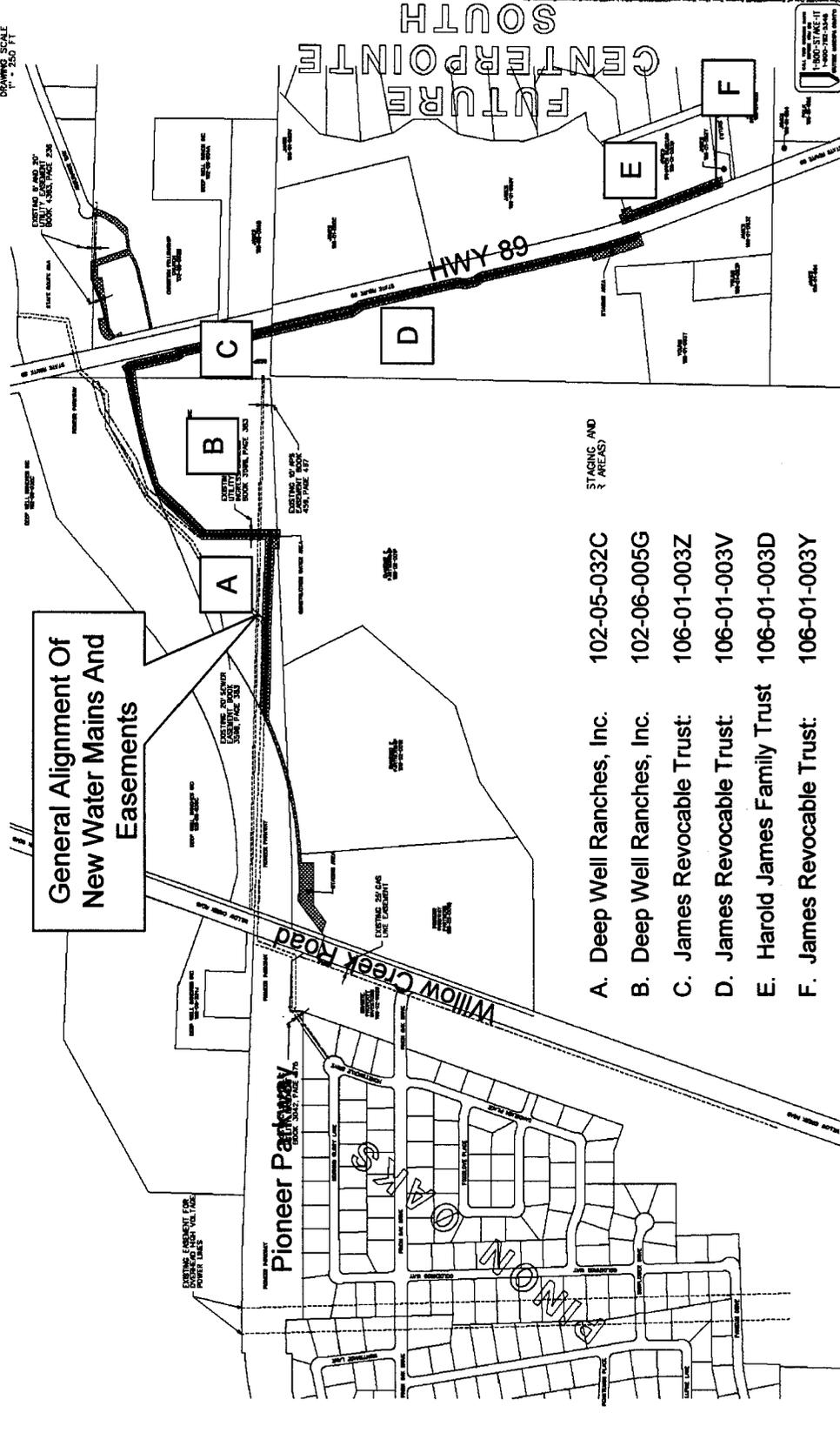
APPROVED AS TO FORM:

LIZ A. BURKE
City Clerk

GARY D. KIDD
City Attorney

Exhibit A

Acquisition of new permanent water easements for the Airport Zone 18" and 12" Water Main Project

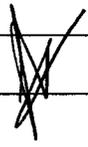


**General Alignment Of
New Water Mains And
Easements**

- | | | |
|------------------------------|-------------|----------------------|
| A. Deep Well Ranches, Inc. | 102-05-032C | STAGING AND
AREAS |
| B. Deep Well Ranches, Inc. | 102-06-005G | |
| C. James Revocable Trust: | 106-01-003Z | |
| D. James Revocable Trust: | 106-01-003V | |
| E. Harold James Family Trust | 106-01-003D | |
| F. James Revocable Trust: | 106-01-003Y | |

LYON ENGINEERING Civil Engineers & Land Surveyors 3623 CROSSINGS DRIVE PRESCOTT, AZ 86305 (928) 778-1750	SHEET DESCRIPTION EASEMENT EXHIBIT	PROJECT CITY OF PRESCOTT WATER MAIN EXTENSION	DRAWING NO. 271-08	CHECKED BY SA	DATE 08/11/08	DESIGNER SA	PROJECT NO. 271-08	CITY OF PRESCOTT ENGINEER SCOTT A. LYON, P.E. LICENSE NO. 10000	SHEET NO. 1	OF 1 SHEETS
	REVISIONS NO. DATE	1"=250'-0" STAKE-IT (SEE NOTE 1)								

COUNCIL AGENDA MEMO – July 1, 2008
DEPARTMENT: Parks, Recreation and Library
AGENDA ITEM: Acker Trust Board Recommended Expenditures for FY 2009

M	Approved By:		Date:
L	Department Head: Debbie Horton		
S	Finance Director: Mark Woodfill		
M	City Manager: Steve Norwood		

The Acker Trust Board was established in 1959 as part of a court adjudication of Mr. J.S. Acker's will, which left the majority of his estate to the City of Prescott, "...for the use of our people, the children in particular." The Trust Board members are appointed by and serve as advisors to the Mayor and Council regarding the management of the Trust. There are currently four members on the Board, and there is one vacancy. All money spent from the Trust is used for either parks or the promotion of youth music.

Each organization applying for funding must be incorporated, must provide a financial statement, and must appear before the Board for a five-minute presentation. The Board, in determining allocations for the limited resources available, considers both the financial need of the organizations, the number of participants served by their programs, and their programs' benefit to the community.

The Acker Board received requests in the amount of \$41,548 on March 20, 2008 for FY 2009. The available funds are \$26,890 of which the board is recommending granting \$23,100 to recipients with the balance remaining in the trust. The funding period for Fiscal Year 2009 is between July 1, 2008 and June 30, 2009. At the March 20 meeting the Board reviewed the five-minute presentations of Chaparral Music, Elks Opera House, Prescott Fine Arts Association Scholarship program, Prescott POPS Symphony, Sharlot Hall Folk Music Festival, Yavapai Symphony Guild- Music Memory Program, and the Yavapai College Artists in Residence Program. On April 9, 2008 the Board met, reviewed the applications, and voted to recommend to the City Council that the following organizations receive funds in the amounts indicated:

• Yavapai College Artists in Residence Program	\$10,000.00
• Elks Opera House	\$5,100.00
• Yavapai Symphony Guild- Music Memory	\$3,000.00
• Prescott Fine Arts Association Scholarships	\$2,000.00
• Prescott POPS Symphony	\$2,000.00
• Chaparral MusicFest	<u>\$1,000.00</u>
TOTAL	\$23,100.00

Recommended Action: If desired, move to approve the recommended expenditure of Acker Trust funds as follows: Yavapai College - Artists in Residence Program \$10,000, Elks Opera House \$5100, Yavapai Symphony Guild- Music Memory \$3000, Prescott Fine Arts Association – Scholarship Competition \$2000, Prescott POPS - \$2000, and Chaparral MusicFest \$1000.

RESOLUTION NO. 3899-0901

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ORDERING AND CALLING A SPECIAL ELECTION TO BE HELD ON NOVEMBER 4, 2008, IN AND FOR THE CITY OF PRESCOTT, ARIZONA, TO SUBMIT TO THE QUALIFIED ELECTORS THEREOF QUESTIONS OF SELLING AND ISSUING BONDS PAYABLE FROM SECONDARY (AD VALOREM) PROPERTY TAXES

RECITALS:

WHEREAS, the Mayor and Council of the City of Prescott, Arizona (hereinafter referred to as the "City"), determine that certain, future capital needs of the City can be financed best through the issuance and sale of bonds of the City, the debt service with respect to which shall be paid through the levy of secondary (ad valorem) property taxes; and

WHEREAS, pursuant to Section 35-452, Arizona Revised Statutes, as amended, the Mayor and Council of the City must order an election to determine whether such indebtedness shall be authorized (hereinafter referred to as the "Election").

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, ARIZONA:

Section 1. That a Special Election, in and for the City, be and the same is hereby ordered and called to be held on November 4, 2008, at which time there shall be submitted to the qualified electors of the City questions of authorizing the sale and issuance of bonds of the City in the aggregate principal amounts and for the purposes set forth in the Project List for the Election.

Section 2. That the List of Projects for the Election (hereinafter referred to as the "Project List") is attached hereto as Exhibit "A."

Section 3.

(A) That notice of the Election shall be given by mailing an informational pamphlet (hereinafter referred to as the "Informational Pamphlet"), to include a sample of the Official Ballot, to each household within the City that contains a registered voter.

(B) That the Informational Pamphlet shall be prepared by the Clerk of the City, and the Clerk of the City is hereby authorized and directed to

cause the Informational Pamphlet to be provided as and under the circumstances described herein in the form she deems acceptable. The Clerk of the City is hereby authorized and directed to submit, within thirty (30) days after the date of the Election, a copy of the Informational Pamphlet to the Arizona Department of Revenue.

(C) That the Clerk of the City is hereby authorized to request arguments for and against the subject matter of the Election by providing notice to the public, said arguments to be received by August 6, 2008.

Section 4. That absentee/early voting with respect to the Election shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.

Section 5. That the Clerk of the City is hereby authorized and directed to have printed and delivered to the election officials at the polling places, to be by them furnished to the qualified electors of the City offering to vote at the Election, the Official Ballot.

Section 6. That in order to comply with the Voting Rights Act of 1965, as amended, the following materials pertaining to the Election shall be translated into Spanish and mailed or distributed in each instance where mailing or distributing of such materials is required, to-wit: Request for Arguments, Informational Pamphlet, Official Ballot, "Absentee/Early Voting Materials" and "Instructions At The Polling Places."

Section 7.

(A) That the Election shall be held, conducted and canvassed in conformity with the provisions of the regular election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the City.

(B) That the Election may be conducted using either electromechanical or electronic vote recording and ballot counting equipment or paper ballots, as shall be determined to be in the best interests of the City by the Election Department of the County and the Clerk of the City. The Clerk of the City is authorized and directed to enter into a contract with the County Recorder of Yavapai County, Elections Department), Arizona (the "County") conduct the Election for the City.

(C) That all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditure shall be paid from current operating funds of the City.

(D) That the Clerk of the City is hereby authorized to take all necessary action to facilitate the Election.

Section 8.

(A) That the official returns from the Election shall be made to the Mayor and Council of the City within twenty (20) days from the date of the Election and the Election shall be canvassed and the results thereof certified by the Mayor and Council of the City at a meeting to be held within twenty (20) days after the date of the Election, as provided by law.

(B) That the Mayor and Council of the City shall file and record in the office of the County Recorder of the County a certificate disclosing with respect to the Election the purpose of the Election, the total number of votes cast and the total number of votes for and against creating the indebtedness and stating whether or not the indebtedness is ordered in each case.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on the 8th day of July, 2008

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

EXHIBIT 'A'
PROJECT LIST

<u>PROJECT TITLE</u>	<u>AMOUNT</u>
Park Upgrades	\$ 4,000,000
Rodeo Grounds Upgrades	\$ 3,196,981
Runway 3R-21L Land Purchase	\$ 4,575,000
Downtown Fire Station	\$ 8,000,000
Police / Fire Departments Storage Facility	\$ 1,806,670
Police Headquarters	\$19,000,000
Fire Training Center	\$ 6,900,000
Shooting Range Upgrades	\$ 2,811,370
Willow/Watson Fire Station	\$ <u>3,800,000</u>
TOTAL	\$54,590,021

Bonds to mature not more than 40 years from their date and to bear interest at a rate of not to exceed 10% per annum.

PRESCOTT CITY COUNCIL
 BUDGET WORKSHOOP
 PRESCOTT, ARIZONA
 MAY 22, 2008

A BUDGET WORKSHOP OF THE PRESCOTT CITY COUNCIL WAS HELD ON THURSDAY, MAY 22, 2008, at the Spruance House on Embry-Riddle Aeronautical University Campus, 3700 Willow Creek Road, Prescott, Yavapai County, Arizona.

◆ CALL TO ORDER

Mayor Wilson called the workshop to order at 9:04 a.m.

◆ ROLL CALL

PRESENT:

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

ABSENT:

None

Mr. Norwood explained that the first item, report from the Prescott Capital Needs Committee, was to have been on the agenda last Tuesday and was not, so Councilwoman Suttles asked that Ms. Linn report this morning. He said that Ms. Linn had a previous engagement this morning and will be late so they would proceed with budget discussions until she arrived.

4.2.* Discussion of General Fund and Operating Funds.

Mr. Norwood said that this budget is totally different than what they have gone through in the past. He said that sales tax is down and that drives what the City does. He then reviewed the accomplishments of the year, and reported on the Council Policy Agenda, Management Agenda and Major Projects.

Mr. Norwood said that the General Fund is healthy, but there is not a lot of activity, and no new positions have been added. He said that some of the cities in the Valley have had to eliminate positions and have reduced services levels, but Prescott has been able to maintain service levels. He reviewed the 1% Streets and Open Space, Water Fund, and Wastewater Fund.

1.* Presentation by Tammy Linn, Chairman of the Prescott Capital Needs Committee.

Ms. Linn arrived at this time and gave a PowerPoint presentation on the status of the Capital Needs Committee, attached hereto as Exhibit A. She said that the Committee plans to meet with the City Council at a meeting on June 10. Councilman Lamerson noted that he would not be in town that week. Mr. Norwood said that they would check calendars and schedule when all Council members would be present.

4.2.* Discussion of General Fund and Operating Funds.

Mr. Woodfill continued discussions by reviewing the Budget Process and charts of the FY2009 Operating Budgets. He said that Personnel is 50% of the budget, and 77% of the General Fund. He said that there are 14 positions that are frozen this year until revenues recover, such as the Deputy Police Chief and Parks and Recreation Director.

Mr. Woodfill said that employee costs have increased, and while they were able to keep the 0-4% merit increases in the budget, there is no COLA (cost of living adjustment) included. Councilwoman Suttles asked how they determine who gets what for the merit increases. Mr. Norwood said that it is the department manager's decision based on performance; the 4% is not guaranteed—some may get 1% other may get 4%. Mayor Wilson asked how much they pay in merit. Mr. Woodfill said that they could provide that by department.

Mr. Woodfill said that there was a 13.9% increase in health insurance. The Yavapai Combined Trust Board chose to raise the cost, which in turn costs the City about \$1/2 million, as well as the employees more. Councilwoman Suttles noted that was everywhere, not just in government.

Mr. Woodfill then reviewed the General Fund Revenues, noted that the presentation page was different than the book, as it included a column on the right showing the % of the total. Mayor Wilson said that he would like to know how the sales tax revenues change is projected. Mr. Woodfill said that is a critical number and they track it weekly, with formal calculations monthly. He said that first they project where the year will end, project what they think will be happening and look at it to see what will be happening in the next year.

Councilman Lamerson said that by looking at Licensing and Permit Fees, it is off by 32% which is a huge indicator and the ability for impact fees is huge. He said that they are budgeting money that may not be there. Mr. Woodfill said that was correct. The impact fees budget was reduced significantly. All of the projects funded this year were funded, but next year they were reduced.

Mr. Woodfill reviewed the Taxable Activity by Category, stating that after formal calculation they are projecting a 4.5% to 4.75% off of last year's numbers, not off of the budget, and then a 0% growth. He said that they do not look for revenues to snap back to what they were at before. Mayor Wilson noted that if they have a decline, then they will have to reconsider.

Mr. Woodfill said that the top three revenue generators comprise 50% of the sales tax revenues, and all three are down significantly. One of the few stable components of an unstable tax is food sales, as well as electricity and gas. He said that the top ten taxpayers represent about 35% of the overall sales tax. Mr. Woodfill noted that the actual reports of individual businesses are confidential.

He then reviewed the General Fund Operating Expenditures, noting that they have had cutbacks in travel and training, and in the vehicle replacement fund, which is funded at 75% this year. He said that they will hold off on buying millions of dollars of vehicles until they are sure revenues are coming in.

Mr. Woodfill said that the point is that although numbers are down, the fund is healthy and all of the reserves are intact.

Councilman Lamerson said that a fiscal conservative would ask why they can't just eliminate the 14 positions if they are able to freeze them. Mr. Woodfill said that there may be a few that they could get rid of, but overall in the long-term it will put stress on the rest of the management staff and would reduce their ability to be as responsive. They would not be able to maintain service levels.

Mr. Norwood said that in the short-term the average person may not see a change, but some of the administrative work may be changed or eliminated and in areas such as parks and recreation, they could see some of the fields not be maintained as well. He said that they will keep a close eye to be sure they are not reducing service levels.

Mr. Norwood, in review of the General Fund Operating Budget, noted that everyone did an amazing job responding to the times; it is indicative of the teamwork they have. He said that particular attention is brought to the Police and Fire departments, while looking at their retirement increases, which they have no control over, they were able to keep in their 4% step plan, but they each brought in their budgets at 2% less, which is incredible. He said that they are in better shape than most, by taking a very conservative approach.

Mayor Wilson noted that as is seen with unfunded Federal mandates, the increases in police and fire retirements are like unfunded State mandates. Councilman Lamerson added that the budget appears to be in line with what the citizens want, with 50-55% of the budget and personnel going to police and fire.

2-3.* Discussion of Enterprise Funds.

Mr. Woodfill then reviewed some historical facts of the Highway Users Revenue Fund (HURF), stating that the City's share of gas tax distribution is based on a typical complex formula. He said that it has increased just under \$1 million in the past ten years. He said that having HURF and lottery monies is their only source for street improvements.

Councilman Lamerson said that HURF has hardly increased compared to the cost of construction. It seems like the portion of gas tax has increased, but they don't get any more. Mr. Woodfill said that the gas tax has not gone up, but when prices are higher people use less, which in turn means less revenue to the City. Mayor Wilson said that the gas tax is a fixed amount, not a percentage, so with the rising price of gas it ends up being a smaller percentage.

At this time Mayor Wilson recognized State Legislator Andy Tobin who had arrived.

In review of the Water Fund, Mr. Woodfill said that the water impact fees are projected to be higher, based on the assumption that the City Council will approve the fees recommended in the study. If they do not elect to raise those fees, they will need to cut appropriately, but then cannot exceed the Tentative Budget, so the numbers need to be there.

Mayor Wilson said that they need to consider the concepts that are being considered by the Prescott Capital Needs Committee; that would have to roll into this budget. Mr. Woodfill said that they could put them all in there for now, and between the tentative and final adoption, they could reduce accordingly.

Councilman Luzius said that when the Council does not give the City Manager the impact fees he recommends, it ends up biting them. Mr. Woodfill said that was true to a degree, although if the revenues are not there, the buildings are not there, so some of the projects may not be needed.

Councilman Luzius said that some people say that if they raise the impact fees they will stop building, but they have stopped anyways. He said that if they are raised, any houses being built would pay their fair share. Mayor Wilson supported what Councilman Luzius was saying.

Councilwoman Suttles said that they have to annex to begin to get impact fees; they can't do anything with impact fees now. Mayor Wilson said that they have been working on annexations. They have met with all of the major land owners, one on one, and they are doing quite well. Councilwoman Suttles said that they are still some issues, such as whether they look at raising the rates now, or once

annexations take place. Mayor Wilson said that an impact fee is not going to tilt the decision of a developer; it is a cost of doing business.

Councilwoman Suttles said that annexation is still a situation; Councilman Luzius said that they should have the impact fees in place.

Councilman Lamerson asked why they would be talking of more annexations until such time as they have gotten their Letter of Assurance. He said that it baffles him that they would be enticing people into the City if they don't know if there is water available.

Mayor Wilson said that they have been up front with all of the major landowners and they all understand that. A lot of things are dependent on getting that letter, but if they don't plan now, someone else will plan around them. They are not going to do something they cannot back up.

Councilman Lamerson said that the budget showed a 36% decrease in building permits and it doesn't make sense to him to start raising impact fees to keep people from building. Mayor Wilson said that he did not agree; they are going through a cyclical downturn that is countrywide. He is in favor of bringing back the impact fees for consideration. Councilman Roecker cautioned everyone that it could cause a problem to raise the impact fees just because they can.

Mr. Woodfill then reviewed the Water Fund, noting a \$19 million debt issue related to capital project. He said that there is a decrease in operational impacts because they didn't issue as much debt.

Mr. Norwood clarified that the funds are there to pay for it; it is done through the rate structure. Mr. Woodfill noted that part is done through the impact fees. Mr. Norwood said that his point is that this is not putting them in jeopardy. Mr. Woodfill added that it is all part of the analysis done by Economists.com.

Mr. Woodfill said that the Wastewater Fund includes a big rate increase, which is part of the study. He said that they separated Water and Wastewater because there is a distinction in the Code.

Discussion was held on the vehicle replacement program. Mr. Norwood said that they have deferred a couple of fire trucks. They had one of the reserve fire trucks break but it was not worth the value to put in a new engine. He said that they are in dire straights on the fire side, and they have deferred patrol cars. At mid-year they will do an evaluation to see if revenues are coming in. He said that they don't want to get in to balancing the operational budget on the back of equipment.

Mayor Wilson asked if they could take some of the big items and put it in the capital needed from the Capital Needs Committee. Mr. Woodfill said that they

have funded the capital needs at 100%. Mr. Willis said that there will be something on the agenda in the next few weeks.

Mr. Woodfill said that equipment such as fire trucks is not a good item for bonding unless they did an operating lease. He said that a replacement fund is a great idea. They have to fund it at 100% for 15 to 20 years to get it to a full process, but 75% is ample to continue in a down economy.

Mr. Woodfill said that there is no rate increase projected in the Solid Waste Fund. They did a rate increase a year or two ago and did an in-house study. They have combined solid waste and transfer station this year.

Councilman Lamerson asked if this included garbage trucks. Mr. Woodfill said that it includes the payment to the Vehicle Replacement Fund. For new routes, they have one in the five-year plan.

Councilman Lamerson said that last year when they increased the costs, gas was not costing as much. Mr. Woodfill noted that when the Council adopted the rate increase they included a fuel surcharge, so each month they look at an index and assess a fuel surcharge so that as fuel goes up, people pay more.

Councilwoman Suttles asked how they deal with fuel for other departments. Mr. Woodfill said that is in under each department budget.

Mayor Wilson asked if the study done in-house included the idea of privatization. Mr. Woodfill said that it did not, it was only a rate study, but they did look at privatization 15-16 years ago, and they also looked at privatization of the wastewater plant operations.

Mayor Wilson said that during the Retreat the Council asked that privatization be looked at for varying operations. He said that if they are operating on bad assumptions, he would change his mind. Mr. Norwood said that in looking at the rate structure, they found that they are always lower than Waste Management, but they can look at it, as well as different departments. Mayor Wilson said that if they are doing a good job, that is great, but if they haven't done the study, they cannot toot their own horn.

Councilman Luzius said that Solid Waste is doing a good job. He did not see anywhere for the project to finish off the median on Prescott Lakes Parkway and asked where they would show those savings. Mr. Woodfill said that they would not show a savings, but rather would have less of an expense. Mr. McConnell added that the parkway improvements project is under Streets, allocated by Mr. Nietupski.

Mr. Woodfill said that the County is still partnering in the transfer station, from back when the City and County bought a landfill, but now it is County, so they are looking to resolve that issue.

Discussion then turned to the Airport budget. Mr. Woodfill said that they have recently privatized the fueling operation, so there is no revenue from that other than the fuel flowage fee. He said that there is not much in operation, except tie-down and hangar rentals, and they are looking at new fees for that and landing fees.

Mayor Wilson said that it appears that the biggest item is \$12.5 million in grants. Mr. Woodfill said that they will look at those this afternoon. He said that revenues cover expenditures as projected.

Mr. Woodfill said that Golf Course has a slight contingency; it is being budgeted to break even. Mayor Wilson asked for an update on the privatization issue. Mr. Fenech said that staff has received materials from five different states that have done privatizations, and they went through and developed an outline of where they want to go. He said that Legal is going through the documents from Papago Golf Course in Phoenix as they had the most comprehensive set, although there are some things that would not apply to Prescott. He said that they expect to get those changes back from Legal within the next few days and they will then put in their outline, and take it back to Legal once more before taking it to the City Manager for review. He would estimate that this process would take about 30 days. Mayor Wilson asked if they would be doing a Request for Proposal. Mr. Fenech said that they would, and it would allow typically 60 days in which to respond.

Councilwoman Suttles asked if the settlement to Sand Trap came out of the previous year's budget. Mr. Woodfill said that it did; it came out of the current year's budget.

Discussion was held on the parking garage. Mr. Woodfill said that they have some cash in the bank from cell tower leases, but they will need a subsidy of about \$24,000 from the General Fund.

Mayor Wilson asked if they were still having problems with vandalism. Mr. Fenech said that graffiti has been less of a problem than the prior year, but the elevator has been a constant source of irritation, and they are coming up on the warranty period. He said that they have successfully prosecuted some of the vandals and recovered some, but it is an issue.

Mayor Wilson asked if they have a camera set up on the garage. Mr. Fenech said that they do have one hooked up to a PC and recorded to the hard drive. He said that it goes to PD when they think they have an issue.

Councilwoman Suttles said that they now have a few years into the parking garage with free parking, and she has a hard time pulling from the General Fund to provide for free parking. Mr. Woodfill said that the expenditures are expected to exceed revenues by \$42,000, and once the cash is gone they will be looking at a bigger subsidy in 2010.

Councilwoman Suttles asked if they still charge for parking during downtown events. Mr. Norwood said that they try to hit the major ones. He said that they could always look at fee paid parking days for event. He said that they also spoke with the Judge about possibly doubling the parking ticket from \$10 to \$20.

Councilwoman Suttles asked for more information regarding the elevator warranty. Mr. Fenech said that they just met with a vendor two days ago. He said that Otis Elevator is interested in continuing their relationship with the City. There is another maintenance company that staff has been talking with, but Otis said that they would cut in half what the other would charge, and won't charge for travel time, which they do charge for now. He said that they are trying to help out the City. Councilwoman Suttles said that she doesn't want to let them off the hook; it has been their elevator and their problem.

Mr. Fenech said that one of the biggest expenses is security. He said that at the end of June they will be ending their contract with AT Security Systems and have to negotiate a new contract, which they anticipate going up. He said that it is for security from 7:30 p.m. to 2:30 a.m.

Mayor Wilson said that he would like to direct staff to look at a comprehensive parking plan for downtown, working with Prescott Downtown Partnership and the Chamber of Commerce. He said that until they do that they are going to continue with problems. Ms. Bristol noted that the PDP has taken a lead on the issue and they have formed a parking committee with the idea that they would bring forward a proposal to the City, and staff is a part of that committee.

Mayor Wilson said that he saw a proposal of a private citizen that included one-way streets to increase parking. Councilwoman Suttles asked if they could do that. Mr. Norwood replied that they could.

Mr. Woodfill then reviewed the Internal Service Funds; Engineering Services, Central Garage, Self-Insurance, Vehicle Replacement. He said that there have been significant increases in self-insurance, where they have not had increases in the last eight years, some due to workers compensation. He said that facilities maintenance includes a large increase related to the increase in buildings, moving into the new Fleet Management Facility.

Councilman Roecker asked if they knew what their injury rate was. Mr. Kidd said that they have a slide that they will cover. He said that their rate is down 52; the

problem is the magnitude of injuries is up. They went from 86 to 52 claims, but two of them were fairly serious, so the actual dollar figures are up.

Mayor Wilson asked if they were working with insurance agencies. Mr. Kidd said that they are; they are doing more training with Sherri on board. He said that the departments are doing good with total numbers, but medicals have gone up a lot.

Mr. Woodfill briefly reviewed the Debt Service Fund. Councilwoman Suttles asked what kind of shape they were in if they go out to bond. Mr. Woodfill said that they are in good shape. He said that the bond market has had a rough year, especially looking at bankruptcy of significant bond insurers, which means those rates are going up. He said that an advantage in Prescott is from the Council and Manager's foresight in getting a better bond rating, which will allow them to go into the market without insurance and take advantage of the AA rating. He said that as far as capacity, they have just over \$100 million.

Mr. Woodfill said that general obligation debt requires a vote of the people. He said that primary tax is set by State Statute. Mayor Wilson asked how much they could raise. Mr. Woodfill said that they could raise \$50,000 to \$70,000 but they didn't raise it this year. He said that it is a very complicated tax law.

A brief break was taken between 10:50 a.m. and 11:06 a.m.

Police Chief Randy Oaks gave an update re police crime statistics. He said that Part 1 Crimes (homicide, rape, robbery, aggravated assault, burglary) are down 26% since 2005. He said that Part 2 Crimes (simple assault, narcotics, forgery/fraud, vandalism) are down 11% overall, although DUI's are up 17.59%. He said that it is sometimes difficult to compare with other cities because they don't all report the same way that Prescott does.

He then reviewed a spreadsheet of past years' activities. He said that there is no time in the last 17 years when the number of serious crimes has been lower than 2007 for Part 1 crimes.

Discussion was held on the crime decline in New York City. Chief Oaks noted that most departments have adopted some form of community policing.

Chief Oaks said that Lt. Morley received a call from a national publication wanting to know why Prescott has one of the highest crime rates for forgery and fraud. He said that they discussed that in Prescott they take a crime report from a citizen, regardless of where the crime happened, which is different than other communities.

Chief Oaks said that they have tried to determine why the sharp decline in crime numbers. He said that it could be the increased visibility of the black and white cars, additional officers/patrol, increased morale and camaraderie, new modern

equipment, technology, Honor Guard, Chaplain, progressive leadership, but he really doesn't know. He said that he would like to think it is all of those things; it could be cyclical, but usually when the economy is bad, crime is up.

Chief Oaks then reviewed what they are doing to continue the downward trend: increasing crime data capability; more quickly identifying crime series and trends, making all officers aware of what crime is occurring in Prescott, not just on their beat, implementing Crime Reduction Strategy program.

Councilman Roecker noted that in the Dexter School area the Chief held people having the crimes accountable for their part of what would happen. Chief Oaks noted that when there is crime in the neighborhood those people often know who belongs there; they have a big role to play.

Mayor Wilson asked if they have gotten into predictive strategy with the computer world. Chief Oaks said that they have not gotten there yet. Right now they are looking at what type of data they are going to bring to the meetings. The next step would be to refine that and predict when and where it is going to happen.

Chief Oaks said that they are also using their Special Enforcement Unit, formed in January of 2008, whose mission is to address crime issues that patrol does not have time or resources to address. He said that they have had an enforcement focus on Whiskey Row, Dexter/Grove neighborhood, City Parks. Mr. Norwood said that he has gotten criticism for having so many officers in the downtown area, that it is killing their business. He said that he had another business criticize the City for their DUI enforcement.

Chief Oaks then reviewed the productivity of the unit since January: 57 arrests; 45 citations; 31 written warnings; 2 search warrants; 5 vehicle impounds; 30+ K-9 stops with 10 arrests and issues at the skate park, Granite Creek Park, Acker and Willow Creek Park.

Mayor Wilson asked if they have considered putting cameras on the parks for surveillance. Chief Oaks said that they have talked about it and consulted with Legal, but as with the garage, there is some concern about placing a camera because there is a public assumption that it is protection because it is being monitored, which is not the case. He said that they do have an ordinance that allows them to do a trespass and they can keep someone out of a park for one year; if they come back, they can be arrested.

Discussion then turned to photo radar. Mr. Norwood said that it is not in the proposed budget, but they could add it if the Council wished to do so. Lt. Morley of the Special Enforcement Unit, then gave a presentation re photo radar.

Lt. Morley said that they have researched information from Scottsdale and Prescott Valley they have both seen a decrease in noninjury, injury and fatalities. Mayor Wilson asked if they can isolate the collision decrease to red light or speed. Chief Oaks said that he didn't know of a way to do that statistically. Lt. Morley then reviewed collision studies performed by their unit on one day in Prescott.

Chief Oaks said that Redflex came into Prescott and did a study of their own, and felt that there wasn't enough business to make it profitable, so the Department did their own study of intersections.

After review of their study results, he noted that options available for consideration would be red light cameras, red light cameras with speed on green, fixed speed – mounted anywhere, speed vans.

Lt. Morley said that the cost per intersection, from just one vendor, with two-approach for red light only is \$150,000 to \$175,000 plus \$5,000 a month for maintenance. He said that a speed enforcement van is \$75,000 plus the cost of the vehicle, and \$5,000 a month for maintenance. He said that they can do cost-neutral plans where the vendor owns and maintains all equipment, paying for everything, and the City receives no revenue. He said that there are numerous lease options and can have a plan put together however they want it.

Mr. Norwood asked what staff's recommendation was based on the information they have seen. Chief Oaks said that they would like to have photo enforcement with red-light intersection control, cost neutral, and mobile speed vans.

Chief Oaks said that they would like to have one employee, paid for by the vendor, that would sign off on the violations; they want PD to look at them. He said that they would also have to cover the additional costs felt by the Court.

Councilwoman Suttles asked what type of time frame they were looking at. Chief Oaks said that if they were directed, they would draft an RFP, receiving those, analyzing to find the most responsive and giving the vendor time to install, they would be looking at probably six to eight months. He said that it would be for a set period of time and at the end of the contract they could go with a different vendor, possibly go into the business themselves, or get rid of it all.

Councilman Bell asked if Prescott Valley's system was cost neutral. Chief Oaks said that is what they have been told. Mayor Wilson said that it is pretty close, based on a conversation he has had, they make a little amount of money.

Mr. Norwood asked if another company would see the numbers as not enough to come in. Chief Oaks said that was possible; Redflex was not impressed with what they saw. He said that he would anticipate that any vendor that would bid

would do their own survey to see what the profitability was; they are not in the business to lose money.

Councilman Lamerson asked if, based on their information, they have any anticipated costs benefit relationship of what it would cost in man hours of adequate bodies to do the same job that the equipment could do. Chief Oaks said that they probably could; they could also look at the number of crashes.

Councilman Lamerson asked, with the cost of running the department, what the reason was for going with cost neutral. Chief Oaks said that the basic answer is because he is pretty conservative; cost neutral protects the City from costs. He said that what happens is that when people get used to red light enforcement or vans, they start committing less violations. At some point, while that may be a hot site, there is a point where it will no longer produce a profit and it is were structured differently, they would have to pay someone to move it. He said that he doesn't care where the money is going as long as it is cost neutral and achieving the goal.

Councilman Bell asked, assuming the system was in place, if the traffic officers tend to get lax in their enforcement. Chief Oaks said that his expectations would be that their volumes not be reduced; they would go to other locations and those are locations that are not being serviced today.

Councilman Roecker said that he struggles with this issue. He said that there are many other factors—lighting a cigarette, eating a sandwich, talking on the cell phone. Once the picture is taken, none of that is taken into consideration. He said that he would want them to collect as much money as possible and then have an education element to address the behavior that causes it. He said that he does not like the fact that there is no personal contact with the officer. Chief Oaks said that what bothers him is that they are happening every day and not being taken care of. Councilman Roecker said that there is no effort to change behavior. Chief Oak said that he believes it does change behavior.

Councilman Roecker said that he would support it if they can get return from the money for an educational component. Councilman Lamerson said that he agrees that they lose the human element, but the first ticket they get begins their educational process.

Mr. Norwood said that they could include an educational element in the RFP. Chief Oaks said that if that was the will of the Council, they could negotiate that as part of the contract.

Mayor Wilson said that to him the red light enforcement is a “no brainer”; they are talking about life and death. He would need some good statistics to convince him on the speeding, but he likes the idea of vans over fixed locations. Councilman Lamerson said that he agreed on the mobile units for speeding

enforcement. Councilwoman Lopas said that she agreed with the mobile units. Councilwoman Suttles said that she would like to see the vendors and associated costs.

Chief Oaks clarified that they would prepare an RFP for red light, vans, or a combination of the two, and speed on green. Council agreed.

A lunch break was held between 12:16 p.m. and 1:00 p.m.

After lunch discussion began on the General Fund capital. It was noted that Youth Count was reduced from \$27,500 to \$20,000 for the coming year. Mayor Wilson asked why they fund that versus everything else. Ms. Hadley replied that in the late 1990's they began this organization, funded through all of the municipalities to address the needs of youth, such as how to get a job, teenage pregnancy prevention, etc. She said that this allowed them to address more issues for less money. Mayor Wilson said there are hundreds of other organizations. Ms. Hadley said that Prescott has funded it for ten years. It could be eliminated; however they would be the only city in Yavapai County to not fund it.

Mr. Norwood said that it was reduced this year and if the Council would like, they could let them know that it is slowly going to be eliminated. Ms. Hadley noted that the largest amount of students they help are from Prescott. She said that they can't do the work themselves without more staff.

Councilman Lamerson said that he is thinking along the same lines as the Mayor, with there being hundreds of private sector organizations to help youth. He asked how they pick and choose one over the others. Ms. Hadley said that the idea at the time was that each of the communities was looking to hire their own position to address their needs, so they all got together and now fund one position between them. Councilwoman Lopas said that it is a 501(c)(3) organization, and they receive money from the Fannie Mae Foundation, Heritage Fund and Americorp Foundation.

Councilman Lamerson asked if it was the role of City government to fund this type of thing. Councilman Roecker asked if the Police Chief had any thoughts on the issue. Chief Oaks said that he is aware of them mostly through their involvement with the MAT Force; he is not aware of all the programs they do. Ms. Hadley said that they interface with Parks and Recreation as well.

Councilman Luzius said that he is involved with Youth Count and MAT Force and he thinks that the \$20,000 is money well spent on the community's youth. Councilwoman Lopas noted that if they did away with this contribution, the City would have to pick it up some other way. She said that they are the City's future and asked why they would not want to contribute.

Mayor Wilson asked what Prescott Valley and Chino Valley were doing this year. Ms. Hadley said that Prescott Valley and the Tribe are both funding it, at reduced amounts; she was not sure about Chino Valley but could find out.

Councilwoman Suttles asked if they were holding to this amount or coming back to it later. Mayor Wilson said that he thought they would leave it. Councilman Lamerson said that after hearing the explanation and from Councilman Luzius and Councilwoman Lopas, he did not have a problem with it. Councilwoman Suttles suggested that they put them on notice that it may be even less next year. Councilman Luzius said that he was okay with that.

Mr. Woodfill said that the next item was carryover for Prescott Creeks' match. Mr. Norwood said that they received requests of over \$100,000 from Prescott Creeks that are unfunded. He did not recommend putting any of that in, but they can if the Council chose to.

Mr. Woodfill then reviewed the Finance/Information Technology request, which is new technology to replace the current system at a total price of \$490,000. He said that half is related to utility billing. He said that the carryover of the document imaging system is an evolving program and it will take a few more years to fully integrate.

Mr. Woodfill said that the next line item is to get the Business License Program up and running for the first year. Mayor Wilson asked if it was revenue neutral. Ms. Bristol said that it depends on the amount of participation, since they don't know how many businesses they actually have. She said that there may be other factors they are not aware of right now, but that is the goal.

Mayor Wilson asked if the Chamber of Commerce has taken a position on the issue. Ms. Bristol said that they have not, but they sent out a survey and with less than 2% response, they had 8 in favor and 16 opposed. She said that their take was that since there was such a low return rate, it was not much of an issue in the community.

Councilman Lamerson asked if it was the intent to propose a license for doing business on everyone that does business, or just a select group. Ms. Bristol said that the goal is to capture everyone doing business with a physical location. She said that whether or not the Council wants to capture those without physical locations would be a policy decision of the Council. Councilman Lamerson asked if that would include those in the arts, medical, legal fields and the internet. Ms. Bristol said that it would, other than she didn't believe they could charge for those doing business on the internet. He asked about home occupations and Ms. Bristol replied that they would be included.

Councilman Lamerson said that he wants to make sure that when it is presented that the public knows what the intent is; the Chamber probably did not elaborate in their article. Ms. Bristol said that they did, and actually had a suggested cost, which at that time was about \$45 annually, and they mentioned that it would include lawyers, doctors, etc.

Mayor Wilson said that his daughter does web sites and she is in favor of this.

Councilwoman Suttles said that they have discussed this at the last two Enterprise Zone meetings and also at the Mayors Advisory Committee on Economic Development. Ms. Bristol added that Focused Future II noted that in order to monitor business availability they would require some type of license or registration.

Councilwoman Lopas asked how many communities do not use business licenses. Ms. Bristol handed out a sheet that provided information on other communities of similar size throughout the State.

Councilman Lamerson said that he did not want to sound like he was opposed to a license; he does want to ensure that everyone is treated equally.

Councilman Roecker asked if the purpose is to find out who is in town. Ms. Bristol said that from her standpoint, it is to get a clear picture of the types of businesses and services that they have.

Ms. Bristol was asked what they would do if they didn't pay. Ms. Bristol said that law firms and medical offices would depend on whether there is a contract involved or if each lawyer/doctor had their own business. She said that there is precedence on how that is done throughout the State. She said that what they do if they don't pay would be a decision of the Council. She said that if they get past this discussion and generate an ordinance, that maybe one thing is that there would be a penalty, or they may determine that an 85-90% compliance would be adequate for their needs.

Councilman Roecker asked if they would have to hire anyone to do this program. Mr. Woodfill said that they would need additional clerical help. He said that there are probably 10,000 annual licenses, and with changes and renewals, they couldn't do it with existing staff; they would need to hire an additional clerk.

Mayor Wilson said that in other cities they used a "carrot and stick" approach in terms of a penalty. Ms. Bristol said that part of the proposal is that if a business voluntarily signed up by a certain period, they would get the set up fee or the entire first year fee paid for. She said that they would propose to start the program on July 1 of this year for existing businesses, with a 120 day grace period and a marketing campaign to get voluntary compliance. They could then

start charging the full setup and annual fee on November 1. She said that it can be set up any way the Council would like to do it.

Councilman Luzius asked what the set up fee included. Mr. Bristol said that it covers the cost of having materials, mailings, postage, computer stations. Mr. Woodfill added that the initial fee would include the processing of the initial application which would run through Community Development for zoning approvals, Fire Department for inspection services, etc. Councilman Luzius said that he thinks it is important to have something like that. He said that Ms. Bristol has been asked for data from people interested in coming into the area and she is not able to give them any figures.

Councilman Bell said that he is in favor of this and the Chamber Board is in favor for the reasons Ms. Bristol stated. Mayor Wilson said that he was in favor as well. He asked if anyone had heartburn. Councilman Roecker said that he would probably vote no. Councilwoman Lopas said that she thinks it is needed. Councilman Lamerson said that he had no problem as long as it is done equitably. Councilwoman Suttles asked if this would be brought to the Council for action. Ms. Bristol said that staff would bring it to Council.

Councilman Lamerson asked what the \$30,000 for Open Space Management was used for. Councilwoman Lopas said that it covered major maintenance and the Open Space Steward. Ms. Horton said that the largest percentage goes for the Community Nature Center. Councilman Lamerson said that he thought that was a good use of \$30,000. He asked if any came out of the bed tax. Mr. Norwood said that for the last several years they have carried it in the General Fund. Mr. Woodfill noted that last year it was \$35,000. It was suggested that it be moved to be paid out of the bed tax. Councilman Roecker said that they should not only move it, but increase it.

Councilwoman Suttles said that they have talked about this before of splitting open space from streets. She asked if it wouldn't be a real positive for open space to have their own money, funding, maintenance, etc. She asked if that would require that it go back to the voters. Mayor Wilson said that the Council put restrictions on how it could be used, which will expire in December 2015. He said that they need to look at that and bring it back to the voters with $\frac{3}{4}$ going to roads and $\frac{1}{4}$ for open space, to include maintenance. Councilwoman Lopas said that the Open Space Committee would like that. Mayor Wilson said that he didn't know about timing. All agreed to move this to the bed tax.

Discussion was then held on the Meals on Wheels amount. Mr. Norwood said that this year Meals on Wheels sent a request to Council for more than \$50,000 and he told Mr. Marsten that this was not the year for asking, but would put in \$10,000. He said that it is up to the Council as to whether they want to add or delete that amount.

Councilwoman Suttles said that they have a brand new building. She said that she knows these are hard times, but they need to stand on their own.

Mayor Wilson said that they were discussing a similar issue with Youth Count. He said that Meals on Wheels focuses on seniors, and homebounds, and he feels an obligation. He said that he didn't think that \$10,000 was a big hit, and they should support it.

Councilman Roecker asked what other cities do. Mr. Norwood said that most support it, and it is often part of the City, through an adult center. Councilman Roecker asked who paid for utilities. Mr. Norwood said that Meals on Wheels pay their utilities. He said that the City gives the Adult Center \$80,000 a year that they can use any way they want. Previously, he said, they had a City-funded employee that worked there.

Councilwoman Luzius said that he is the liaison to the Meals on Wheels Board and they are hurting and trying to help themselves. He said that they were at the point of closing their doors and came up with the car raffle. He said that he had told the Board that he would try to get them \$20,000, but the \$10,000 is better than nothing.

Councilman Lamerson said that Meals on Wheels is for the homebounds, and asked Councilman Luzius if he had any idea how much they gave them last year. Mr. Norwood said that this past year the amount was \$5,000.

Councilman Bell said that their intention is not to walk away from the homebound. They charge a minimal amount, but as he remembered the place they were having trouble was providing meals at the Adult Center. He said that the cost is like \$5 and they only ask for a donation; some don't donate at all. He said that their operation could be streamlined and there should be a mandatory payment. Councilman Luzius said that he would discuss that issue with the Board.

Mayor Wilson said that he would be in favor of \$20,000 this year, but with no guarantee for future years, and asking them to take responsibility for addressing the issue of people not paying. Councilwoman Suttles said that she was okay. After further discussion Mr. Norwood said that he would include \$20,000 for Meals on Wheels.

Brief discussion was held on the neighborhood cleanups. Mr. Norwood said that they used to provide them twice a year, in the spring and fall, but this year they are eliminating the fall cleanup. He said that they have done so many cleanups through Code Enforcement, that it has minimized their need for twice a year.

Councilman Lamerson said that they have put all of their bed tax toward advertising for tourism, but not everyone comes here for shopping and perhaps they should use it for other things, such as the requests regarding the creeks. Mr. Norwood said that most of these projects are not City projects; they have come forward from Prescott Creeks.

Mayor Wilson asked if any of the Prescott Creeks projects were eligible for ADEQ grants. Mr. Woodfill said that Prescott Creeks tries to find grants. Councilman Roecker said that the reason they are asking us is because they can't. Councilwoman Lopas said that this allows them to apply for the grant. She noted that Prescott Creek manages 120 acres of City land.

Discussion was held on the MDTs for Fire. Chief Willis said that they are similar to what the Police Department uses. Mayor Wilson asked if there was any opportunity for grants for these. Chief Oaks said that he has not been able to find any because it is old technology; most departments already have them.

Brief discussion was held on the Unfunded General Fund Capital Outlays. Mr. Woodfill said that the e-mail archiving software is something the City does not do right now. They only keep e-mail backup for recovery. Mr. Kidd said that they have to print off all of the departments' e-mails, anything that is substantial. He said that they need to treat e-mail as any other type of record. Mr. Woodfill said that the trouble with an e-mail archive is that 90% of e-mail is junk and not a public record.

Going back to Prescott Creeks, Councilman Luzius asked what the final outcome was. Mayor Wilson said that he didn't think anything; they are looking at \$100,000 the City doesn't have.

Mr. Woodfill then reviewed the General Fund Five-Year CIP. Councilman Roecker asked about the sprinkler system at the Elks Opera House. Mr. Fenech said that when the road was improved in front of the building they improved the line so that when the funding is available from the Foundation, there is an adequate line to the building. He said that the historic people are okay with that; they understand that it is an expensive item. Councilman Luzius asked what the Fire Department had to say about it.

Mr. Willis said that there is a safety issue, but from a practical standpoint if they put it in now, they will have to spend additional money to redesign the improvements. Mayor Wilson said that these improvements are also being considered by the Prescott Capital Needs Committee.

Councilman Luzius said that they are using it more and more, and encouraging people to use it and he is concerned with how long they have to wait for those improvements.

Councilman Roecker said that at one point the attorneys that owned the building were going to cooperate at 50/50 with the City. He said that he was told that if there was a fire, it would be engulfed in ten minutes. It is a very important issue and he hopes they address it soon.

Mr. Fenech asked Council if they would like him to explore it further with the building owners. Councilman Luzius said that he has already been contacted by one of the owners to see if the City is interested in buying the entire building. Mr. Kidd said that staff is recommending a sale and partial donation.

Discussion then turned to Governmental Capital Fund. Mayor Wilson asked if the amount for the Airport would come out if they got a grant, and Councilman Luzius asked how it affected Prescott Valley's contribution. Ms. Bristol said that they have marketing and subsidy, and it doesn't get paid until they determine if there is a subsidy; they have to account for the whole year. Mr. Woodfill said that they show their subsidy as a revenue, but the whole appropriation has to be in the budget document.

Mr. Norwood said that the Community Center AV/Security is a 50/50 arrangement, although they wanted the City to pay the entire amount.

Mayor Wilson asked if the City Hall HVAC included the roof too. Mr. Woodfill said that the roof repair is later in the budget.

Mr. Woodfill noted that the balance in this fund is zero, plus the reserve for the interfund loan to the Golf Course. There is no more cash in this fund until projects fall off the list.

Mr. Woodfill said that this is the fund that matches the airport grants. They have \$478,111 in there, but there is not the \$3.5 million for the terminal grant. Mayor Wilson asked if they could take money out of the \$5 million for the conference center. Mr. Woodfill said that this fund has no money until the account receives revenues. Councilwoman Suttles asked if they could push back the golf course. Mr. Woodfill said that they are in the whole of \$1.2 million; they have to reserve that cash.

Councilman Luzius said that the golf course money will be paid back over time based on their current plan. Mr. Fenech said that the debt service drops off at 2.5 to 3 years, so in three to four years it will be paid off.

Councilman Lamerson asked what the deadline was for the conference center. Mr. Woodfill said that it was five years from three weeks ago. Mr. Kidd said that there are different timelines they have to meet. He said that the payoff of the \$5 million is at completion of the project.

Councilman Luzius asked if they could get a rundown on the conference center. Mr. Norwood said that he would do that.

Mr. Willis then gave a PowerPoint presentation on the Public Safety Communications upgrade project, attached hereto as Exhibit B.

Discussion then turned to Impact Fees. Mr. Woodfill said that they have talked a lot about this. He said that part of Mr. Willis's project is being funded by impact fees. They also have an impact fee study that is in there for a few reasons. He said that it has been several years since their last study and there have been a lot of new state laws. He said that Mr. Kidd is currently in litigation over impact fees.

A break was taken between 2:18 p.m. and 2:32 p.m.

3.4.* Updates on:

a. One Cent Sales Tax

Mr. Woodfill said that this tax is about to expire and they need to look at the remainder of the term and the ability for the City to use it. He said that HURF funds are insufficient for maintenance operations, and infrastructure has outpaced HURF; they have had to augment it with 1% tax.

Mr. Nietupski then gave an overview of the One Cent Sales Tax, Exhibit B attached hereto and made a part hereof.

Mayor Wilson said that the City is on the hook for Side Road, Sundog Connector and Ruger Road. Councilman Lamerson said that they don't have to take away the flexibility of the road tax; they have to find a ways to do these things. He said that they have a revenue source—the 1% sales tax. They don't have to put money in the open space fund; once they do, they cannot take it out. He suggested that they don't put money in the open space fund until they get these things completed. He said that they need to fix the roads. He is not saying that he doesn't want to buy open space, but they need to fix the roads first.

Mayor Wilson said that they couldn't fix the problem with \$6 million, when they have a \$24 million deficit. Councilman Lamerson said that he agreed with that, but it would solve 25% of it.

Mr. Kidd said that the voters approved an allocation of up to \$47 million. They went to court and the judge issued an opinion that the Council has total discretion on where to spend the money. In the original materials used it was contemplated that some years' money would be used for roads and other years it would be used for open space.

Mayor Wilson said that he is comfortable with that case, but he also read the original proposition that the City put out advertising. He said that people try to ignore it, but they have a moral and legal commitment.

Councilman Luzius said that they should take the open space money and put it in a separate interest-bearing account, and use the interest for maintenance.

Councilman Roecker said that at this point they have not done anything that the voters didn't ask them to do. They have had open space acquisitions, the committee has made recommendations and they move forward.

Mayor Wilson said that they have a significant backlog coming forward. In the downturn of the economy people have been trying to donate open space or selling it at reduced prices. He said that taking \$6 million out of the budget is not viable. Councilwoman Lopas said that if they took the money away the land would be gone from the one major landowner they have been talking with.

Councilman Roecker said that they should leave the money in there. If they take it out, they won't get it back. The taxpayers asked them to do what they have been doing; they should continue doing that.

Mr. Norwood asked what the number would be for debt service if they financed the \$24 million deficit. Mr. Woodfill said that they have made contact with people in that industry. There would be certificates of participation available, not bonds, but it would be about 4 to 4.5% for 5-6 years, or around \$4 million in debt service.

Councilman Roecker asked, if and when open space becomes available, if it could be bonded for. Mr. Woodfill said that could be done as well. He noted that they cannot overspend the revenue stream.

Mayor Wilson said that he would like to see the analysis done on both—open space and roads, to get their hands around some of these, to see beyond the extension of the 1%. He said that they need to look at a comprehensive approach rather than piecemeal. Councilman Luzius said that four or five years ago the Open Space Alliance was advocating bonding for many purchases.

Councilman Roecker said that some of those acquisitions were not available at that time and it didn't make sense to bond and then sit on the money. Councilman Luzius said that Growing Smarter money was

available then and they could have gotten a 50/50 match to purchase, but they have lost that leverage.

Further discussion was held on bonding and the need for further analysis. Mr. Woodfill said that he would make it more formal and include open space.

Mayor Wilson said that they have not talked about the TIME Coalition's referendum. If that goes on the ballot they will have to consider that for 30 years, so they need to think of what and when they place items on the ballot. Mr. Woodfill noted that the sales tax extension can be on any election's ballot.

Mr. Norwood said that if they are obligated to be under construction by next June on the Side Road Interchange, they need to show it has a debt issue. Mr. Nietupski said that they have to show either that or a revenue source. He said that there is no way they won't have to borrow money in 2010.

Mr. Norwood asked if it was okay to go ahead in June of 2009 and sign a contract for \$18 million even though they don't have it budgeted. Mr. Woodfill said that they have it on capital plan that has been adopted. Mr. Norwood asked if they were okay for this next fiscal year as proposed.

Councilwoman Suttles asked if they wouldn't need to decide that this year for the November election. Mr. Norwood said that they talked about going with a general obligation bond for public safety and other projects in November 2008 and wait until March 2009 for the 1% extension. Councilwoman Suttles asked what they do if it gets voted down. Mayor Wilson said that they wouldn't have a lot of options. Mr. Woodfill said that they would have to do a loan.

Councilman Bell asked how much would be available for open space if the 1% extension passed at ¼% going to open space. Mr. Woodfill said that it would generate between \$3.5 million and \$4 million a year.

Further discussion was held on future needs. Mr. McConnell said that they have made it clear and will reemphasize that the existing funding sources will not fund the major infrastructure with the major annexations; that is a whole new issue. Mayor Wilson asked when that would come forward. Mr. McConnell said that they will start discussions during the first part of calendar year 2009.

Councilman Roecker said that he does not ever see them spending as much money for open space as they are talking. Councilwoman Lopas said that it will mostly be during the next two to three years; after that the

land will get too expensive. Mayor Wilson said that they have a moral obligation to the voters. Councilman Roecker said that he agreed they had a moral obligation, but the \$40.7 million was a number thrown out. Councilman Lamerson asked if they didn't also have a moral and legal obligation to make sure their roads are safe.

Councilman Bell asked how much has been spent to date on open space. Mr. Woodfill said that including this year it was around \$9 million to \$10 million. Councilman Luzius said that \$1 million of that went toward the rodeo grounds. Councilwoman Suttles said that was a good investment.

Mr. Nietupski said that the issue is that with the revenue decline, Iron Springs and Copper Basin have depleted their funds, especially with the cost of fuel. He said that one lane mile for Iron Springs Road was \$3.03 million and Copper Basin is \$2.15 million.

Further discussion was held on the streets projects. Mayor Wilson asked how it would be impacted if they extended the 1% for 30 years. Mr. Nietupski said that like any other program, if they can maintain a positive number, they can whittle away at the projects. Having that revenue stream for a longer time is going to be a benefit; it is the lifeblood.

Councilman Lamerson said that if they are projecting \$100 million worth of expenses, they won't get anything new other than what has been included. Mr. Nietupski said that they would have the continued ability to do projects. Councilman Lamerson asked about the mass annexations. Mr. Nietupski said that number did not include annexations.

Mr. McConnell said that if there is a funding source, whether it is 3% or whatever, the shift is being made to setting priorities to keep roads in good repair and not letting it get out of hand. If they stay the course, it won't fall apart.

Councilman Lamerson said that they have areas of town that have been waiting for years for drainage problems to be fixed, but they keep getting put on the back burner. He said that it is like they are trying to plug the dike. Mr. Nietupski said that if there is a continual commitment to the rehab programs the overall quality will be improved and they will gain on it. When they spend money on preservation and maintenance, they extend the pavement life.

Councilman Lamerson asked if it is job specific when they borrow. Mr. Woodfill said that it was not on the ballot, but it was in the publicity. There was an A list and B list, which is the same thing they are talking about doing now. He said that all of the things on the A list were completed.

Mayor Wilson asked if it would be possible to create an improvement district in the downtown area for drainage and reconstruction. Mr. Woodfill said that legally they could, but probably not politically.

Councilman Roecker asked about using the Municipal Property Corporation. Mr. Woodfill said that debt is debt; the question is how they repay it. It does not matter; they still need a repayment source; the MPC is just a mechanism, like WIFA.

Mayor Wilson asked if drainage is ADEQ related. Mr. Woodill said that they could possibly get a grant, but they are very competitive.

Mr. Woodfill then reviewed the proposed Transient Lodging Tax for 2009, noting that earlier in the meeting they moved \$30,000.00 from here, so it is now down to \$60,090.

Mr. Norwood said that they recently had a Father/Son Tournament at the golf course which consisted of 500 people coming in, with their families, and half of them were from outside the area. He said that they have over 200 tournaments a year.

Mayor Wilson asked about the \$28,000.00 electrical for the rodeo grounds. Mr. Fenech said that is an estimate of the cost for an electrical study to determine what is needed to fix it, and he would strongly encourage such a study.

Mr. Woodfill said that the fireworks will be a big draw this year. Mr. Fenech noted that the revenue brought in for this event offsets the total expense for the Fourth of July.

Councilwoman Suttles asked if the cost of bringing out the fire trucks was included in the amount shown. Mr. Norwood said that comes out of their respective budget; both for police and fire. He said that other departments have overtime as well, such as streets and sanitation. He said that the \$20,000 doesn't get near covering their costs for downtown.

Councilwoman Suttles asked if anyone else had concerns with the fireworks this year. Councilman Lamerson said that it seems crazy to spend money on fireworks, but that is one of the things they do. Councilwoman Lopas said that the revenue coming in over the weekend is big; that is icing on the cake. Mayor Wilson said that it celebrates the founding of the country.

Councilman Lamerson said that he did not understand the furniture for the Grille and money coming out of this fund. Mr. Fenech said that 50% of

most of the tournaments that come in have patio events. They have about seven tables left and they are ten years old and in terrible condition. He said that they bring a significant amount of tournament funds. He said that they got a bid from Biddle's and they gave them a 30-40% discount through their manufacturers.

Councilman Bell said that Flagstaff cancelled their fireworks due to the fires. He noted that the smallest item on the list was \$5,000 for marketing the Elks; his group alone spends \$40,000. Councilman Roecker said that \$17,000 for the fireworks isn't that much. Councilwoman Lopas said that Flagstaff will come down to the Prescott, and they should market it to them.

Councilman Roecker asked about the Support for the Arts. Mr. Norwood said that this is what is done through the Prescott Area Arts and Humanities Council. He said that when this went before the voters, it included a condition that a small percentage would go to the arts, rodeo, marketing, and courthouse lighting. He said that it does not obligate them to spend that much; it is a not to exceed amount. Councilman Luzius asked if it goes into next year's amount if there is anything left over. Mr. Woodfill said that was correct.

Councilman Lamerson asked what they would do if something comes up throughout the year that they deem is appropriate for funding from this. Mr. Woodfill said that he would put in \$60,090 contingency.

Mr. Woodfill said that the water and wastewater information in the budget book is out of the capital plan. He said that if the rates proposed are adopted, it is in the funding plan. It does require them to issue debt, but repayment of the debt is included in the funding plan.

Councilman Lamerson asked if they were obligated in 2010 to fund \$1.4 million for the Big Chino Water Ranch. Mr. Woodfill said that this is an appropriation for five years. This is not a promise to spend; it is available if they decide to move forward. They would have to come to Council for actual contracts, purchases, etc. This would be a not to exceed amount. He said that if they get the letter and the Council wants to proceed, they could not do so without this being appropriated.

Mr. McConnell noted that in the budget book on page 117, it identifies what is being budgeted for the current fiscal year. He said that in 2009 it is the easement and right-of-way acquisition which Council has authorized. In 2010, it is the completion of that phase; it is not hard construction money to build the pipeline. That won't occur, per Council direction, until they have the letter from ADWR.

Councilman Luzius asked if the project listed on page 46, Prescott Canyon, was part of the \$5 million incentive to Lowe's, the tank they have not installed. Mr. Woodfill said that it is for that whole region. While Lowe's is in that region, it is also for U-Haul, Prescott Canyon Estates. Councilman Luzius asked if there is anywhere in the book that tells them how much has been spent on Lowe's. Mr. Woodfill said that the spending would be in the old budget book, but he could put together a report on what has been spent on Lowe's.

Mayor Wilson said, in terms of Councilman Lamerson's comments on the Big Chino Water Ranch, they are not just waiting for the ADWR, but they also have to get through the issue of litigation, and they won't see him voting until that is satisfied.

Councilman Lamerson asked if they are tying up money on that project. Mr. Woodfill said that monies would come through bonds; they don't issue bonds until they are in the construction phase.

Councilman Roecker asked Mayor Wilson if he thought they would get a letter saying they won't sue. Mayor Wilson said that they cannot bond with any threat of litigation. In the official statement, they have to say if there is a pending litigation, so it is incumbent to remove the threat of litigation. Mr. Woodfill said that was true with a threat of significant litigation. Mayor Wilson said that he is not worried about the Center for Biological Diversity; he is worried about SRP.

Mr. McConnell then gave a presentation, Exhibit _____ attached hereto and made a part hereof, noting that the objective was to refresh their memory on how they go about dealing with large projects. He said that a lot of attention is given to new needs versus existing needs.

Mr. McConnell said that the impact fees are very complex. They can have an existing subdivision with vacant lots and when those lots are developed, they are charged an impact fee. He said that they have to do this very carefully; with the new laws the cards are being stacked against cities.

He said that the sewer model does not have all of the existing system deficiencies, but as they have a break in the line, they examine it and put that information into the database. He said that the rehab projects have a lot of innovative ways to get in without ripping up the streets.

He said that the impact fee study will come before the public during July 2008, but the study does not include funding of extensive annexation areas. He said that the City, along with the property owners of those

areas, will need to consider alternative funding options, such as community facilities districts.

Mayor Wilson said that the water model did not include new annexations; he assumed it would be updated. Mr. McConnell said that it would.

Mr. Woodfill quickly reviewed the smaller capital items. Mr. Vardiman was asked about the need for fingerprinting at the airport. He said that with the new requirements, everyone working at the airport will require fingerprinting and logistically it is better for them to be there. He added that it would be 100% eligible for grant funding.

Councilwoman Suttles asked what they will do if no one replaces Mesa Airlines. Mr. Vardiman said that someone will be picked up for Mesa through the US Department of Transportation; how quickly is uncertain, but money is available for a new one.

Councilman Roecker asked if there will be a lapse in service. Mr. Vardiman said that there would be. Mayor Wilson noted that the service is terminating on May 31, and the RFP does not close until June 3. Mr. Vardiman said that they are hoping to have service back by the end of June. Councilwoman Suttles asked if it could be Great Lakes. Mr. Vardiman said it was a possibility, but he did not know if they would bid.

Mr. Woodfill said that if the Council wishes to have staff budget for bond issues that the Capital Needs Committee may bring forward, they can add those in the tentative budget and remove later if necessary. It was suggested that they all be put in. Mayor Wilson noted that the Council makes the final decision, and if they don't have an allocation, they can't do anything.

Mr. Woodfill, in summary, said that operations were down almost 6%; overall the budget was down 2.1%. He then reviewed the schedule for the rest of the process:

06/10	Adoption of Tentative Budget
	Publishing of Tentative Budget
06/24	Public Hearing and Final Adoption
07/15	Adopt Tax Levy

b. Regional Communications Center

Discussed earlier.

- c. Crime Statistics
Discussed earlier.
- d. Annexations.

Mr. McConnell briefly reviewed the proposed annexation areas: Cavan, Deep Well, State Land, Stringfield Ranch, expansion of Park West area, Storm Ranch North.

In reference to the transportation system around Pioneer Parkway and SR89, he said that they have a rural route that they are trying to make work as an urban system. He said that even with the improvements that are being made in that area, CYMPO shows deficiencies in that area.

He said that they will be looking at all of the areas transparently, sharing information with the major property owners so there won't be any surprises, including the issue of water. If there is no Big Chino water, there will be no annexation.

He said that some may question why they even discuss this at this time when they don't know the outcome of the water. He said that the City does have alternate water, which equates to 4,800 houses. He said to talk about the property north of the airport being developed, there would be enough water.

He said that no one has the upper hand in terms of major property owners. The water is available through the City Council authorization and they are going to treat State Land, Cavan, etc. all the same; it will ultimately be up to the Council.

He said that there has been some discussion with the Deep Well property owners about potential annexation of the "triangle" area between Willow Creek Road, Pioneer Parkway and SR89. He said that the land use has already been assigned, but they have other business interest they may bring in. Staff has told them that they will support them and discuss it, but they have to make sure that whatever is done is consistent with the infrastructure planning. He said that those discussions have been successful and productive.

Mayor Wilson said that this presentation is the first that many people have seen in terms of smart growth. He said that he has been furnishing the Council members updates to their discussions and he feels they are going in the right direction. It is tenuous territory, but they have a lot more information than they have had in the past.

4.5.* Adjournment.

There being no further discussion to take place, the Budget Workshop of May 22, 2008, adjourned at 4:34 p.m.

JACK D. WILSON, Mayor

Elizabeth A. Burke, City Clerk

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
PRESCOTT, ARIZONA
JUNE 10, 2008

A REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, JUNE 10, 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:** Pastor Bobbie Root, Unitarian

Mayor Wilson explained that Pastor Root was not able to attend the meeting, so they had invited "Sharlot Hall" to give the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilwoman Lopas

Councilwoman Lopas led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL:**

PRESENT:

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

ABSENT:

Councilman Lamerson
Councilwoman Suttles

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

Mr. Norwood reported that last weekend they hosted the Father/Son tournament at the Golf Course, with nearly 500 golfers, 171 of them staying in rooms.

He reminded everyone that there would be a workshop at 1:00 p.m. with the Prescott Capital Needs Committee. This will not provide for public comment, although they are welcome to attend.

Mayor Wilson reported that he had just received an e-mail that Great Lakes has been award the contract.

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

A. Sherry Hager re water line on West Aubrey Street

Ms. Hager, 350 W. Aubrey Street, said that the hillside near her home is the location of a proposed water line. This location is within the scenic vista of the area and the installation of a wide trench will uproot large trees and shrubs and potentially damage landscaping and harm homes. She built her home in an area between the forested areas, so they were not disturbed. She paid the City permits, water impact fees and was required to pay for a new sewer pipeline. She was never told that such a new line would be constructed the following year next to her property.

She said that she with the upcoming monsoon season, she had to have several berms constructed to divert the water runoff from her property and road below. She thanked Jim Ciaffoni, Tim Birkeen and Greg Berry for their visits to her home and her neighbors to discuss concerns. Staff told them of ways to keep destruction of vegetation to a minimum. They suggested that perhaps the truck could be parked below and using a backhoe for the work. They thought that the bridge on the neighbor's property could be saved.

She requested that all boulders on the site be relocated to the construction area and native shrubs be placed on the scar. She has been assured that her newly-installed expensive fencing and trees and shrubs will be preserved at her residence. She's also been assured that the construction work would be cautiously approached to keep the area intact.

She hopes that the Mayor and Council would approve of the recommendations on this project. She thanked the Council for their open communication.

II. PROCLAMATIONS

A. Sharlot Hall Museum 80th Anniversary

Councilman Luzius read the proclamation on the Sharlot Hall Museum's 80th Anniversary and presented it to "Sharlot Hall."

III. PRESENTATIONS

- A. Judge Markham & Rolf Eckel re the impact of photo radar on the court system.

Judge Markham gave a brief presentation on the impact on the court if photo radar was initiated. After background information was presented, he said that the court would request the following items if they went forward with photo radar: early inclusion in the RFP process to provide input for issues affecting the court; minimum of four new court clerks, including one senior court clerk; satellite location for new staff including necessary operational infrastructure; and vendor to be responsible for entering the information in computer data format to be docketed automatically and develop seamless system integration.

IV. CONSENT AGENDA

Councilman Luzius asked for clarification on the issue regarding the crosswalk. He asked what they were voting on. Mr. Nietupski said that after last week's discussion, the applicant met with the Transportation Coordinating Committee, so the motion would be for the applicant to continue working with the City.

COUNCILMAN LUZIUS MOVED TO APPROVE THE CONSENT AGENDA ITEMS IV-A THROUGH IV-L; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.

- A. Approval of grant recipients in the amount of \$35,000.00 as recommended by the Prescott Area Arts and Humanities Council.
- B. Approval of Resolutions for submission to the League of Arizona Cities and Towns' Resolutions Committee for the 2009 Legislative Session.
- C. Adoption of Ordinance No. 4654-0856 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the sale of miscellaneous surplus property and authorizing the Administrative Services Director to execute any and all documents to effectuate said sales.
- D. Response to Petitions filed on May 13, 2008 re the installation of a pedestrian-activated stop light at the corner of West Gurley and Summit streets.
- E. Approval of Amendment One to the contract with Weber Group, L.C. for emergency well repairs, with no adjustment for compensation above \$240,000.00 previously approved by Council for a three-year contract (\$80,000 per year).

- F. Adoption of Ordinance No. 4655-0857 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the zoning map pertaining to that certain property located at the southwest corner of State Highway 89 and Prescott Lakes Parkway described as Parcel Numbers: Portions of 105-09-295A and 105-09-005C, from “Single-Family 9 (PAD)” and “Multi-Family Medium” to “Business General”; and a portion of Parcel Number 105-04-003D, from “Business General” to “Single-Family 9 (PAD).”
- G. Adoption of Resolution No. 3894-0862 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into a Memorandum of Understanding (MOU), with the Northern Arizona Council of Governments (NACOG) Economic Workforce Development, providing for the administration of the voucher transit program for Fiscal Year 2009, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- H. Authorization to purchase insurance policies for FY09 totaling \$479,166.00 (\$308,701.00 to AIG; \$45,548.00 to Midwest Employer’s Casualty; \$124,917.00 to Traveler’s Indemnity Co.).
- I. Award of Banking Services Contract to Wells Fargo.
- J. Adoption of Resolution No. 3892-0860 - A Resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving the transfer of unencumbered appropriations from the Capital Improvement Fund to the Self-Insurance Fund.
- K. Adopt Resolution No. 3893-0861 - A Resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, adopting a tentative budget, adopting the estimated amounts required to meet the public expenses for the City of Prescott for the Fiscal Year 2008-2009, authorizing and directing publication of statements and schedules of the tentative budget, together with notice of hearing on said budget and notice of date of final adoption of said budget, and notice of date of establishment of the expenditure limitation, and notice of the date for fixing a tax levy.
- L. Approval of the Minutes of the Prescott City Council Study Session of May 20, 2008.

V. REGULAR AGENDA

- A. Response to Petitions filed on May 13, 2008 re immigration issues in Prescott.

Mayor Wilson asked what the third part of the motion meant. Mayor Wilson reported that they had a meeting down in Phoenix with ICE and some of their legislators, and ICE said that their policy was remaining the same, that their focus is on training detention officers, but the City's policy would remain the same in that if ICE training did become available, they would take advantage of it. The second one had to do with a resolution that was sent to the League asking for comprehensive immigration reform at the Federal level. Mr. Kidd said that the third item on the petition was asking that the safety and common good of all citizens be addressed and that is what had been included in the motion.

Mayor Wilson said that last week they concluded that the police direction was proper so it would be that the police department continue to place its efforts on the common good of all citizens.

MAYOR WILSON MOVED TO (1) CONTINUE EFFORTS TOWARD I.C.E. TRAINING; 2) SUPPORT RESOLUTION TO IMPLEMENT GUEST WORKER PROGRAM; AND 3) CONTINUE THE CURRENT POLICE DEPARTMENT POLICY THAT APPLIES STANDARDS CITYWIDE (NO CHANGE); SECONDED BY COUNCILMAN LUZIUS; PASSED 4-1 WITH COUNCILMAN ROECKER CASTING THE DISSENTING VOTE.

- B. Request to accept two grants with the Federal Aviation Administration (FAA).

Mr. Vardiman said that the City has the opportunity to receive two grants coming from the FAA. The first grant is for purchase of electronic fingerprinting equipment, in line with the upgrade security efforts at the airport. The second grant is for the City to conduct an Environmental Assessment for three upcoming projects to include the land purchase for the main runway extension, the actual runway extension and the new terminal facility.

COUNCILMAN BELL MOVED TO ACCEPT TWO GRANTS WITH THE FEDERAL AVIATION ADMINISTRATION (FAA); SECONDED BY COUNCILWOMAN LOPAS; PASSED UNANIMOUSLY.

- C. Notice of Public Hearing (June 10) and consideration of a liquor license application submitted by Harold Anderson, Agent for Gas Plus, for a Series 10, Beer & Wine Store, license for Gas Plus located at 421 East Sheldon Street.

Ms. Burke said that this is a new liquor license application at an existing location, due to a change in ownership. She said that the property has been posted and they have received no public comments. The applicant had been requested to attend the meeting, should the Council have any questions. The applicant was not present.

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

COUNCILMAN ROECKER MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION SUBMITTED BY HAROLD ANDERSON, AGENT FOR GAS PLUS PRESCOTT, LLC, FOR A SERIES 10, BEER & WINE STORE, LICENSE FOR GAS PLUS LOCATED AT 421 E. SHELDON STREET; SECONDED BY COUNCILWOMAN LOPAS; PASSED 4-1 WITH COUNCILMAN LUZIUS CASTING THE DISSENTING VOTE.

A brief recess was taken between 3:35 p.m. and 3:40 p.m. at which time the City Council recessed into Executive Session.

- D. Recess into Executive Session

V. EXECUTIVE SESSION

- A. Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. 38-431.03(A)(4).

1. Mallie Brogdon v. City of Prescott .

VI. ADJOURNMENT

The Prescott City Council recessed back into Regular Session at 4:03 p.m. at which the Regular Session was adjourned.

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 10th day of June, 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