

# PRESCOTT CITY COUNCIL WORKSHOP AGENDA

**PRESCOTT CITY COUNCIL  
WORKSHOP  
TUESDAY, DECEMBER 7, 2010  
2:00 PM**

**Prescott Council Chambers  
201 South Cortez  
Prescott, Arizona  
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Workshop** 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**
- ◆ **PLEDGE OF ALLEGIANCE**      Councilwoman Suttles – introducing the American Legion Post 6 Honor Guard
- ◆ **INVOCATION**      Veterans of Foreign War Chaplain
- ◆ **ROLL CALL:**

MAYOR AND CITY COUNCIL:

Mayor Kuykendall	
Councilman Blair	Councilwoman Linn
Councilman Hanna	Councilwoman Lopas
Councilman Lamerson	Councilwoman Suttles

**I. SPECIAL RECOGNITION**

- A. Badge Ceremony of the Prescott Fire Department.

**II. PROCLAMATIONS**

- A. December 7, 2010 as *World Champion Kokopelli Scorpions Day*

**III. PUBLIC COMMENTS**

- A. Introduction of new businesses.
- B. Craig Sheets re meth labs.

- C. Cathy Murphy-Riley re Boy Scout Statue.
- D. Randy West re abandonment of property on Leroux.
- E. Monty Crooks re proposed program entitled 'We Should Know' to be presented at each Council meeting.

**IV. PRESENTATIONS**

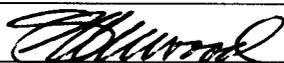
- A. Representatives of the Arizona State Historical Commission re Best of Arizona Festival for the Arizona Centennial.
- B. Gordon Maddox re Downer Trail.
- C. Debbie Horton re additional field at Kuebler Field.
- D. [Presentation by Joe Brehm on AmeriCorps Homeless Project.](#)
- E. [Legislative Update by Joe Brehm.](#)

**V. 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

<b>COUNCIL AGENDA MEMO – December 7 2010</b>	
<b>DEPARTMENT: City Manager</b>	
<b>AGENDA ITEM: Project presentation from the City and AmeriCorps regarding homelessness.</b>	
<b>Approved By:</b>	<b>Date: November 23, 2010</b>
<b>Department Head: Steve Norwood, City Manager</b>	
<b>Finance Director: Mark Woodfill</b>	
<b>City Manager: Steve Norwood</b> 	<i>11/24/10</i>

**Summary**

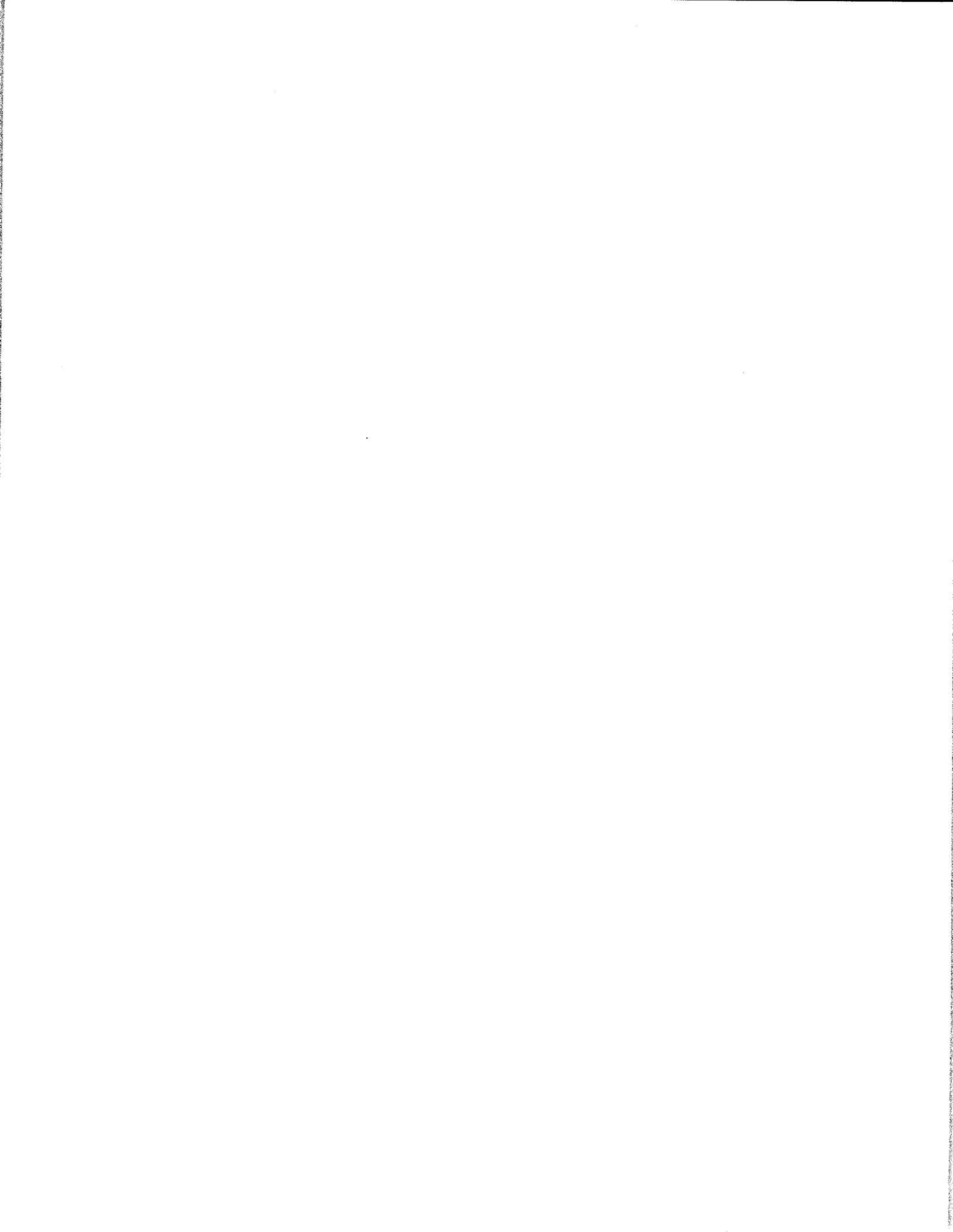
This item is a presentation of a project regarding homelessness in Prescott. AmeriCorps teamed with the City of Prescott and offered two positions to work on homeless issues. The project consisted of interviewing homeless service providers, the business and homeless community to gather information to construct an information pamphlet.

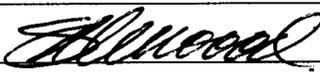
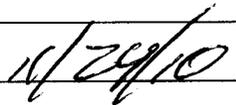
**Background**

During the regular voting meeting of April 13<sup>th</sup>, 2010 item E was discussion of vagrancy in Prescott. For this item, several citizens spoke before Council. After that Council meeting the Mayor then met with citizens who wished to discuss the subject further. As a result of those meetings, AmeriCorps approached the City and offered two part time positions consisting of 450 hours each from August through December of this year at no cost to the City to work on a homeless project. I was assigned to be the oversight of that project. After meeting with members from the business and homeless community the message from those stakeholders was that they wanted information. The business community wanted to know what the laws were that related to vagrancy as well as how to best communicate and work with the homeless community. The homeless community wanted to know the laws as well as have a directory of all of the current service providers.

The project plan was approved by the Mayor and AmeriCorps. I conducted interviews and Kent Kramer and Linda Rodkey were selected to be on the project. From August to early November Kent and Linda interviewed numerous homeless service providers as well as meeting with business groups such as the Chamber of Commerce, Prescott Downtown Partnership, the Prescott Area Independents and the Prescott Power Partners. After Kent and Linda gathered exactly what information each group was interested in they began creating a pamphlet for the business community and a booklet for the homeless community. Now that those have been completed Kent and Linda are going to begin distributing the information to the various stakeholders and City first responders such as our Police and Fire Departments.

<b>Recommended Action: No action required</b>
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<b>COUNCIL AGENDA MEMO – December 7, 2010</b>	
<b>DEPARTMENT: City Manager</b>	
<b>AGENDA ITEM: Legislative Update</b>	
<b>Approved By:</b>	<b>Date: November 23, 2010</b>
<b>Department Head: Steve Norwood, City Manager</b>	
<b>Finance Director: Mark Woodfill</b>	
<b>City Manager: Steve Norwood</b> 	

**Summary**

This item is an update of the recent statewide elections and the state's budget.

**Background**

As a result of the November 2<sup>nd</sup> elections the Republican Party has taken a supermajority in both the House of Representatives and the Senate. A supermajority is where one party controls two thirds of the seats in that given house, in our case it is both houses. This supermajority means that the Republican Party has the ability to change shared revenue formulas. With a party line vote the legislature can change the amount the cities and town in Arizona receive as shared revenue from both income and sales tax. Approximately 36 percent of the City of Prescott's General Fund Budget is comprised of state shared revenue. Approximately 64 percent of our General fund is spent on public safety alone, i.e. Police, Fire and Regional communications.

In 1973, an initiative was adopted by the voters of Arizona which created the Urban Revenue Sharing Fund, where 15 percent of the income tax collected by the state is distributed to cities and towns two years after they are collected. In exchange for having that assured, consistent revenue stream, cities and towns gave up the ability to have a local income tax. The state invests the 15 percent, keeps the interest and then remits the 15 percent to cities and towns after two years. Also part of the shared revenue formula is sales tax collection. The state collects 6.6 percent of all sales tax generated in Arizona. 25 percent of that base collection comes to cities and towns as shared revenue as over 90 percent of all sales tax is generated within cities and towns.

In 2009, the State essentially billed cities and towns \$30 million dollars by withholding it from our shared revenue. This was a violation of Proposition (108) that was passed in 1992 that said that there couldn't be a tax fee or assessment that increased the state's general fund without a two-thirds vote by the House and Senate and approval from the Governor. The Arizona League of Cities and Towns sued the state and won because the legislature did not have the required two thirds vote.

## **Agenda Item: Legislative Update**

- Eliminate the pension system for elected officials and move judges who are in that plan into the larger Arizona State Retirement System.
- Change the state's pension plans, which have guaranteed payouts, to 401(k)-type systems.
- Refer a constitutional amendment to voters in 2012 to allow pension benefits to be reduced by the legislature. A provision in the Arizona Constitution prohibits benefits from being diminished.

In addition to budget bills the League feels that we can expect to see bills addressing:

- The Model City Tax Code to create more uniformity between state and local tax collections.
- Transparency in government i.e. expenditure reporting
- Annexation
- Impact fees
- Uniform system on political signage i.e. placement in public right of way
- Spice (a legal herbal incense sprayed with chemicals that affect the brain like marijuana)

**Recommended Action: No action required**

## Agenda Item: Legislative Update

Governor. The Arizona League of Cities and Towns sued the state and won because the legislature did not have the required two thirds vote.

If the legislature wanted to change both shared revenue formulas they would have to vote on each separately and then it would have to be approved by the governor. However, with the supermajority in both houses if the Governor vetoes any bill it is possible with a party line vote in both houses that the legislature can override the Governor's veto. This applies to any bill the legislature hears, not just budgetary. It would only take one Republican vote in the House or two Republican votes in the Senate against the party line to dissolve the supermajority if all of the Democrats vote their party line against the Republicans.

In this current fiscal year, the Joint Legislative Budget Committee (JLBC) as of November 19<sup>th</sup> report the state deficit at approximately \$933 million. This deficit is attributed to four specific things:

- \$469 million in the failure of propositions 301 Land Conservation Fund and 302 Early Childhood Development (First Things First)
- \$158 million less in federal matching grant funds than expected
- \$206 million was a revenue forecast error. The state budgeted on revenues increasing slightly while actual revenues are still down slightly
- \$100 million less in federal K-12 education funds

In fiscal year 2012, the JLBC estimates a deficit of \$1.4 billion. This loss is attributed to the loss of federal stimulus monies for Medicaid and K-12 education as well as the debt service to state buildings. The state did a sell-lease-back of their own buildings for one time cash that they are now paying off. Some properties are on a 20 year note.

The legislature will work on both budgets in January. They might call a special session within the regular session just to deal with this fiscal year's budget. The league has been speaking with legislators about the budget issue. The league has not heard any specific intentions on changing the shared revenue formula or increasing any taxes. They have heard that cuts will be coming to university budgets (which are likely to lead to tuition increases) and the Arizona Health Care Cost Containment System (AHCCCS). The league has heard that the legislature will most likely stay away from cuts to K-12 education and early release for prisoners. The legislature will only hear a limited number of bills not related to the budget. Once the budget work has been completed the legislature is expected to adjourn shortly thereafter.

In an effort to address future budget issues Speaker of the House Kirk Adams has outlined several ideas to cut statewide pensions including:

- Eliminating the Deferred Retirement Option Plan for public-safety officers. This program costs tens of millions of dollars, providing lump-sum payments to police and firefighters who agree to defer retirement for up to five years and stay on the job.
- Prohibit public employees from retiring and returning to work, "double-dipping".
- Prohibit public officials convicted of crimes related to official duties from receiving pensions.