PRESCOTT CITY COUNCIL
STUDY SESSION
TUESDAY, MARCH 16, 2010
PRESCOTT, ARIZONA

MINUTES OF THE STUDY SESSION OF THE PRESCOTT CITY COUNCIL held on TUESDAY, MARCH 16, 2010 in the COUNCIL CHAMBERS located at CITY HALL 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

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

◆ **INTRODUCTIONS**

◆ **INVOCATION** Reverend Julia McKenna, Spiritual Architect

Reverend McKenna gave the invocation.

◆ **PLEDGE OF ALLEGIANCE** Councilwoman Lopas

Councilwoman Lopas was not in attendance. Councilwoman Suttles led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL**:

PRESENT:	ABSENT:
Mayor Kuykendall	Councilwoman Lopas (excused)
Councilman Blair	
Councilman Hanna	
Councilman Lamerson	
Councilwoman Linn	
Councilwoman Suttles	

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

City Manager Steve Norwood said that they had learned that the Local Transportation Assistance Fund had been permanently swept. The Transit Vouchers were gone and the $30,000 that was set aside to match the fund would go back into the General Fund. The Northern Arizona Council of Governments would continue with the voucher program until they were gone.

Councilwoman Suttles asked if the $30,000 could go towards the voucher program. Mr. Norwood said that they could, but it would go a lot quicker. It would

probably be gone in three months. They averaged about $10,000 per month. Councilwoman Suttles asked if that was something that they could discuss during the budget meeting. Mr. Norwood said yes and that the Staff would get them more information.

Councilwoman Suttles said that she hoped that the Council would look at that because they are shorting out those people who depend on that.

Councilman Lamerson said that they have known that the cut was coming and that it was just another illumination of how important it was for the Council to try to prioritize expenditures with the dollars they do have to work with. They should look at public safety and health issues first.

I. PRESENTATION

A. Presentation by Leslie Graser, Water Resource Specialist, re 2009 Annual Water Reports to the Arizona Department of Water Resources.

Mr. Norwood introduced Leslie Graser and noted that she had a long career at the Arizona Department of Water Resources. He was excited about what she brought to the table and had a lot of technical background in hydrology.

Ms. Graser said that they would look at the delivery and metering of water as required to be reported to the State by March 31, 2010, and presented a PowerPoint presentation which addressed the following:

- 2009 – CITY OF PRESCOTT WATER RESOURCES
- 2009 WATER PRODUCTION AND RECHARGE
- THREE – YEAR COMPARISON

Councilman Blair asked if the City was recharging at that time, because of wet weather. Ms. Graser said yes, because the surface water supplies on the Verde River were spilling in the Phoenix Metropolitan area, it had opened up their window for surface water recharge. Since February 18, 2010, they had been recharging. It was about 300 acre feet so far.

Councilman Blair asked how long they had to recharge the water. He said that based on numbers in the agreement, it was logical that they might see that number for the current year to go way up.

Ms. Graser said that they were trying to maximize it as much as possible. The standard window starts in April.

- 1,615 – RECHARGED FROM LAKES

- GROUNDWATER WITHDRAWN

Councilman Blair asked if the chart she was showing was January through January or July through July. Ms. Graser answered that it was the calendar year.

- WATER LOSS

- PEAK DEMAND

- RECLAIMED WATER

- 2009 WATER CONSERVATION PROGRAM

- 2010 WATER CONSERVATION INITIATIVES

- 2010 WATER MANAGEMENT GOALS

Councilwoman Suttles asked if Ms. Graser would do another workshop on the water management goals. Ms. Graser said that she could do that. The water management policy will be a big project that is not a one person effort.

Councilwoman Suttles said that she was anxious to see how Ms. Graser would address the exempt wells in the City of Prescott.

Councilman Lamerson noted that regarding the exempt wells; he thought that it was important to understand that the higher the user fees were, the more opportunities there were for the State to issue exempt well permits. When the cost of hook up fees exceeded the cost of drilling wells it puts the City in peril.

Councilman Blair asked that based on what he was saw, concerning the net aquifer withdrawal, if he would be correct to say that they were close to Safe Yield if they used the water from the Big Chino Water Ranch to offset the pumping.

Mr. Norwood said that they had about 3600 acre feet of HIA water on the Big Chino and there was no formula saying what the City's portion was. This was the type of information that would be used when they got to 2025. The big issue was how to regulate what was going on in the County.

Councilman Blair said that the only thing they could take care of was their business regarding Safe Yield and the aquifer. He was just interested in what Prescott was doing.

Councilman Lamerson noted that Safe Yield was a goal that was shared by entire Active Management Area (AMA) and not assigned to the City of Prescott to resolve. Until such time as the State did something down at in Phoenix with regards to monitoring and measuring the over 10,000 exempt wells which lay outside of Prescott's jurisdiction, there was no way that Prescott could claim Safe Yield. The City was putting in as much water as they are taking out.

Councilman Blair noted that Prescott was often looked at as a leader in the region. The numbers show that they are the leader in the region and doing the right thing.

Councilman Lamerson said that maybe that was why Prescott wais the only assured water supplier in the AMA.

II. DISCUSSION ITEMS

A. Adoption of Ordinance No. 4721-1018 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, superseding Ordinance No. 4665-0908 during the pending of the Legislative Moratorium or further Legislative actions; and amending Title II, Chapter 2-1, and Title III, Chapter 3-14 regarding the imposition of water and sewer development fees; and declaring an emergency.

Mr. McConnell discussed a moratorium on Impact Fees which was adopted by the State and signed into law. Impact fees are one-time charges paid by new construction to finance, in this case, water resource and the public infrastructure which is the delivery and treatment systems in the case of sewer.

The State placed a retroactive, two-year moratorium on municipalities establishing new or increasing existing impact fees after June 29, 2009. That had complicated the administration collection and the financing of infrastructure and water resource to meet new demand. The City Attorney has advised that it was law.

Key provisions of new ordinance would roll back impact fees to amounts of June 29, 2009. It also involved refunds of any amounts paid on and after 7/11/2009 exceeding the fee levels which were in effect on 6/29/09. As of March 3, 2010, the increment to be refunded was $70,651.92.

During the time all of these events were transpiring, there were provisions of the existing Council that could have resulted in a 5% increase. That was deferred. It was never done because they were anticipating the new ordinance going into effect. Staff did not recommend that any action be taken. The recommendation was to roll back to the fees in the ordinance of July 11, 2009.

Councilwoman Suttles asked if the fees would go back to the builder. Mr. McConnell said that they would to back to the permit applicant. Councilwoman Suttles asked if they cared or if they were involved with getting the fees back to the homeowner.

Mr. McConnell said that it sounded like a legal question to him. He believed that the staff perspective was that the City entered into an agreement with a permit applicant. Any agreement and/or distribution to those were between those other parties.

Mr. Kidd noted that the only privities of contract were the permit applicant. If the City went anywhere past that, they would be getting involved with the applicants private contracts.

Councilwoman Suttles noted that the memo stated; since the two year impact fee moratorium would be through June 29, 1011 the assurance of the City building permit would create new demand on the water and/or waste water systems of the City and could be used as having a financial impact. She asked where that impact would be.

Mr. McConnell answered that the City of Prescott had a Capital Improvement Program. The impact fees were set in accordance with State Law reflecting what that program was. With the moratorium the City did not have the ability to fully recover the costs of providing that water or sewer service to that new permit applicant. There were a few options.

The simplest is that they go through an annual budget process every year and they will have to delete some projects. With the economy the way it was and with building permits down, they will have to defer some projects. They would have to adjust the capital program so the expense was not incurred, which would be recovered by the impact fees, which were frozen. He noted that it would not have a major impact. If they were doing 600-700 building permits and they needed to get out there in front of the activity with very expensive capital projects, it would be a serious concern. But if they are doing 50 building permits, the effect would be diminished.

Councilwoman Suttles said that this moratorium affects everyone.

Councilman Hanna wanted to confirm that a 1" meter would be put in for a sprinkler, but the charge would be for a 5/8" meter. Mr. McConnell said that he was correct. He believed it to be an addition to the ordinance adopted in October 2008, to recognize the situation where there was the Urban Wild Land Interface Zone. Some houses were required to have sprinklers. The only reason they were required to have a 1" meter was to serve the sprinkler system which would not be used on a day to day basis. The provision was put in there to eliminate the penalty of living in that area.

Councilman Hanna noticed further down that the subsection would not apply to a residence of 5,000 square feet or more. He noted that the City had an ordinance that if there was a residence that was 5,000 square feet or more, it had to be sprinklered. He asked if they would be paying for the 1" line. Mr. McConnell said that was correct. That was a separate and prior discussion to adoption of the ordinance.

Councilman Hanna said that he had a conversation with Mr. Norwood; the contractors felt that they were being punished because they were making them put sprinkler systems in. It sounded like that might be going away, so it might eliminate some of the headaches.

Mr. Norwood noted that some of the changes would be seen in April. They were looking at things to eliminate or moratorium certain codes that were not critical for life safety. They may have been hindering builders and putting unnecessary costs on them.

Councilman Lamerson said that it looked like they could change the ordinances, and put moratoriums at various, different levels of government. It did not mean that it was permanent. It meant that it could change in two years when the moratorium went away.

Mr. McConnell said that change was inevitable; the City was just waiting to see what the next change from the legislature would be. Councilman Lamerson said that he thought it was fair to tell the people from the construction industry not to hold their breath.

Mayor Kuykendall asked if the City would absorb the difference in cost on the 5/8" meters. Mr. McConnell answered that those applicants who received a building permit on or after July 11, 2009 paid $4,594 for the resource fee for the 5/8" x ¾" meter. If they had their plans drawn up but came in when this was effective, they would pay $450 more if the ordinance was approved.

Sandy Griffis, Yavapai County Contractors Association, thanked the City for their willingness to go along with the moratorium. She noted that their

industry had suffered during the economic dip. She asked that the refund letter to the contractor be copied to the owner to add another level of transparency. They could not afford any issues or questions with the refund.

Regarding the adjusted rate for inflation that was to take place July 1, 2010, it was her understanding, in talking with the State, that the moratorium meant no increases. A cost of living index was considered an increase. She thought that it was critical that they review that issue and make sure they were not overstepping a boundary in any way.

If the index does increase, she would be concerned about the State statute that said that it had to be adjusted on a nationally recognized index. The statute had two sections F and C. F said that it was a nationally recognized index which had to be a public notice within 30 days. It then referred the reader to section C that said that the municipality would give 60 days advance notice of intent to assess the new or modified fee. The methodology had to be identified and calculated. This had not happened in the past and she would like to make sure that it would be processed in the proper manner from now on.

Mr. McConnell said that the impact fees which were established by current ordinance did meet all of the tests of the law. He believes that they do not agree on that particular point. His recollection was that the statue does allow a cost of living increase. Mr. Kidd agreed and said that it references the national standard guidelines. If they have to go through a new fee process and do an adjustment then they will with public notice.

Ms. Griffis noted that with all due respect, she did not agree and that she wanted to make sure that it was investigated and researched.

Councilman Lamerson said that it was not meant to be disparaging, but there was a difference between literally and figuratively. He noted that at some point in time the construction industry was not unhappy with what had taken place. His point was that it could go away as quickly as it showed up.

Ms. Griffis said that they agreed with his point. They were there to support whatever happened. They were not flag waving.

Councilman Hanna said that he was afraid that they might be opening the door to create more problems for the City, between the homeowner and contractor if they sent the letter to the homeowner, as Ms. Griffis requested.

Ms. Griffis said that she would find it embarrassing that a contractor would not want to refund those fees to the homeowner.

Mr. Luzius, Prescott, said that he would hate to see that the Council thought that they were more intelligent than the fire department was. The fire department made the rules concerning distance from hydrants for public safety. Now the Council was looking to have some of those taken away. They were putting the firefighters in peril. The reason that the 150' stipulation was put in was because it took much longer to lay out a line and carry the hose in. It was for public safety. It was not a revenue source.

The other thing they had not considered was that if the buy-in fees were not enough to cover the cost for new development, he asked, who would pay that cost; it would be the taxpayers. They would be supporting the homebuilders. When the homes were sold that were built with impact fees, the impact fees were subtracted out and were not charged sales tax. He asked what happened to the sales tax that was not charged due to the impact fees.

Mr. Woodfill said that it was true that impact fees were deductible when figuring sales tax on a home. If they would get a refund it would affect the deduction. He would get an answer as to how a contractor should deal with that before it was voted on next week.

Mayor Kuykendall said that if the impact fees were greater than what they really would be, there may have been a greater deduction and the homeowner would owe money. Mr. Woodfill said that they would have to pay sales tax from part of the refund.

Mayor Kuykendall asked if it would be acceptable if they had to write a check. Mr. Luzius said that would be fine, it was logical. Mayor Kuykendall said that perhaps they should lessen the amount of the refund by the amount of the sales tax.

Councilman Hanna said that he understood that they were not charged a tax on the impact fee. Mr. Woodfill said that there were a couple of deductions available to contracting. One of them was the 35% deduction, another was impact fees and another was the cost of the lot. It was an option that they could have taken it as a deduction. They would include instructions in the refund letters to the contractors, so that it would be clear to them what they needed to do.

Councilman Hanna said that he did not understand if they were talking about sales tax. Contractors only pay sales tax on 65% on the total bid of the house. Whatever they buy for use in that house, they would pay sales tax on.

Mr. Woodfill said that there was a deduction for 35% of the cost of the contracting and also a deduction for impact fees.

B. Award bid to Digital Payment Technologies for three (with an option for four) Kiosks in an amount not to exceed $75,000.00.

Ms. Horton said that they had an existing $2 parking fee at Goldwater, Willow and Watson Lakes. The collection of the fee had been done on the honor system, which has been deficient.

She would like to purchase machines that, upon payment, would dispense a receipt to be placed on the dash of the vehicles. The park ranger volunteer would check the date and enforce compliance.

The three employees who are currently working at the booths are funded by the American Association of Retired Persons, and are employed for a year. They would also hand out brochures and do customer service.

The bid came in under budget. If the Council would like to purchase a fourth machine, it would be put in at the Peavine Trail on Sundog Road, with the funds going to maintenance and improvement of the Peavine Trail. These were not monies that were currently going into the General Fund so it would not cost the City anything. She said that Mr. Dave Meredith was there to answer any questions concerning the machines.

Councilwoman Suttles asked how the machines would be set up. Ms. Horton said that they would use telephone lines, which were cheaper than cellular. They would have to reroute one at Willow Lake.

She also asked what the manufacturers warranty was for the unit. Ms. Horton said that the machines would come with a one year warranty. Additional years could be purchase for $1000 per year for up to 5 years. The Council may want to spend the additional allotted money on the extended warranties.

Councilwoman Suttles said that she asked about the warranty because this was the first time into that territory. The company was charging the City over $3,000 to come up and train on two different dates. If there was a problem with the machines, she wondered how it would be taken care of.

Mr. Meredith said that they had 6,000 machines installed in the United States. They train the local people so that they will know how to service machines. They are plug and play modular devices. 99% of the time they

will be able to manage that with technical people on line. They could also bring someone in, which is usually covered under the warranty.

Councilwoman Suttles thought that they should look into the extended warranty. She asked what type of protection they had for the machine, so that a driver would not run into it.

Ms. Horton said that they would place bollards around the machine to protect it. If someone hit it, an alarm would go off and it dispatched a phone call to who ever they determine.

Councilwoman Suttles asked what percent Visa and Master Card would charge the City. Ms. Horton said that she did not have an exact number, but the City could raise the fees to cover the percentage. Mr. Woodfill said that the fees varied, depending on their contract and type of activity. It was generally about 1.2% to 1.4%

Councilwoman Suttles asked if the Side Road entrance to the Peavine would become a more popular entrance so they would not have to pay. Ms. Horton said that it would be very possible since there was more than one entrance to that trail.

Councilwoman Suttles said that she liked the plan but thought that they might get some questions from the public. She would like it pulled from the Consent Agenda so that they could talk about it.

Councilman Lamerson asked if the three lake fees already existed. Ms. Horton said yes. Councilman Lamerson thought that they could charge more for the use of a credit card.

Councilman Blair asked if they had discussed an annual parking fee. Ms. Horton said yes. They do have an annual pass in place now. It was currently $40 per year and a bargain for frequent users. They may need to adjust that.

Councilwoman Linn said that it would be helpful to have a second car discount as the Prescott National Forest does. She supported the annual pass.

Ms. Horton said that they may also design a free day like the National Forest does.

Mr. Meredith said that regarding graffiti they had a paint process they used to help whoever removed the graffiti.

Councilman Blair asked how she decided what the fees should be. Ms. Horton said that she usually runs everything by the Board, but did not do it for this because the fees already existed. If they wanted to raise the price for credit cards, she would run that by them.

B. Consideration of recommendations by the Council subcommittee on changes to the Board/Commission selection procedure.

Ms. Burke noted that there were three volunteers for the committee. Councilwoman Linn served as Chairman, Councilman Hanna and Councilman Lamerson also served.

The committee recommended that all Standing Committee terms be two years, not staggered. Members would be appointed in March on even numbered years. The Chairman and Vice Chairman would be selected by the Council. On the Transportation Coordinating Committee the subcommittee was recommending that the staff person not be a voting member and also that a member from the prior bicycle committee represent the group in the Transportation Committee.

Councilwoman Suttles asked if the staff member voted on the Transportation Coordinating Committee. Ms. Burke said yes. The resolution that established that committee assigned the Public Works Director or his designee.

Councilwoman Suttles asked if that was the only committee that did that. Councilwoman Linn said yes, formerly it was. They now thought that staff should be on the committee, but not a voting member.

Councilman Blair asked if the Transportation Committee would be reporting to Council differently. Ms. Burke said that it had been discussed but not added.

Mr. Norwood said that they were doing it administratively. They would send a memo before any type of traffic control change. Councilman Blair said that he would like to see it at Council. He did not want to see any more roads closed.

Mr. Norwood asked if he wanted to see it if a stop sign needed to be installed. Councilman Blair said anything that affected moveability in the community. If they talked about putting a stop walk in the middle of Gurley Street, the citizens had a right to have the Council oversee those things.

Councilman Lamerson said that the committees were recommending bodies that bring things to the Council. It did not mean that that the Council had to vote yes on them.

Councilwoman Suttles asked if the Council would be selecting the Chairman and Vice Chairman for the Planning and Zoning Commission. Councilman Linn said that their ad hoc committee recommended that it would be like that for any of the committees where another process was not recommended by statute.

Councilman Lamerson said that the Boards and Commissions were a reflection of the Council. It sounded logical that the Chairman be appointed by the Council.

Ms. Burke noted that the committee recommended that during the interim period, all members reapply for their respective committees. They have also recommended that certain external organizations that have had City representation in the past, be eliminated.

Councilwoman Suttles said that it looked like they had pulled out Arizona Transportation Association. She asked what they did. Councilwoman Linn said that there was not a track record and that they were just cleaning up a lot of things.

Councilwoman Suttles asked Councilwoman Linn to go through the list and explain how those groups were eliminated. Councilwoman Linn said that their committee would have liked to eliminate more than three. They just did not know what the committees did that they eliminated. She said that there would be a Water Issues Committee that should recommend who should be overseeing the other water committees.

They did eliminate Prescott Area Council of Tourism. They felt that Northern Arizona Council of Governments was extremely important, The Northern Arizona Municipal Water Users Association was important, the Hospital Board of Electors only met twice a year and did not require much time, the Access Channel was important, Downtown Partnership was important and the Regional Association of Governments was important.

Mayor Kuykendall said that in the past, many of the committees had been appointed by the Mayor. He said that all of them had been elected by the same people and he felt that it was important that the Council be involved in every detail that the Mayor was involved with. He had not been involved in the process, but would support whatever recommendations were made.

Councilwoman Suttles asked if they would send out notifications to everyone to let them know that they had to reapply. Ms. Burke said yes.

Councilman Hanna said that they needed to reapply so that their information could be updated with the City.

Councilwoman Linn said that they revised the application to include email and cell phone numbers and also asked why they wanted to be on the board or commission.

Councilwoman Suttles said that it gave the Boards and Commissions that were still standing a lot more credibility. She thanked them for the time that they had spent on the committee.

Councilman Lamerson thanked Councilwoman Linn and said that she did a good job of stewardship. He also thanked Ms. Burke for her leadership of the process. He said that the community had the freedom to change the quorum on the Council. The quorum is reflected in their committees. It stands to reason that they should run concurrently with the Council.

Councilwoman Linn thanked Ms. Burke for doing a great job. She said that they were also able to work with Mr. Kidd to look at some of the committees that were regulated by State and Federal statute. It forced them to be sure that they were in compliance. They probably will not have to do it for awhile. She thanked the committees for their patience. They wanted to do it right the first time.

Ms. Burke said that she and Mr. Kidd would put a resolution together that explains everything decided on. Within the next few months, they would get the resolutions and ordinances together for each of the boards and commissions and brought back to Council.

It would be on the Regular Agenda with the adoption of a resolution.

D. Consideration of an agreement with Prescott Area Arts and Humanities Council for an amount up to $30,000.00.

Ms. Bristol said that Prescott Area Arts and Humanities Council had gone through a process of reviewing applications from the arts community for funding from the Bed Tax Fund. There was a specific process they used to determine the appropriate level of funding.

Ms. Ruffner noted that the entire notebook was available in Jane Bristol's office. This was the seventh year of passing funds to the Arts and Humanities groups.

The most important thing they had done was that a committee of the Arts Council in 1999, after they started to save the Elks in 1974, formed a Save the Elks Opera House Committee.

The criteria they established, with City's Memorandum of Understanding, required that the organizations that apply be 501c3 non-profit organizations. Part of the application required that they illustrated their purpose in increasing tourism.

The panel which reviewed the applications was not connected with Prescott Area Arts and Humanities Council. The most important person was the representative of Arizona Commission of the Arts who came every year. This year the City appointed Mya Beckley as the City's representative. They also invited Ida Kendall, Dave Maurer and Cliff Petrovsky.

Councilwoman Suttles asked if two group were unfunded, Arts and Humanities and the Rodeo. Ms. Bristol said yes. In addition Mr. Woodfill pointed out that there was a grant match set aside for Prescott Creeks for $12,500 which had not been allocated, which should be listed on the form.

Councilwoman Suttles asked if it was last years budgeted amount. Ms. Bristol said that it was the 2010 budget.

Councilwoman asked if they had fewer dollars coming in. She asked if they were 26% down in the Bed Tax. Ms. Bristol said that the revised budget was set to the level of the decrease. Every organization, except Courthouse Lighting, had a decrease in funding.

Councilwoman Suttles said that they were looking at Prescott Creeks, Fine Arts and the Rodeo.

She asked where the money came from to pay Bill Geist. Mr. Norwood said that some of it came out of the Economic Development budget and a portion came out of Bed Tax. The contingency that was set aside was also gone. The first six moths for bed tax were horrible. The past two months it had steadied and become more reliable. They did not know what was going to happen in the next three months.

Councilwoman Suttles asked how they would make it to the next budget. Mr. Woodfill said that projecting revenues in these times was difficult.

Councilwoman Suttles pulled the item from the Consent Agenda.

Ms. Ruffner said that none of the groups had any idea of what they would receive. Councilman Lamerson said that he opposed using public money to fund the arts. When this came up for vote when Councilman Bell was going to be out of town he pulled it from the Consent Agenda because he knew that a majority of the Council wanted a policy where the City participated with the arts and it would have been a 3-3 vote. He thought

that it was important to understand that the policy of the Council in the past had been to recognize the arts as part of the character infrastructure. That was why they appointed an Arts Council. He did not think they should go on funding them without taking into consideration that they were part of their character infrastructure and that there was an appointed Arts Council to make recommendations to the Council as a whole.

He appreciated the considerations of budget and that many things were within harms way. He also wanted to remind them about freedom of speech, press and thoughts that go with the arts.

Councilman Blair said that he also appreciated that. He said that the original purpose of the Bed Tax money was for tourism. Ms. Ruffner said that it was created by the citizens. They produced the application for the vote. They were also not an appointed committee of the Council. They were a totally independent non-profit. They did this work by a contract.

Councilman Lamerson thanked her for that observation and noted that the Council did approve their appointments and the money.

Councilman Blair said that there was a return on investment. They cannot look at expending money without having a return on investment.

Ms. Ruffner noted that the Arizona Republic advertised two of the projects that they were funding, the Chalk Festival and the Arizona Cowboy Poets. She encouraged them to do the best they could for the arts.

Councilwoman Suttles noted that they had three different organizations that finish up the Bed Tax money. She asked if they could come to an agreement to decide on all three and have it over.

Mayor Kuykendall asked if she wanted to take the shortfall and divide it by three and be over with it.

Councilwoman Suttles said that she needed a little direction from the Council as to what they thought.

Councilman Blair asked if the Creeks needed a certain amount for a match. Mr. Norwood said that was correct. He said that if they did $20,000 each, there would be a balance of about $13,000 which was pretty tight.

Councilwoman Suttles noted that the Prescott Creeks came out of the mix because they know that they have to do that. They would now be back to the rodeo and the arts. She would like to negotiate a little bit. She did not want to empty the pot and did not know how to handle it.

Mr. Norwood said that it would be up to the Council. He was concerned about getting the fund that low when he did not know what the rest of the year would look like. His suggestion was to give not more than $20,000 to each.

Councilwoman Linn asked Mr. Norwood to look at contract with Prescott Creeks to see if there was a six month or year extension for the match. Mr. Norwood said yes.

Mayor Kuykendall asked if they should wait to see what the Manager would bring back.

Councilwoman Suttles said that she would like to see what the Council thought.

Councilman Hanna asked if they would bring revenue into the community. He asked who would bring the most revenue in. Councilman Lamerson said that it was difficult because some of them have intangible measuring sticks. There was no way to measure some of the murals. The Creeks are an important issue.

E. Approval of the Minutes of the Prescott City Council Study Session of March 2, 2010; the Workshop of March 9, 2010; the Regular Voting Meeting of March 9, 2010; and the Study Session of March 16, 2010.

There was no discussion.

F. Selection of items for placement on the agenda of the Regular Voting Meeting of March 23, 2010.

There will be no items on the Consent Agenda.

III. ADJOURNMENT

There being no further business to be discussed, he Study Session of the Prescott City Council held March 16, 2010, adjourned at 4:58 p.m.

_____
MARLIN D. KUYKENDALL, Mayor

ATTEST:

_____
ELIZABETH A. BURKE, City Clerk