

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, FEBRUARY 24, 2009
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL held on TUESDAY, FEBRUARY 24, 2009 in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

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

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Chaplain Larry Gotfredson, Prescott Police Department.

Chaplain Gotfredson gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Mayor Wilson

Mayor Wilson 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
Councilwoman Suttles

ABSENT:

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

City Manager Steve Norwood reported that the City had lost two members of its extended family. Rick Severson, Airport Manager who had retired a little over a year ago had passed away over the weekend, at the age of 60. Also, Former Fire Battalion Chief Brad Malm had a massive heart attack over the weekend, and this afternoon they took him off of life support. He asked that their families be kept in the thoughts and prayers of everyone.

Mayor Wilson then read a letter received from Honorary Consul from El Salvador, Enrique Melendez, addressed the Mayor, Council members and City Manager on behalf of Foreign Minister Marisol Argueta de Barillas and the

Salvadoran government thanking them for the friendship and courtesies extended during their recent visit, with special thanks to Councilman Jim Lamerson for his outstanding work and professionalism in supporting the country of El Salvador.

I. PUBLIC COMMENT

A. Lettie Irons Connell re Wreaths for Prescott National Cemetery.

Lettie Irons Connell said that she was a member of the American Legion Riders, Verde Valley, and a Veterans Service Officer headquartered at Post 25 Cottonwood. She said that she was there to ask for a donation, either as a group or individually, for wreaths to be placed at the Prescott National Cemetery. She said that December 13, 2008 was the fifth year of ceremonies at the Prescott National Cemetery where they placed wreaths at a few of the graves. The ceremony was attended by over 100 people, including Mayor Wilson and active duty military members.

She said that there are two National Veteran Cemeteries in Arizona, one in Phoenix and the other in Prescott. She said that there are over 4,000 buried in Prescott. She said that the ceremony was done in unison with those held at Arlington Cemetery where they place over 320,000 wreaths. She said that the wreaths at Arlington are donated by the Werchester Company of Maine. They also donate seven wreaths to all 350 National Cemeteries throughout the country, which represents each branch of the military.

Ms. Connell said that with the help of Jan Benson, they are asking for a donation so that on December 12, 2009, they will have a wreath for all 4,000+ graves at the Prescott National Cemetery. She said that one wreath is \$15; a family group of 4 is \$60; etc., but any amount of donation will help them see their dream.

Ms. Connell said that Wreaths Across America uses the money to educate children around the country about their history and why they honor the Veterans. They also give back a portion of the funds to those who are doing the fundraising to help their charity. The one she chose as an American Legion Rider is the Legacy Scholarship through the American Legion. They raise funds annually to ensure that a college education will be there for those children of the armed forces who served in Iraq, Afghanistan, and the war on terror that have died protecting their rights.

She said that they have 14 scholarships out at this time across the country. Last year they raised over \$500,000. She said that the fund is set up so that when children reach college age they will become eligible. The VA does pay for college; however, there is always more needed for books

and larger expenses. They are a nonprofit organization so donations are tax deductible. For more information, they can visit www.waa4pnc.com or 928.567.5012.

Councilwoman Suttles said that she thought it was an extremely good project and thanked her for coming. She challenged the Council to step up and do something to get it started.

Mayor Wilson suggested that perhaps Access 13 could put the number on the screen.

B. Carol Friedman of Yavapai Symphony Guild re Music Memory Concert.

Ms. Friedman said that the Yavapai Symphony Guild was in its 33rd season. She said that they were the Prescott Symphony Guild for many years and changed their name when they realized that they were educating all of the children in third, fourth and fifth grades in all of Yavapai County.

She said that they used to take 1,000 at a time to the Yavapai County Performance Hall to hear a 20-minute concert. She said that last year they had 3,500 kids and room for 3,000 so they went to Tim's Toyota Center and the Prescott Pops said that they were on board as well. She said that this year they have received RSVP's for 4,380 so it is getting even bigger. She said that the kids come from Baghdad and Cottonwood, Camp Verde and this year the Prescott Unified School District called to say that they are participating 100% this year.

Ms. Friedman said that she was before the Council to invite them to the event, noting that Tim's Toyota Center is opening Sky Boxes for the VIP's. She then showed pictures of last year's event.

C. Frank Creelman re issues relating to the Prescott Police Department.

Frank Creelman said that he was over at court on August 22, 2008, and he saw Chief Oaks and wondered what he was doing. He sat in on the case before Judge Markham which involved a woman who had been given a ticket for not having current tags on her vehicle. She explained that her husband was in the military, fighting in Iraq, and that they do not have to do anything with titles, registration, etc. while her husband is fighting for their country. He said that Judge Markham said that he did not have the authority to dismiss the case, and that is wrong. He said that it was then given to the Chief and he said nothing. She was convicted of a \$280 fine. He said that his personal opinion is that anyone that would do something like that is a disgrace to the uniform, let alone be the Chief of Police.

Mr. Creelman said that his recommendation to Council would be that they send him back there, clean up the record, and have him submit a letter of apology. He said that the community should start looking for a new Police Chief to lead the people.

He said that his second issue is with the amount of parades held in town and the need to be detoured around the downtown. He said that he got in a tremendous traffic jam and called to ask where the police were. He said that they need to have one person to stop Sheldon when they get a few people coming across.

Mr. Creelman, 172 East Sheldon, C122, said that he is working on a Masters Degree in Disaster Recovery Management. When there is a snow storm they need to stop the semis on I-17 at Cordes Junction and say they are not allowed in until the storm clears up, and at I-40 they could stop them at Ted's Bullpen. He said that he saw a 10,000 gallon tanker driving on four inches of packed ice going westbound on Montezuma going up over Monkey Hill, with no chains. He called in and Officer Cook came out and said he could not give them a ticket for driving that speed on ice. He said that he told him that he should not lie, as he is a Certified Lifetime Driver (inaudible) in the State of Michigan and it is called "driving excessive speed on adverse conditions" and they can give people tickets for it. He said that it is wrong when the Police Department does not deal with these things. There are tons of accidents because people do not respect the driving conditions. They just need one radar car driving back and forth on Montezuma to give a bunch of tickets. He said that he was from Michigan where he lived for 50 years, and the people in Arizona do not have a clue. He asked that Chief Oaks and Officer Cook come to the next meeting and explain why they cannot write a ticket.

II. PRESENTATIONS

A. Introduction of new businesses.

Robert Coombs of the Prescott Chamber of Commerce introduced three new businesses, each of whom presented information on their business:

▶ StarStruck Event Planning, www.starstruckevents.com 928.445.0012

▶ Indian Air Heating and A/C, 8933 E. Laredo Drive, 928.772.8890
www.indianair.net.

▶ Sonora Quest, 980 Willow Creek Road, Suite 203, 928.445.5261

B. Presentation by the Prescott Area Arts & Humanities Council on 2008 grants and the economic impact of the Arts.

Deb Thurston, 330 S. Alarcon, President of the Prescott Area Arts & Humanities Council gave some background information on their organization. She said that they are membership driven and rely solely on memberships and fundraising for funding. She said that they have a new website for the purpose of promoting the arts in Prescott, at prescottarts.org.

She said that they also had a goal to expand the annual studio tour, and they did that by including the performing arts, museums and major art organizations. She said that it totally took off, and created a wonderful economic impact on local business.

They have decided to expand programming, and one example is the Annual Meeting (March 12, 2009, at 5:30 p.m. at The Phippen Museum) where Rio Flamenco will be performing. She said that it is free to members and free to Council members, and they would like to have them show up and have fun with them.

Another goal is to educate the community regarding the economic impact of the Arts in Prescott. She then introduced Sherry Friedman, one of their Board members and Executive Director of the Fine Arts Association. She said that this past year they changed the process for final reporting and required specific questions to be answered and economic data to be collected. She said that they need to find out actual impact from funds provided by City.

They had nine organizations that received funding over the past year. Those organizations spent over \$2.4 million in the community to present the programs they did. Out of that they earned income (ticket sales, memberships, sales of art work) \$2.2 million and using the funds received from the City of Prescott, they were able to leverage another \$2.4 million to bring in additional funds. Out of it \$.8 million came from within the state but outside of Prescott itself.

Out of that there were over 111,000 volunteer hours, over 1500 volunteers giving time. According to independent sector who does research on the value of volunteer hours, currently as of 2007 figures they were valued at \$19.51/hour. The same figure for Arizona itself is just over \$18.50/hour. It is a huge value; the value of volunteer hours given by the community equaled over \$2.2 million.

Those organizations, over a 12 month period, also serviced over 137,000 individuals. Out of that almost 45% actually came from outside of the state of Arizona and another 18.5% came from outside of Yavapai County. For the funds given by the City to bring in tourism, she thought they were doing it, with over 64,000 people coming into the area.

Councilwoman Suttles said that the City helps PAAHC through the bed tax, and depending on what is received from that tax, that determines what they received. She asked if consideration had been given to the upcoming year with the economy the way it is. Ms. Friedman said that the bed tax collected is what is distributed the following year, so they know what they are working with before it is distributed.

Ms. Friedman said that through the process the number of applications for the current round increased from 11 to 17. She said that they know they had more funds this year, and that next year it will probably be less.

C. Update by representatives of the Elks Opera House Foundation.

John Olson, 14 Brookside, and representing the Elks Opera House Foundation, said that he was there to give the semi-annual report for the Foundation. He said that the generous gift of \$1 million from the Harold James Foundation has made it possible for them to see the completion of the renovation of the Elks Opera House.

Mr. Olson said that they have been working under the Memorandum of Understanding, which they need to look at again at some point. He said that they are proceeding with the restoration of the interior of the theater. There are some changes to the façade being made outside, removing the rock face and exposing the original granite columns, making a grand entrance.

He said that interviews are scheduled with contractors in the prospect of commencing the restoration of the House, with closing of the house the first of July being right on schedule. A new Committee, the Elks Opera House Guild, has been organized and with the event committee produced and evening of celebration for the 1004th anniversary.

Mr. Olson said that with the economy the way it is they think they should get some reasonable bids and they also have chairs to sell. He said that they will be back in the fall. One of the things they are planning in the fall is a “hard hat” party, which should be a fun time.

Mayor Wilson said that they have broken out a piece of the stone on the façade and can see the granite columns behind. He said that it is spectacular and allows someone to see what it will look like at the end.

Mr. Olson thanked the Council for sticking with them, noting that if they had not they probably would not have made it this long. Additionally, he thanked Elisabeth Ruffner for keeping everyone going on the project.

D. Presentation on the 2008 Comprehensive Annual Financial Report (CAFR).

Mr. Woodfill said that per City Charter and Arizona Revised Statutes they are required every year to put out a financial report. He said that it has to be an audited financial report, and he gave each of the Council members a copy and it was also available on the City's website, in the City Clerk's Office and also at the Library.

He then introduced Jill Shaw of the auditing firm Heinfeld Meech who gave an overview of the report.

Ms. Shaw thanked Mr. Woodfill, Mr. Kellogg and the entire Finance Department staff for their assistance with the audit. She said that the City received an unqualified auditor's opinion from the firm, which basically is a "clean" opinion. Also, in a separate report they issued, the Single Audit Reporting Package, they noted no significant deficiencies or material weaknesses over internal controls and financial reporting or over the Federal compliance areas that they are required to look at. She then gave a brief overview of the financial report.

Mr. Norwood said that they go through the budget process each year, which is when they say what they are going to do. The CAFR is what they actually did, and it is done by an independent audit firm. He said that the City is in great financial shape, spending less than what was budgeted.

E. Presentation on Debt Financing and Market Update.

Mr. Woodfill introduced Shawn Dralle, the City's financial advisor, with RBC Capital Markets.

Shawn Dralle said that she had prepared a booklet on what is going on in the bond market currently, as well as an update on where the City stands. She then gave a PowerPoint presentation, attached hereto as Exhibit A, which addressed the following:

- ▶ Traditional Debt Options
- ▶ Credit Ratings
- ▶ Financial Market Update
- ▶ Demise of Bond Insurance Market
- ▶ Widening of Credit Spreads

- ▶ Structural Change
- ▶ Debt Profile
- ▶ Sales Tax Rate Comparisons
- ▶ Property Tax Rates
- ▶ Legal Debt Limit
- ▶ Water System Example Capacity
- ▶ Excise (Sales) Tax Example Capacity

III. CONSENT AGENDA

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

COUNCILMAN ROECKER MOVED TO APPROVE THE CONSENT ITEMS III-A THROUGH III-F; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.

- A. Approve an expenditure of \$58,355.53 to Arizona Emergency Products, for emergency vehicle equipment builds.
- B. Approve a Management Agreement with Prescott Downtown Partnership.
- C. Adopt Resolution No. 3936-0942 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving a Sewer Service Reimbursement Agreement between Linda Johnson and the City of Prescott, and authorizing the Mayor and staff to take any and all steps deemed necessary to accomplish the above.
- D. Award a contract with Thatcher Company of Arizona for the purchase of gas chlorine in 2000 pound cylinders at \$850.00 each, 100 or 150 pound cylinders at \$1.13 per pound; and granulated calcium hypochlorite in 100 pound containers at \$174.00 each for wastewater treatment and collections.
- E. Award a bid to Balar Equipment Corporation, Phoenix Arizona for the purchase of two solids dewatering boxes in the amount of \$80,280.08 for wastewater treatment.

- F. Approve the Minutes of the Prescott City Council Workshop of February 3, 2009, the Study Session of February 3, 2009, the Workshop of February 10, 2009, and the Regular Voting Meeting of February 10, 2009.

IV. REGULAR AGENDA

- A. Appointment of members to the Advisory & Appeals Board.

COUNCILMAN LUZIUS MOVED TO ACCEPT THE COUNCIL APPOINTMENT COMMITTEE'S RECOMMENDATION TO APPOINT DAVID KRAMER (ELECTRICAL) AND GENE NELSON (PLUMBING) TO THE ADVISORY & APPEALS BOARD, TERMS TO EXPIRE 02/2011, AND APPOINT MARC FORMAN (MECHANICAL), TO THE ADVISORY & APPEALS BOARD, TERM TO EXPIRE 03/2011; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.

Mayor Wilson invited those being appointed forward, and introduced Mr. Kramer and Mr. Nelson, thanking them for their willingness to serve the community.

- B. Approval of an agreement with Prescott Community Access Channel.

Mr. Norwood said that two versions had been presented for consideration, in response to the prior request of Council. One provided a flat amount of \$82,000 per year and the other was 25% of franchise revenues, up to a cap of \$82,000 per year.

Mayor Wilson said that in paragraph 2A of one version it talked about payments no later than the 10th of the following month, but he did not see that in the other version, and asked if that was a slip up.

Councilwoman Suttles asked who wrote the contract. Mr. Kidd said that he wrote the original contract and since then it was revised several times, but the revised versions were done by his department. Councilman Luzius drew attention to pages three and four of both versions, noting that he had requested some time ago that they include the Board of Adjustment meetings in the text to be taped. Mr. Kidd apologized for that oversight.

Councilwoman Suttles said that it has been a labor of love trying to get the contract through for PCAC. She said that in a few months it will have been a year that they have been working on it, and she is uncomfortable. She said she has never had a good feel on it and cannot vote on it. Mayor Wilson noted that the two things they discussed would be added to both versions. Councilwoman Suttles said that they were never able to do

much negotiation; it is awkward and she would be voting no on both versions.

Councilman Lamerson asked if there would still be a cap if they tied it to 25% of the franchise revenues. It was noted that the cap was included in Version 2.

Dick Cooper, 125 S. Murphy Lane, said that the version he saw tied the funds received to purchase equipment and upgrade of the facility. Their channel cannot support that version whatsoever. Councilman Roecker said that one of the versions had no reference to the \$5,000.

Councilman Bell said that they are continuing to provide support to the channel on a monthly basis, and he would suggest that they ask Mr. Kidd to make the changes and bring it back in proper form. Mr. Kidd asked if the Council had a preference of one of the versions. Mayor Wilson said that it sounded to him that there was support for Version 2 with the changes discussed.

Paul Katan, 844 Flora Street, Board Secretary for PCAC, said that he has been on the Board for five years. As he attends the Council meetings and contract negotiations as part of the executive committee, it has been an extremely frustrating process. He said that it should have been laid to bed long ago. He said that the Council had before them Version 1, that has already been approved unanimously by the PCAC Board, and he would suggest that they consider Version 1.

Mr. Kidd said that he would make the revisions and bring back a final form to the next Voting Meeting.

- C. Approval of a Comprehensive Sign Plan for The Bradshaws located at 133 Bradshaw Drive, CC08-002.

Mr. Guice said that this had been kept off the Consent Agenda due to concerns of Councilman Luzius. Councilman Luzius said that he was not in favor of increasing the size of the signs, although he was not opposed to them having three signs.

COUNCILWOMAN LOPAS MOVED TO APPROVE A COMPREHENSIVE SIGN PLAN FOR THE BRADSHAW DRIVE, CC08-002; SECONDED BY COUNCILMAN LAMERSON; PASSED 6-1, WITH COUNCILMAN LUZIUS CASTING THE DISSENTING VOTE.

- D. Recess into Executive Session.

COUNCILMAN LAMERSON MOVED TO RECESS INTO EXECUTIVE SESSION; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.

The Prescott City Council recessed into Executive Session at 4:26 p.m.

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 contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. §38-431.03(A)(4).
1. Allen vs. City of Prescott
 2. Raber vs. City of Prescott
 3. Bennett vs. City of Prescott
 4. Big Chino Transportation Tax issue
 5. Brighton Patio Homes vs. City of Prescott
 6. Seastrand vs. City of Prescott
 7. Brogdon vs. City of Prescott
 8. Salt River Valley Water Users' Association vs. City of Prescott

VI. ADJOURNMENT

The Prescott City Council meeting of February 24, 2009, reconvened into Open Session at 6:09 p.m. at which time the meeting 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 24th day of February, 2009. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2009.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk