

PRESCOTT CITY COUNCIL  
REGULAR VOTING MEETING  
TUESDAY, JANUARY 25, 2011  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE RESCOTT CITY COUNCIL held on JANUARY 25, 2011 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 3:02 p.m.

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Heights Church

A representative from Heights Church gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilwoman Lopas

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

◆ **ROLL CALL:**

Present:

Mayor Kuykendall  
Councilman Lamerson  
Councilwoman Linn  
Councilwoman Lopas  
Councilwoman Suttles

Absent:

Councilman Blair\*  
Councilman Hanna\*\*

\* via phone

\*\* excused

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

I. **PROCLAMATION**

A. January 25, 2011 as *Brad Newman Day in Prescott*.

Councilwoman Suttles invited Mr. Newman to the front of the Council Chambers and read the proclamation.

Mr. Newman said that he was deeply touched. He said that Mr. Lloyd hired him because he was the only guy they interviewed that did not have a beard; then they realized that he was too young to grow a beard. He said that they were opening their third shop at the airpark.

Mr. Risdon said that Mr. Newman did a fantastic job with all of the kids. Mr. Rusing recounted when Mr. Newman and his “tribe” were asleep on his floor during the storm of 1967.

Councilman Blair congratulated him.

Mayor Kuykendall noted that Councilman Blair had fallen off of a ladder and broke his foot.

## **II. PRESENTATION**

### **A. Update on North Clubhouse repairs.**

Mr. McCarley noted that the more information they received from the Council and the community, the better. He noted that a few months ago, they started asking how the North Clubhouse could be used best for golfers, non-golfers and the City as a whole. The Golf Advisory Committee had input and suggested that they go ahead with the possibility of remodeling or fixing up the building.

Plans were called for and submitted. He said that it became apparent with the monies that the Council had set aside there would not be enough for the plans. He noted that Mike Boaz had helped them every step of the way. He commented on how all of the employees and department heads got along in the City.

Mr. McCarley characterized his focus as more of a repair and a fix up job, rather than a remodel. He asked if they were going to fix up what they already had so that they could market it as a banquet and meeting room. The benefits were outlined in the memo he handed out. He noted that events were scheduled in the building already.

He said that they currently had to close the Manzanita Grille for large groups that needed a meeting room. He also said that as the North Clubhouse existed, it was an old abandoned structure and had no use. As the City developed the south side of the airport, the Clubhouse would be available for businesses in and around the airport. He asked the Council for permission to go forward. They would stay within the funds available and finish it in a timely manner. He wanted to get it finished for their high season.

He said that Antelope Hills was an Enterprise Account and accounted for as a business. He said that standing still in the business world was the same as going backwards. They wanted to move forward. He said that it was a great product at a great price already and they wanted to improve it for residents and visitors.

Councilwoman Linn said that the building was used for banquets 60 times per year and it could not be sold. She said that there was asbestos in the building and it was her responsibility to support the repair of the facility. She would be saddened if they did not maintain the building as an asset. The money was coming from the Enterprise Fund. It would not come out of the General Fund. She thought that it would be a disservice if they did not bring it up to minimum standards.

Mr. McCarley said that the current building did not meet current American with Disabilities Act (ADA) requirements or City Code requirements.

Councilwoman Suttles asked if the airport property had been done. Acting City Manager said that it was scheduled as a part of the road alignment project along with Clubhouse Drive. Councilwoman Suttles noted that there were some things that had to be done to the facility prior to it being used.

Acting City Manager noted that the Council appropriated \$275,000 in their budget sessions last year for repair and remodel of the Club House. She said that just because the money was appropriated, it still had to come back to Council for approval. They spent \$25,000 on the plans for interior and exterior remodeling. The exterior plans would not be accomplished in 2011.

She said that the things that must be done prior to use were a new electrical panel, partly due to Arizona Public Service (APS) undergrounding their lines and relocating the transformers to the ground. They needed to install a grease trap, do roof repairs, bring the backflow and backwater valves up to city code requirements and address asbestos abatement. In addition, the restrooms and entry way were not ADA compliant. The heating, ventilating and air conditioning (HVAC) was not sufficient to keep a level cooling in the building. There were also additional plumbing issues. She said that was the list of what needed to be done to make the building compliant with the codes.

Councilwoman Suttles asked what the ballpark amount was to do those repairs. Acting City Manager Hadley said that it would be close to \$150,000. Councilwoman Suttles asked if the facility was a General Fund asset. Acting City Manager Hadley said yes.

Councilwoman Suttles asked if the golf course would still be left in the Enterprise Fund. Acting City Manager Hadley said that was correct.

Councilman Lamerson thanked the staff for taking another look at the project. He said that it seemed to him that if they did not take care of the problems that they had, the choice would be to tear it down or keep it closed. Mr. Kidd said that the asbestos and electrical issues had been identified and reasonable steps had to be taken to remedy the problem or tear down the building.

Councilman Lamerson asked where the cabinets, drywall, flooring, and window installation were within the priority element of public health and safety. Acting City Manager said that it all had to be replaced due to the removal of the asbestos. She said that most of the things on the list had become a necessity.

Councilman Lamerson asked if the proposed list of repairs was what was necessary to bring it up to be used in a safe manner. He said that simply because it was within the Enterprise Fund, it was not just the golfers who were the only ones using the building. The money being used to bring it back up to compliance was being generated out of the Enterprise Fund, and the General Fund would be paid back with interest. He asked if the money was only coming from the people who used the golf course, to redo the building.

Acting City Manager Hadley said that the money came out of the Capital Improvement Fund which must be used for capital improvements or purchases. Any money generated over and above the cost to run the facility would be put back into the Capital Fund. It would be a user fee that would replenish the Capital Improvement Fund.

Councilwoman Lopas said that she had supported the project from day one. They needed another meeting location and the revenue would come back to the City. She could see it as a huge benefit. It would not just enhance the golf course, but the community as well.

Councilman Blair asked what the square footage of the building was as it existed. Acting City Manager said that it was roughly 3800 square feet. He noted that if they tore the building down, it could not be replaced for what they had in it. He said that it did not make fiscal sense to leave a building sitting unoccupied and to leave an asset sitting there unusable when they could turn it around and use it to benefit the community. He supported it 100%. He said that they would be remiss if they did not do the repairs.

Mayor Kuykendall said that there was a saying, “you don’t know where you’re going if you don’t know where you’ve been.” He said that this was a good example. He noted that the building was built by a group of people that had a love for the community and a desire to provide recreation. There was a need for a facility to encourage more golfing at Antelope Hills. They got together, borrowed the money from First National Bank of Arizona to finance the facility with the agreement that the increases and green fees and drinks would be destined to pay the debt off. In reality, he did not know who the building belonged to. At a latter date, the City did pay First National Bank off and it became a City property.

He said that when they took the oath to try to do what was right for the City and uphold the Charter and laws, they did not limit it to just that. They also agreed that they would take care of the city assets.

He said that City Hall had been remodeled once or twice. The Old Clubhouse was 40 years old and had not been touched, except for a little painting. They also provided an adult center for the use of the community that others operate. He noted that the City had paid for some of those bills. The City provided a parking garage downtown. It was important that they keep what was part of Prescott. The old Clubhouse was a part of Prescott.

He said that they did a lousy job explaining the process to the public. The perception was that it was going to be a Taj Mahal and a place for the rich golfers to go play, but that was not the case. He thought that the ability to have weddings would be diminished, because there would be no dressing rooms and some other things that they had hoped they could do to the building. He thought that they would be remiss if they did not do what they could to preserve Prescott. He thought it was good business.

Mr. McCarley noted that the building had served the City for a long time. He said that they were asking for permission to keep doing that.

Ray Newton, Prescott resident, spoke as an advocate for the proposal to move forward with fixing the North Club House. He played golf internationally, and the image of Antelope Hills, for the City of Prescott, was a point of pride for people who played golf. It was acknowledged as being a premier public course in the State of Arizona and the Southwest. He said that his prior background was as a University Analyst for Economic Development, especially the areas related to tourism and recreational development.

He said that research about the golf industry revealed that well run public courses contributed directly and indirectly in the following ways: the golf course itself, spending for employees, maintenance equipment, food and

beverage industry throughout the entire community, lodging industry, retail the sales of golfing equipment including sunscreen, service stations and golf course homes, which often had a higher value than other homes in the community.

He learned that more than 65,000 rounds of golf were played at Antelope Hills annually. There were more than 80 tournaments annually, 6 of them were high profile tournaments that attracted people from throughout the Southwest. An example was the Father/Son tournament that brought approximately 500 players from the Southwest to Prescott. It was considered the largest tournament of its type in the nation. More than 7,000 non residents played there every year.

He said that Antelope Hills was the first golf course in Arizona to use reclaimed water for irrigation, 55 years ago. Prescott had consistently been ranked as one of the top ten communities in which to live, in publications across the country. He urged them to support the repair for the North Club House.

Elisabeth Ruffner, Prescott, said that she was there when it all started and had lived out there for two years and never mastered the game. She said that she had not heard anyone say anything about the terrible parking lot. She said that they could not work on the building without finishing the job by making the parking lot look good. She encouraged them to spend the entire \$275,000 for that purpose and make it a place worthy of appearance for Prescott.

Mayor Kuykendall noted that Elisabeth and her husband were the second family to live at Antelope Hills.

Councilman Blair said that part of the ongoing process was to pave and redesign the parking lot as well as landscape. Acting City Manager Hadley said that was correct.

Russ McGarry, Prescott, said that he built his house in 2004. He was very proud and realized quickly that the two golf courses were a golden asset to Prescott and one of the reasons he moved there. He also realized that there was not much marketing done for a City that had two municipal golf courses.

As he joined the Men's Club there and became the President, he made it his commitment to support this. He believed that it was a pot of gold that had not been utilized to its fullest. If they worked with the tourism industry, golf had a way of bringing a lot of money into a community. He thought they would see the reward of the Stay and Play packages in the future. He was in total support of fixing up the clubhouse and using it for facilities.

He said that Prescott needed to look into the future and not just the present.

He added that the Men's Club supported Mr. McCarley 100%. They had to turn people away at their Christmas dinner because they did not have enough room at the Manzanita Grille. He had people from Phoenix talking about bringing tournaments up, but they needed a place for a private function afterwards.

Thomas Slaback, Prescott, said that he did not have an iron in the fire about whether or not to reconstruct the old clubhouse. He did ask about breaking the one project down into smaller projects of less than \$20,000 so they did not have to take a vote.

Mayor Kuykendall said that the intent was that if the City so desired, and that was a policy, that was something that could be done. They broke out all of the repairs that needed to be done and brought it to a total.

Councilman Blair noted that was why they were having a presentation. They wanted to keep the citizens in the loop.

### **III. CONSENT AGENDA**

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

- A. Approval of a professional services agreement with J2 Engineering and Environmental Design for engineering services to update the FEMA floodplain determination for the North Fork of Miller Creek and the upstream limits of Miller Creek and Aspen Creek in an amount not to exceed \$59,578.00.
- B. Approval to purchase seven MDCs, extended service agreements and modems from Insight Public Section in an amount not to exceed \$34,000.00 for the Prescott Fire Department (funded by Arizona Department of Homeland Security grant).
- C. Approval of Base Hospital Agreement with Yavapai Regional Medical Center.
- D. Approval of the minutes of the Prescott City Council Workshop of January 4, 2011, the Workshop of January 11, 2011, and the Regular Meeting of January 11, 2011.

**COUNCILMAN LAMERSON MOVED TO APPROVE CONSENT AGENDA ITEMS III-A THROUGH III-D; SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

**IV. REGULAR AGENDA**

Mayor Kuykendall said that he would like to move item C to the head of the Regular Agenda, because the gentlemen from the airlines had another meeting to get to.

- C. Discussion in relation to the US Department of Transportation (DOT) Essential Air Service contract (Docket #DOT-OST-1996-1899) and consideration of a letter of endorsement to the US Department of Transportation, Office of Aviation Analysis.

Mr. Vardamin said that the United States Department of Transportation managed a contract for the Essential Air Service Program which provided air service. Great Lakes Airlines was the current provider of that service. Their contract expired at the end of April 2011. The Department of Transportation went out for bids, and two companies responded: Great Lakes airlines and Gulf Stream Airlines. Both companies were invited to the Council meeting, but Gulf Stream Airlines was not able to be present as they were just coming out of bankruptcy proceedings.

He introduced Doug Voss, Founder and Chairman of Great Lakes Airlines, and Chuck Howell, President. He said that this was the public comment period of the official position for the City to support one proposal or the other to the United States Department of Transportation. They had asked for comments not later than February 3, 2011.

Mayor Kuykendall said that it was his understanding that if Gulf Stream Airlines received the Wyoming flights they would not be able to serve Arizona. Mr. Vardamin said that was correct. They put in a bid for the Essential Air Service in Montana prior to the Arizona and New Mexico bid. Gulf Stream Airline said that if they were awarded the bids for Montana, they would have to withdraw their Arizona/New Mexico bids. He said that it was highly likely that Gulf Stream would be awarded Montana.

Mayor Kuykendall said that one of their early comments was they were going to bid on New Mexico and that New Mexico and Arizona had to be in one package. Mr. Vardamin said that Gulf Stream Airlines had made two proposals. The cheaper was for all of Arizona and New Mexico, an all or nothing bid. The other option was for all of the Arizona cities only. The Department of Transportation had been looking at some legislative efforts in regards to some of the subsidies in the other cities in New Mexico. They did have a proposal for a nine passenger seat service that would be

subsidy free to one of the New Mexico cities. That city did not meet the regulatory authority so they could not automatically award it to that company.

There were a lot of things happening at the federal level that would impact Gulf Stream's proposal negatively.

Councilwoman Suttles asked if it was possible to show the bids on the overhead. She said that the job that Great Lakes had done that past two years had been as good as what she had seen. She supported Great Lakes in the bid.

Councilman Lamerson said that he was not a big one for airplanes. He understood the relationship of the airport to the community. One of the things that would concern him would be to recommend someone that may leave tomorrow. Because of that he supported Great Lakes.

Councilwoman Lopas thanked Great Lakes for hanging in there with Prescott and said that it had been a good relationship and looked forward to their comments.

Councilman Blair said that he found it surprising that the Council would consider turning the wheel backward. He did not have any question that Great Lakes had done a stellar job.

Councilwoman Suttles asked when they would know if they were flying to Los Angeles (LAX) or Ontario.

Mr. Howell said that the City had a great response with Horizon into LAX. Over time, the Ontario airport had lost connecting air service so it was not quite as attractive as LAX; however, it was also not easy to get into LAX. They were in the process of going through the paperwork for lease space in LAX. They felt it would happen in the next few weeks and have them in there within the next 90 days or so. He said that the traveling public would get plenty of notice.

Councilwoman Suttles asked if the arrival and departure times would change. Mr. Howell said that it would be a comparable schedule. They would try to time the flight to connect with United, who they hoped to co-chair with.

Mayor Kuykendall asked if there were any thoughts on the Denver destination. Mr. Voss said that the obvious response would suggest that the LAX service deserved more capacity. The current assumption would provide two trips to LAX with an early morning departure and a late evening, around 6:00 p.m., departure out of LAX. They would maintain the

service to Denver at a minimum of the one round trip. The service provided by the contract was a minimum of three round trips per day. Their current expectation was that when high quality gates were made available in LAX, perhaps Terminal 6, with United at gates 7 and 8 and Delta nearby, they would flip the schedule to the early morning LAX service.

Mayor Kuykendall said that they were currently flying 21 trips per week. Mr. Voss said that the response from market regions in Arizona, within their system, the demand for weekend lift could be critical for flow to the midday. They had been providing extra frequencies. They had also done that in Page, Arizona as well. The type of markets they saw in Prescott supported continuing to do that.

Councilwoman Linn thanked them for sticking with Prescott.

**COUNCILWOMAN LOPAS MOVED TO AUTHORIZE SUBMISSION OF A LETTER TO THE UNITED STATES DEPARTMENT OF TRANSPORTATION SUPPORTING GREAT LAKES AIRLINES TO PROVIDE AIR SERVICE FROM PRESCOTT, ARIZONA TO ONTARIO OR LAX AND FURTHER AUTHORIZING THE MAYOR AND CITY STAFF TO EXECUTE ANY AND ALL RELATED DOCUMENTS; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

- A. Ratification of emergency procurement of heating units for West Yavapai Guidance Center in the amount of \$35,801.16 using Community Development Block Grant (CDBG) funding.

Acting City Manager Hadley introduced Ms. Hartmann to explain the need for the emergency procurement.

Ms. Hartmann said that on January 5, 2011 West Yavapai Guidance Center (WYGC) contacted her and said that it was freezing inside their building. She said that normally when a business had a problem the City would not be who they would call to fix their heat. However, WYGC was one of the City's sub grantees with (CDBG). When the Council approved the annual action plan in 2010, they approved \$80,000 which was on the schedule to do in the spring. There was a metal roof on their building with temperatures from 50-53 degrees in  $\frac{3}{4}$  of their building during the storm. This particular facility served children. That made it an emergency in her mind.

Ms. Hartmann went to former City Manager Norwood and asked him what they should do. He said to proceed with the emergency procurement and then take it to Council for ratification. They did not seek multiple vendors

as time was of the essence. They contacted Energy Heating and Cooling and they were on the roof that day.

**COUNCILWOMAN LINN MOVED TO RATIFY THE EMERGENCY PROCUREMENT OF HEATING UNITS FOR WEST YAVAPAI GUIDANCE CENTER IN THE AMOUNT OF \$35,801.16 USING THE CDBG FUNDING; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

- B. Approval of contract between the City of Prescott and Energy Savings Heating and Cooling in an amount not to exceed \$204,478.54 (ARRA Energy Grant).

Acting City Manager Hadley noted that the item was for the replacement of HVAC units for City Hall and a couple of other buildings.

Ms. Hartmann said that in September of 2009 the Department of Energy gave the City a grant for \$197,100. That was one of the few times when dealing with a federal grant that the City was allowed to spend it on municipal buildings. So far the City put windows in the terminal, insulated a building, and City hall had energy efficient doors and windows.

There was a prebid conference in December that was a requirement. If they did not attend, they could not bid on the project. There were ten companies that came.

The bids came in from \$606,884.00 to \$204,478.54, which was submitted by Energy Savings, Heating and Air Conditioning. She said that they had an excellent reputation in town and the City did business with them on a regular basis. Ms. Hartmann verified their credentials and they provided their bond and insurance.

Acting City Manager Hadley said that they originally had \$225,000 budgeted for the project, but with Ms. Hartmann's hard work the City was able to secure this federal grant which required the City to take \$75,000 out of the Capital Improvement Plan for the project. She said that it was a wonderful grant to secure.

Councilman Blair asked for an explanation of why the bids were so different. He did not know how the numbers could be so different. Acting City Manager Hadley said that the top three bids were in close proximity to each other. She did not have an explanation for the others.

Councilman Blair said that he was not questioning Energy Savings. He asked if the City's specifications were high enough because there was a lot of work to be done. He wanted to make sure that the equipment that

the City was getting was quality. Ms. Hartmann said that the equipment was Trane.

Steve Voevodsky, owner of Energy Savings, said that he did not know why the bids were so high. He said that they bid the job very tight. Councilman Blair said that they did a quality job and that he would support it. He said that TDK must have been very busy and did not need the job. Mr. Voevodsky said that they bid for them to do a lot of the work themselves.

Councilman Lamerson said that he appreciated when staff went to the effort of getting some of their public money back and thanked Ms. Hartmann for locating that money.

Councilwoman Linn agreed and said that it was not part of CDBG.

**COUNCILWOMAN SUTTLES MOVED TO APPROVE THE CONTRACT BETWEEN THE CITY OF PRESCOTT AND ENERGY SAVINGS HEATING AND COOLING IN AN AMOUNT NOT TO EXCEED \$204,478.54 (ARRA ENERGY GRANT); SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

- D. Authorization to seek and accept an increase of funds in FAA grant #3-04-0030-031-2010 in an amount not to exceed \$16,679.00 (federal share), and ADOT grant #ADOT MPD Grant E1F20 in an amount not to exceed \$439 (ADOT share) for additional costs associated with the Airport Pavement Preservation and Marking Project.

Mr. Vardamin introduced the item and said that it was completed and they were wrapping up the paperwork. At the beginning of this project Federal Aviation and Administration (FAA) issued their new standard for the markings. That required the City to purchase additional \$12,000 of glass beads to be included in the project. They made that purchase with their permission. They also said the City could make application and seek reimbursement of those additional costs under the Airport Improvement Program (AIP) program. He said that they would seek reimbursement for the glass beads, which was a difference of about \$6,000.

They were also going to seek reimbursement for design cost of the project. The Federal share of the project would be \$16,679. The share for the Arizona Department of Transportation would be \$439 and the City's share would be \$439.

Councilwoman Suttles asked what the length of time was to recover the money. Mr. Vardamin said that it varied, depending on the agency. The

program manager in Los Angeles was a little slow, but it would be about 60 days.

Mayor Kuykendall asked if the \$1 million that the federal government still owed was still hanging out there. Mr. Vardamin said yes and they were waiting for Congress to stop messing around with the Federal Aviation Administration (FAA) money and pass the FAA Reauthorize Act. They had a grant project ready to go. They had the application.

**COUNCILWOMAN LOPAS MOVED TO AUTHORIZE STAFF TO SEEK AND ACCEPT AN INCREASE OF FUNDS IN FAA GRANT #3-04-0030-031-2010 IN AN AMOUNT NOT TO EXCEED \$16,679.00 (FEDERAL SHARE), AND ADOT GRANT #ADOT MPD GRANT E1F20 IN AN AMOUNT NOT TO EXCEED \$439 (ADOT SHARE) FOR ADDITIONAL COSTS ASSOCIATED WITH THE AIRPORT PAVEMENT PRESERVATION AND MARKING PROJECT AND FURTHER AUTHORIZE THE MAYOR AND CITY STAFF TO EXECUTE ANY AND ALL RELATED DOCUMENTS; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- E. Adoption of Ordinance No. 4778-1129 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of real properties, easements and improvements from Dillahunty Living Trust, W.D. Dillahunty, Trustee, for the widening of Williamson Valley Road, authorizing the Mayor and City staff to take all necessary steps to effectuate said purchases, dedication, and declaring an emergency.

Mr. Nietupski said that this was one purchase acquisition and there were no remaining properties. Mr. Long had agreed to immediate possession. In this case they were talking about a purchase of \$9386 for a 17' strip of property along the east side of the property located at the corner of Shadow Valley Ranch Road and Williamson Valley Road.

He updated the project and said that Arizona Public Service (APS) had indicated that they would be bidding the project for relocation of their facilities, Qwest and CableOne, that week. The utility work would be initiated and the majority of the work completed by end of February, weather permitting. The City was still working with Quest to define the City's portion of responsibility for relocation of some of their facilities. He hoped to be back to Council in the early part of February to discuss that.

He said that as soon as they had a good sense that utility work was underway and they did not see any issues with it being completed, they would get it out for bid.

Councilwoman Suttles asked if he was ready to get into the construction on the Capital Improvement Programs. She asked if they were holding off on other street improvements because of Williamson Valley. She wanted to know the order of projects.

Mr. Nietupski said that Williamson Valley Road was among the first they would be bringing back to Council; however Rosser was also right there. They would be in a similar time frame; possibly weeks apart.

Councilwoman Suttles asked why they were not working on Rosser or Park Avenue at that time. Mr. Nietupski said that Rosser was Vernon and Robinson were programmed for later fiscal years. They were working on those projects so they would be ready.

**COUNCILMAN LAMERSON MOVED TO ADOPT ORDINANCE NO. 4778-1129; SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

- F. Approval of payment to Yavapai County in the amount of \$1,101,595.50 for costs associated with engineering and construction of the Prescott Lakes Parkway Roundabout at the new County Juvenile Detention Facility and intersection of Sundog Connector.

Mr. Nietupski said that the item was pursuant to the City's acquisition and Intergovernmental Agreement with the County to acquire the rodeo grounds in exchange for the City's interest in the commonly held property that was bisected by Prescott Lakes Parkway.

The County just opened bids on the Detention Facility. As part of the agreement, the City was to pay the full cost of the roundabout construction. The benefit for the City would be that the Stratford Land Company, who was the successor in interest to the Community Southwest Property, Storm Ranch Project, agreed to pay for half of the construction for the contract costs. The City received payment from Stratford Land on November 19, 2010 in the amount of \$931,130.40. A portion of the cost associated with the roundabout had been offset. It had been budgeted in the One Cent Fund, the payment was \$1,101,595.50. It was one half of the cost. At the completion of the project the County would bill the City for the rest of the cost. It would be brought back to Council at a later date.

Mayor Kuykendall said that he had received an email from someone who did not realize the Detention Facility was being built.

**COUNCILWOMAN LOPAS MOVED TO APPROVE PAYMENT TO YAVAPAI COUNTY IN THE AMOUNT OF \$1,101,595.50 FOR COSTS ASSOCIATED WITH ENGINEERING AND CONSTRUCTION OF THE**

**PRESCOTT LAKES PARKWAY ROUNDABOUT AT THE NEW COUNTY JUVENILE DETENTION FACILITY AND INTERSECTION OF SUNDOG CONNECTOR; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

- G. Approval of professional services agreement with Shephard-Wesnitzer, Inc. for engineering and design of the Zone 19 Reservoir, Piping, and Pump Station Replacement Project in an amount not to exceed \$627,724.00.

Mr. Nietupski noted that this was the last reservoir in the western part of Prescott. They still had more in the southern part of the City.

He said that Zone 19 was in the area of Copper Basin Road. The Sierra Vista tank and Village tank and pump station would be removed. A one million gallon storage facility would be developed for which the right of way had been acquired. It included the engineering for the potential construction of the water main to serve Mullin Way, within the City limits.

He said that would be a separate component. If those along Mullin Way chose to go forward with construction, they would have plans and specifications so that they could bid a project to extend the water main on that street.

Councilwoman Linn asked if he had been working with APS to make sure that the City would get possible rebates for the pumps. Mr. Nietupski said that when they went into a design like this they would install the most energy efficient pumps available. Those would be part of the design process going forward.

Mayor Kuykendall asked if the City would need to purchase the tank site. Mr. Nietupski said that it had been secured and the Council approved that in October of 2010.

**COUNCILWOMAN LINN MOVED TO APPROVE PROFESSIONAL SERVICES AGREEMENT WITH SHEPHARD-WESNITZER, INC. FOR ENGINEERING AND DESIGN OF THE ZONE 19 RESERVOIR, PIPING AND PUMP STATION REPLACEMENT PROJECT IN AN AMOUNT NOT TO EXCEED \$627,724.00; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

- H. Recess into Executive Session.

**COUNCILWOMAN SUTTLES MOVED TO RECESS INTO EXECUTIVE SESSION; SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

The Prescott City Council recessed into Executive Session at 4:38 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 ARS 38-431.03(A)(4).

1. Lexington Insurance/Casa de Pinos v. City of Prescott.

**VI. POST EXECUTIVE SESSION**

- A. Possible settlement action re Lexington Insurance/Casa de Pinos v. City of Prescott.

The Prescott City Council reconvened into Open Session at 5:11 p.m.

Mr. Kidd noted that it was a discussion of a claim made by Lexington Insurance under at subrogation claim. He said that they paid an insurance loss of Casa de Los Pinos and they were seeking reimbursement in litigation form from the City. The original claim amount by the insurance company was \$154,521.

They went to mediation in Phoenix with Councilwoman Suttles and Councilwoman Linn. Wastewater Superintendent Scott Gregorio and Julie McGirk, from Risk Management were also there. As a result of the discussions the Legal Department was recommending an Offer of Judgment in the amount of \$77,500. That gave the insurance company a reasonable value if they want to settle. If they do not settle and the City went forward and incurred costs for things such as depositions and expert witnesses and the insurance company was not successful in getting that \$77,500, the City would be reimbursed all of those litigation costs.

**COUNCILWOMAN LINN MOVED TO APPROVE SETTLEMENT AND OFFER OF JUDGMENT WITH LEXINGTON INSURANCE IN THE AMOUNT OF \$77,500; SECONDED BY COUNCILWOMAN SUTTLES.**

Mr. Mattson asked for more information and asked what the basis was. He asked for an explanation in a nutshell. Mr. Kidd said that it was a pre code residence that was a commercial venture. It did not have a backflow water valve.

**MOTION PASSED UNANIMOUSLY.**

**VII. ADJOURNMENT**

There being no further business to be discussed, the Regular Voting Meeting of January 25, 2010 adjourned at 5:15 p.m.

---

MARLIN D. KUYKENDALL, 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 25th day of January, 2011. I further certify the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2011.

AFFIX  
CITY SEAL

---

ELIZABETH A. BURKE, City Clerk