

PRESCOTT CITY COUNCIL  
REGULAR VOTING MEETING  
TUESDAY, APRIL 26, 2011  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL held on APRIL 26, 2011 in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STEET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 3:01 p.m.

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Chaplain Walter Crites, Veterans of Foreign Wars

Chaplain Crites gave the invocation

◆ **PLEDGE OF ALLEGIANCE:** Councilman Lamerson

Councilman Lamerson led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL:**

Present:

Absent:

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

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

Acting City Manager McConnell noted that the Transient Occupancy Tax was up 19% in March, which was the seventh straight month of increases.

He also mentioned that Prescott had outperformed Flagstaff and Sedona in the number of people visiting those areas.

Councilman Blair wanted to thank the new Tourism Director for the work he had done. Mayor Kuykendall thanked him as well.

Mayor Kuykendall presented Acting City Manager Hadley with a plaque for a going-away gift and Council members thanked her for her many years of service to the City.

## I. PROCLAMATIONS

### A. April 30, 2011, as *World T'ai Chi and Qigong Health Day*

Councilwoman Linn read the proclamation and presented it to the representatives present.

They said that a celebration would take place in Granite Creek Park from 10:00 to 11:30 a.m. on Saturday morning.

## II. PRESENTATION

### A. Presentation of a **Going the Extra Mile (GEM) Award**.

Acting City Manager McConnell said that it took an exceptional person to receive the GEM Award. He presented the award to Don Devendorf for outstanding work and distinctive community achievements.

He said that the nomination came in through Sergeant Kevin Perlak of the Prescott Police Department. He then read Mr. Devendorf's accomplishments. He said that he was the first and only Fireman to hold the position of medic on the SWAT Team.

Don Devendorf said that he had no idea this was going to happen. He said that it had been his honor to be part of both the Police Department and the Fire Department for his entire adult life. He said to look up the definition of "hero" to see what those people did and he felt honored being able to spend the last 27 years hanging out with them

## 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.**

Councilwoman Suttles pulled Item B and C for more explanation.

### A. Approval of Bed Tax funding for the Sharlot Hall Museum in the budgeted amount of \$25,000.

### D. Approval of the minutes of the Prescott City Council Workshop of April 5, 2011 (morning), the Special Meeting (Executive Session) of April 5, 2011;

the Joint Special Meeting/Workshop of April 5, 2011; and the Regular Meeting of April 12, 2011.

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

- B. Approval of the OSDBA support and Munis software annual support and licensing agreement with Tyler Technologies in the amount of \$98,478.

Mr. Woodfill said that Munis was the system that Prescott used Citywide for financial, utility billing, tax, accounts payable, payroll and Human Resources. He said that it was the full financial system. He said that this was the annual support and maintenance licensing agreement they did each year. He noted that it included on-demand support as well as upgrades. Councilwoman Suttles asked if it was paid every year. Mr. Woodfill said yes.

**COUNCILWOMAN SUTTLES MOVED TO APPROVE THE OSDBA SUPPORT AND MUNIS SOFTWARE ANNUAL SUPPORT AND LICENSING AGREEMENT WITH TYLER TECHNOLOGIES IN THE AMOUNT OF \$98,478; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- C. Approval of payment to the Prescott Area Arts & Humanities Council in the amount of \$15,000.00 for distribution of grants to qualifying arts organizations.

Mr. McConnell said that he placed the item on the agenda for clarity. He noted that when the Council took action on the item a few weeks ago, the motion to approve the \$30,000 allocation for the arts failed. He said that there could have been some confusion on whether NO money would be allocated, or just the additional \$15,000.

He said that he placed it on the agenda because it was the budgeted 2011 amount of \$15,000. He noted that there was a list of budgeted items which also included \$15,000 for Sharlot Hall Museum.

Councilman Hanna confirmed that the \$15,000 was already in the budget. Mr. McConnell said yes.

Councilwoman Suttles asked if the groups listed on the back of the sheet had been paid.

Mr. McConnell said that some of the allocations were for softball tournaments. He noted that not all of the distributions had been made.

Councilwoman Suttles asked if the Fire Department marketing money had been sent to the rodeo.

Councilwoman Linn and Councilwoman Suttles said that any amount under \$20,000 did not need to come before Council.

Councilwoman Lopas said that the process seemed confusing. She thanked Mr. McConnell for putting the item back on the agenda. She said that she was not opposed to the first \$15,000; she just did not want to double their money.

**COUNCILWOMAN LINN MOVED TO APPROVE THE PAYMENT TO THE PRESCOTT AREA ARTS AND HUMANITIES COUNCIL IN THE AMOUNT OF \$15,000 FOR DISTRIBUTION OF GRANTS TO QUALIFYING ARTS ORGANIZATIONS; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

Acting City Manager McConnell noted that Item M from the Regular Agenda had been pulled saying that the grantor on that easement had been changed. He said that they would update the item and bring it back to Council.

#### **IV. REGULAR AGENDA**

- A. Appointment of members and Chairman and Vice Chairman to the Advisory and Appeals Board and members and Co-Chairmen to the General Plan Committee.

Ms. Burke noted that there were several vacancies on the Advisory and Appeals Board. She noted that Rex Naumetz was being recommended for appointment. She said that four of the terms expired and those individuals wanted to be reappointed. She noted that the Council Appointment Committee was recommending their reappointment.

Councilwoman Suttles said that the committee was pleased to have these people on board.

Ms. Burke said that there were still three vacancies on the Advisory and Appeals Board. She said that they needed a member to represent electrical, mechanical and plumbing.

She noted that the General Plan Committee would be bringing updates to the Council. She noted that each Council person chose someone to represent them and there were other members from various areas of the

community. She noted that Councilman Blair and Councilman Hanna would be serving on the committee.

Councilman Blair said that the first meeting was set for May 18, 2011, from 6:00 to 8:00 p.m. in the downstairs conference room at City Hall and Ryan Smith would oversee the committee.

Mr. Smith said that it was the committee that would decide the nature and the content of the General Plan. He said that it would go to the voters for adoption. He said that the process would take about 18 months and there would be a lot of public meetings. Councilman Blair noted that all of the meetings were open to the public.

Councilwoman Suttles said that it was a good mix. Councilman Hanna said that he appreciated that they all volunteered and that most of the public did not realize that it was a job to get a well rounded group together.

Ms. Ruffner said that she wanted to make a public challenge. She said that it was her fourth time to serve on a General Plan Committee. She said that the last Council did not follow through on the General Plan by taking the time to follow through and make it a Strategic Plan to guide the decisions. She said it was just a document. She said that until they worked out the strategic plan, they were not doing a tremendous service to the community. She challenged the Council to make a Strategic Plan out of the General Plan. Mayor Kuykendall said that on behalf of the Council, they accepted the challenge.

**COUNCILMAN HANNA MOVED TO ACCEPT AGENDA ITEM IV-A WITH ALL OF THE APPOINTMENTS LISTED; SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

(Clarification of Motion: Accept the Council Appointment Committee's recommendation to appoint Rex Naumetz to the Advisory and Appeals Board (Plumbing), with a term to expire March 2014, and appoint Tom Menser and George Sheats as Chairman and Vice Chairman, respectively, for a term to expire March 2012; and appoint Steve Blair, Brad DeVries, Dave Fisher, Glenn Gooding, John Hanna, Miriam Haubrich, Terry Marshall, Zena Mitchell, Roxanne Nielsen, David Quinn, Elisabeth Ruffner, George Sheats and Gary Worob to serve on the General Plan Committee, with Miriam Haubrich and Terry Marshall to serve as Co-Chairmen)

- B. Public Hearing and consideration of liquor license application from Kathleen Cuvelier, applicant for The Music Café for a Series 12, Restaurant, license for The Music Café located at 108 West Gurley Street.

Ms. Burke noted that this was an application for a new Restaurant license for the Music Café located at 108 West Gurley Street. She said that the property had been posted and no public comments had been received.

Councilwoman Suttles said that it was pleasure to have her there with a new business. She asked what was previously located at the location. Ms. Cuvelier said that it was Le Crepe Restaurant. Councilwoman Suttles asked if there was a license there before. Ms. Cuvelier said that she did not know of a previous license.

Mayor Kuykendall asked her when she would open. Ms. Cuvelier said that she was going to apply for a general construction permit on Friday and that they were contacting individuals and smaller groups of instrumentalists to perform regularly and at the gala which would have two seatings. She thought that might be on June 4 or June 10.

**COUNCILWOMAN LINN MOVED TO CLOSE THE PUBLIC HEARING;  
SECONDED BY COUNCILWOMAN SUTTLES; PASSED  
UNANIMOUSLY.**

**COUNCILWOMAN LINN MOVED TO APPROVE THE LIQUOR  
LICENSE APPLICATION FROM KATHLEEN CUVELIER, APPLICANT  
FOR THE MUSIC CAFÉ FOR A SERIES 12, RESTAURANT, LICENSE  
FOR THE MUSIC CAFÉ LOCATED AT 108 WEST GURLEY STREET;  
SECONDED BY COUNCILWOMAN SUTTLES; PASSED  
UNANIMOUSLY.**

- C. Public Hearing and consideration of a liquor license application from Rebecca Presley, applicant for Prescott Steak House LLC for a Series 12, Restaurant, license for Prescott Steak House located at 520 Miller Valley Road.

Ms. Burke noted that this was an application for a new Restaurant license for the Prescott Steak House LLC located at 520 Miller Valley Road. She said that the property had been posted and no public comments had been received.

Councilwoman Suttles asked when they would be open and Ms. Presley replied May 4, 2011.

**COUNCILWOMAN SUTTLES MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN HANNA; PASSED UNANIMOUSLY.**

**COUNCILWOMAN SUTTLES MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM REBECCA PRESLEY, APPLICANT FOR PRESCOTT STEAK HOUSE LLC FOR A SERIES 12, RESTAURANT, LICENSE FOR PRESCOTT STEAK HOUSE LOCATED AT 520 MILLER VALLEY ROAD; SECONDED BY COUNCILMAN LAMERSON; APPROVED UNANIMOUSLY.**

- D. Public Hearing and consideration of a liquor license from Song Kwak, applicant for Liquor Barn for a Series 9S, Sampling, license for Liquor Barn located at 405 West Goodwin Street, Suite A.

Ms. Burke noted that this was an application for a Sampling license for the Liquor Barn located at 405 West Goodwin Street, Suite A. She noted that they already have a liquor store license, but this would be a new license to allow sampling. She said that the property had been posted and no public comments had been received.

**COUNCILMAN LAMERSON MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

Councilman Blair said that he opposed it due to the fact that they were too close to the school. Mayor Kuykendall asked if they met the conditions of distance requirements. Councilman Blair said that they had to build an interior wall the last time this came before Council in order to meet the 300' requirement. Councilman Hanna said that the former owner built the space. The applicant said that there was an empty space on the east side of the wall. He said that the Fire Department checked it every year.

Mr. Kidd said that the Liquor Board found that it was in compliance with the liquor regulations. He said that it was about three to four years ago.

Councilman Lamerson said that the fact was that it was a compliant piece of property. He said that they could make recommendations to the State, but they did not pay a lot of attention to what the City wanted to do.

Councilman Blair said that he felt that the original owner skirted the issue of the requirements by putting an establishment too close to the school.

Councilwoman Linn said that there was no access to the football field on Goodwin at Mile High Middle School, nor from the trail. She said that it would be a third to one half of a mile to get on the school grounds.

**COUNCILMAN LAMERSON MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM SONG KWAK, APPLICANT FOR LIQUOR BARN FOR A SERIES 9S, SAMPLING, LICENSE FOR LIQUOR BARN LOCATED AT 405 WEST GOODWIN STREET, SUITE A; SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

- E. Public Hearing and consideration of a liquor license application from Bruce Holbrook, applicant for Express Stop AZ LLC, for a Series 10, Beer & Wine Store, license for Express Stop #508 located at 3179 Willow Creek Road.

Ms. Burke noted that this was an application for a new owner for Express Stop AZ LLC, where they currently have a liquor license. She said that the property had been posted and no public comments had been received.

Councilwoman Suttles asked him if he was the new owner. Mr. Holbrook said yes

**COUNCILMAN LAMERSON MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

**COUNCILWOMAN SUTTLES MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM BRUCE HOLBROOK, APPLICANT FOR EXPRESS STOP AZ LLC, FOR A SERIES 10, BEER & WINE STORE, LICENSE FOR EXPRESS STOP #508 LOCATED AT 3179 WILLOW CREEK ROAD; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- F. Public Hearing and consideration of a liquor license application from Scott Simmons, applicant for Canyon Fe, Inc., for a Series 12, Restaurant, license for Baja Fresh located at 1260 Gail Gardner Way, Suite 101.

Ms. Burke noted that this was an application for a new Restaurant license for Baja Fresh located at 1260 Gail Gardner Way, Suite 101. She said that the property had been posted and no public comments had been received. The applicant had been requested to attend the meeting, but was not present.

Councilwoman Linn said that she did not have a problem with it. Councilman Lamerson asked if the applicant for liquor had to be present.

Mr. Kidd said no. Councilwoman Suttles noted that she would vote no because the applicant was not present.

**COUNCILWOMAN LINN MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN HANNA; PASSED UNANIMOUSLY.**

**COUNCILWOMAN LINN MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM SCOTT SIMMONS, APPLICANT FOR CANYON FE, INC., FOR A SERIES 12, RESTAURANT, LICENSE FOR BAJA FRESH LOCATED AT 1260 GAIL GARDNER WAY, SUITE 101; SECONDED BY COUNCILMAN BLAIR; PASSED 6-1 WITH COUNCILWOMAN SUTTLES CASTING THE DISSENTING VOTE.**

- G. Adoption of Ordinance No. 4790-1141 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, awarding a Lease for use of City-owned parkland at the north end of Granite Street in downtown Prescott immediately east of the Arizona Public Service Company's operations yard to Prescott Community Garden, Inc.

Ms. Horton said that a lease for the proposed community garden was drafted that satisfied both parties. It was a five year lease with automatic renewals. She noted that the City could cancel for cause within the first three years and without cause for the remaining two years and subsequent years. She said that the lease would be renewed annually and they would make annual presentations to the Council.

Councilwoman Hanna said that he thought it was a good idea but he was concerned how the lease could be terminated. He asked what they were going to do when the homeless started sleeping there. He said that if they encouraged the homeless to get involved, the City would have to pay for police protection. He asked if that would be a cause to terminate. Mr. Kidd said that he did not believe so.

Mr. Kidd said that it was a lease agreement. The staff originally proposed a license so that the City could cancel for any reason. He said that the lease reflected the discussion from the last meeting. Councilman Hanna said that he did not want to create a bigger problem for the neighborhood.

Councilwoman Suttles asked if it was the first time the City had done a community garden. Ms. Horton said yes. Councilwoman Suttles asked if it could be shortened to a three year lease. Ms. Horton said that it was a compromise that pleased both parties.

Mr. Kidd noted that Mr. Podracky did talk to Gil Shaw about the agreement. He noted that the gardeners wanted a right to property so they could make tenant improvements. He said that was why it ended up

being that time period. He said that a lease conveyed interest in real property and an attorney would tell them not to do it. He said that their recommendation was to license the property.

Councilwoman Suttles noted that she understood that they were going to take care of their own water, either by harvesting or hauling. She asked what would happen if that did not work. Mr. Kidd said that there would be one meter and they would sub out their garden allocation costs with no special water provision. He noted that they were required to pay their own utilities.

Councilman Lamerson noted that the community was different than it was 25 years ago. He said that he appreciated Mr. Kidd going over the public nuisance aspect of it. He said that it was a blighted piece of property with no real value. He noted that what would be presented would be nicer for the whole community.

Councilwoman Linn said that she thought the City could get past any vagrancy issues. She said that they should have the same stipulation as Acker Park. She said that it should be posted with no sleeping signs. She also wanted to make sure that they got general liability coverage. She asked where the gardeners would park. Ms. Horton said that they would be monitoring the stipulations. She said that they would park on Montezuma, adjacent to the trailhead. She noted that the City would not be providing any lighting.

Councilwoman Lopas said that she was excited to see it come to fruition. She said that when people started working in the gardens, it would become self policing as far as the vagrants went.

Mr. Kidd noted that the general liability was a requirement to have the insurance requirement in the lease. Councilwoman Linn said that there was still a problem on the Greenways trails and that she smelled marijuana when walking with her sons.

Mayor Kuykendall noted that it was a full blown corporation. He asked if everything was in order as far as the officers and filings. Mr. Kidd said that he did not know. Councilwoman Linn said that they would have to show that information in order to open a bank account.

Daniel Mattson, Prescott, noted that vagrants did not usually have the money to buy marijuana and that it was a popular place to smoke for the high school kids.

**COUNCILMAN LAMERSON MOVED TO ADOPT ORDINANCE NO. 4790-1141; SECONDED BY COUNCILWOMAN LOPAS; PASSED UNANIMOUSLY.**

- H. Adoption of Resolution No. 4074-1144 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to amend a Memorandum of Agreement with the Federal Aviation Administration (“FAA”) establishing criteria for the construction and operation of certain FAA facilities by repealing Resolution No. 3889-0857 and adopting a new resolution, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

Mr. Vardiman said that there were several agreements to be superseded by the Memo of Understanding (MOA) in 2007. He noted that the language was not clear in the original MOA and neither was the language regarding the administrative procedures for modification to that list. He noted the resolution would clarify that and resolve those issues.

Mayor Kuykendall asked if the FAA has funded the move of the box. Mr. Vardiman said that they received the first phase of the grant. He said that they expected to receive the second phase in July.

**COUNCILWOMAN LOPAS MOVED TO ADOPT RESOLUTION NO. 4074-1144; SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

- I. Approval of Water Service Agreement No. 2011-002 with Burton, M&J Leasing LLC, and Andre Family Limited Partnership.

Ms. Graser noted that the property was located at 1972 South Highway 89. She said that a  $\frac{3}{4}$  inch meter was installed by the City for service to the property in 1996. In 2001 it was replaced by a 2 inch meter, but the buy-in fees and the impact fees were not collected. She said that there was no Water Service Agreement at that time. The property was sold in 2004.

She said that the 2 inch meter was removed in 2008 during construction of Highway 89 by the Department of Transportation. She said that the City was contacted by the current owners to get a 2 inch meter. The agreement of the Water Service Agreement was to clarify and settle the terms and conditions of water service to the property. She noted that the City would provide a 1 inch meter to replace the  $\frac{3}{4}$  inch temporary meter.

Upon future request and payment by the applicant of all buy-in, impact and development fees in effect at the time, the City would install a 2 inch meter to replace the 1 inch meter and continue the service. The City

would set aside and provide 1 acre foot of potable water annually through the 1 inch meter and a total of 3 acre feet through the 2 inch meter.

Councilwoman Lopas left the room at 4:19 p.m. and returned at 4:21 p.m.

Councilwoman Suttles asked if the water had been allocated in the portfolio for this applicant. Ms. Graser said that it would be once it was approved. Councilwoman Suttles asked if it took that portfolio down to where it should be.

Ms. Graser said that they had budgeted 200 AF for 2011 and that would be the first allocation, which would leave 197 acre feet. Councilwoman Suttles asked if the surcharge for water was because it was outside of the City limits. Ms Graser said yes.

Councilman Blair thanked her for getting it done and said that it was long over due.

Councilman Lamerson asked if it was a clean up on a prior obligation or something new. Mr. Kidd said that it was a clean up. Councilman Lamerson said that there was a time when he and Councilman Blair asked for a water audit.

**COUNCILMAN BLAIR MOVED TO APPROVE WATER SERVICE AGREEMENT NO. 2011-002 WITH BURTON, M&J LEASING LLC, AND ANDRE FAMILY LIMITED PARTNERSHIP; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- J. Award of bid and contract for the Country Park Drive Water Main Improvement Project to T & H Construction, Inc., in the amount of \$104,722.00.

Mr. Nietupski said that this would provide for installation of a new water main to replace a failing segment between Ca-Tim Drive and Sylvan, east of Williamson Valley Road. He noted that it was planned to be completed by June and paid for from the Water Fund.

Councilman Lamerson said at some point he would like to update himself and others as to how large the issue was with old water/sewer lines. Mr. Nietupski said that he would prepare a report for them.

**COUNCILWOMAN LINN MOVED TO AWARD THE BID AND CONTRACT FOR THE COUNTRY PARK DRIVE WATER MAIN IMPROVEMENT PROJECT TO T & H CONSTRUCTION, INC., IN THE AMOUNT OF \$104,722.00; SECONDED BY COUNCILMAN BLAIR, PASSED UNANIMOUSLY.**

- K. Adoption of Ordinance No. 4791-1142 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, dedicating portions of Ruger Road and authorizing the Mayor and City staff to take all necessary steps to effectuate such dedication.

Mr. Nietupski noted that it was a staff generated item. He showed an overhead with the map and described the dedication.

**COUNCILMAN LAMERSON MOVED TO ADOPT ORDINANCE NO. 4791-1142; SECONDED BY COUNCILMAN HANNA; PASSED UNANIMOUSLY.**

- L. Award of bid and contract for the Annual Pavement Marking Project to Roadsafe Traffic Systems, Inc., in the amount of \$128,391.83.

Ian Mattingly said that the project provided for the annual maintenance for the City striping and pavement markings. He noted that they received two bids and Roadsafe was the responsible low bidder. He said that the work would begin in early May with contract expiration of June 30, 2011.

Councilwoman Suttles said that the City did this every year. She asked if it was the same two bidders each year. Mr. Mattingly said this was one of the rare times they had received multiple bidders.

Councilman Hanna said that he hoped they would get more bidders. He hated to see the money go down to Phoenix.

Councilman Lamerson said that the money to do the project came out of Highway Users Revenue Funds (HURF). He noted that some of those funds had been swept by the State. He said that hopefully the public would understand that in the future, the revenue necessary to continue at that level may come into question.

Councilman Blair asked if Public Works scrutinized the work being done. Mr. Mattingly said that they monitored it. He said that they broke out some of their arterials and were going with a thicker paint that should last longer. Councilman Blair asked if the paint contract covered all the stripes in the City, including parking stalls and crosswalks. Mr. Mattingly said yes.

Councilman Blair asked if some of the work should be done in house. Mr. Mattingly said that they had been thinking about that. One of the things they would like to get better at was being able to make quick changes. He noted that the equipment was very expensive. He noted that Field Operations could do some small jobs.

Councilman Blair asked if the work would be done by the July 4<sup>th</sup> weekend. Mr. Mattingly said yes.

Councilwoman Suttles asked if they would use the one cent fund when the HURF funds dwindled down. Mr. Woodfill said the HURF monies went into the Streets Fund, which was where the one cent fund went. The HURF monies were not sufficient to cover full maintenance of streets so the one percent fund supplemented those.

**COUNCILMAN BLAIR MOVED TO AWARD THE BID AND CONTRACT FOR THE ANNUAL PAVEMENT MARKING PROJECT TO ROADS SAFE TRAFFIC SYSTEMS, INC., IN THE AMOUNT OF \$128,391.83; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- M. Adoption of Ordinance No. 4789-1140 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting a sewer easement form Carrington Homes, Inc., to provide sewer service to the Prescott Highlands Subdivision.

**ITEM PREVIOUSLY PULLED FROM THE AGENDA BY ACTING CITY MANAGER MCCONNELL.**

- N. Approval of a professional services agreement with Waterworks Engineers for engineering services for the Airport Water Reclamation Facility, Phase I Expansion and ancillary services for the Sundog Water Reclamation Facility in an amount not to exceed \$5,350,180.

Mr. Nietupski noted that the project was another step in the process to evaluate, understand and improve the Wastewater Treatment facilities. He said the project would result in a 3.7 million gallon a day facility at the airport. He noted that the Staff Report had a number of attachments.

Councilman Hanna left the room at 4:42 p.m. and returned at 4:43 p.m.

Mr. Nietupski noted that the existing airport capacity was inadequate. He noted that it was a very complex project. The airport expansion was identified at 9.6 million gallons a day in a single plant scenario. He said that other phases could be scaled as time dictated. He said that the capacities were based on the current general plan.

He also covered:

- ◆ BUILDING A CENTRALIZED PLANT
- ◆ COLLECTION SYSTEM MODIFICATIONS

- ◆ MODIFICATIONS TO THE WASTEWATER FACILITY AT SUNDOG
- ◆ EFFLUENT MANAGEMENT
- ◆ FATS, OILS AND GREASE

He noted that the costs of the contract were significant. He said that there was also a chart of projects of a similar kind that had been constructed around Arizona in the last five to six years and the costs of those facilities. He noted that the City's contract was well within those amounts.

He noted that the project would begin in May with the start of construction anticipated for July of 2012. He said that it was anticipated that the project would be delivered with Construction Manager at Risk (CMAR) and the schedule may be modified and may be sooner.

He said that it was budgeted over several fiscal years, fiscal years 2011 through 2014. The amount was \$41,600,000 for the total project costs. They were looking at financing through the Water Infrastructure Financing Authority of Arizona (WIFA). He said that wastewater revenues would be the fund source for paying for improvements associated with this project.

Councilman Lamerson asked if he was correct in assuming that the wastewater rates would not be raised due the financing mechanism they were using. Mr. Nietupski said that there was no eminent plan to go back to the public for an increase in wastewater rates associated with the project.

Councilman Lamerson asked what would happen when the City got another project in and hit capacity with regards to Arizona Department of Environmental Quality (ADEQ) and the City's ability to function. Mr. Nietupski said that the City would not be able to function if they did hit capacity. He said that ADEQ required the City to assure that it could treat wastewater flows from new development. He said that every project required a submittal in that regard. He noted that the state could basically shut down the City's ability to grow.

Councilman Blair asked if it was a practice that the project management design permitting was higher than the construction cost of the project. Mr. Nietupski said that if he looked at the first column, he would see that the City was at about 6.4% and the other projects listed below it were at a higher percent except for one in Tempe in 2005. He said that the construction management costs were among the lower of those that were

shown on the list. He said that there was good value in the project for the City.

Councilwoman Suttles said that she thought that they all agreed to go with CMAR at the Workshop. Mr. Nietupski said that there was a caveat that the City retained, if in the event at the point of development of the project that the construction manager and city cannot come to a conclusion for the fee of construction, the City would have the opportunity to go with a more standardized bid/build scenario. He said that he preferred the CMAR approach.

Councilman Hanna said that the contingency on it was \$450,000. He asked if there was a day or month figure. Mr. Nietupski said that \$450,000 was more in relation to potential tasks that may be identified as they got into the CMAR effort. If they got into a situation where multiple approaches needed to be evaluated or different equipment than what was specified, they would have the ability to do that.

Councilman Hanna asked if there was something built in for that already. Mr. Nietupski said that it was just the design element for that project.

Councilwoman Linn said that it was a complicated topic. She asked if they were in a danger zone with the current population. Mr. Nietupski said yes. Mayor Kuykendall asked if the City had the capacity with the Juvenile Facility coming on.

Mr. Nietupski showed charts that demonstrated the current condition at Sundog. He said that the average daily flow was about 2.58 million gallons per day. He said that they had a couple of years to make a decision.

Mayor Kuykendall said that there was a commercial permit for the airport plant and were waiting to hear from ADEQ. He asked what the City saw for future growth.

Mr. Nietupski said that staff had been in contact with ADEQ to discuss those issues. He noted that the issue of treated effluent was also an element of this contract. He said that they would be evaluating those capacities for delivering effluent for those credits and reuse as they had those obligations for some golf courses in that area.

As far as the ADEQ processes, because the City was moving forward with the Master Plan and engineering, and construction, they hoped and anticipated that ADEQ would understand that they were making strides to enhance their ability to serve the community.

Mayor Kuykendall said that it would not do them much good even if they had the ability to move raw sewage from Sundog to the Airport. Mr. Nietupski said that he was correct; the City could not treat it.

Mayor Kuykendall said that a priority might be to look at transportation of raw sewage and the expansion of the airport which might go hand in hand. Mr. Nietupski said that a central facility could be developed out there. He said that the total capacity was 15 million gallons a day. He said that in a series of projects over many years, modular additions could be accomplished as the need was determined.

**COUNCILWOMAN LOPAS MOVED TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH WATERWORKS ENGINEERS FOR ENGINEERING SERVICES FOR THE AIRPORT WATER RECLAMATION FACILITY, PHASE I EXPANSION AND ANCILLARY SERVICES FOR THE SUNDOG WATER RECLAMATION FACILITY IN AN AMOUNT NOT TO EXCEED \$5,350,180; SECONDED BY COUNCILMAN HANNA; PASSED UNANIMOUSLY.**

- O. Adoption of Ordinance No. 4784-1135 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving loan funds from the Water Infrastructure Finance Authority of Arizona (WIFA) for the upgrade and expansion of the Airport Wastewater Treatment Plant Project, through the Clean Water Program #910151-11, authorizing the Mayor and staff to sign any and all WIFA funding documents pertinent to said project, and declaring an emergency.

Mr. Woodfill said that the rate study they all looked at in the fall and adopted, contemplated the project and the loan. He said that the Council adopted three rate increases. The first of which had happened already. The second would be January 2012 and third January 2013. He said that the rate study that was brought forward called for six rate increases over the next six years. He said that there would be increased rates to fund a project of this magnitude.

He noted that because of the efforts Council had taken with the rates and the size of this project, the WIFA Board, when considering the City's application, set the rate at the time they considered it, which was normally not done. He said that they set it at 3%. The City was guaranteed 3% for the next three years.

He said that they would be closing the loan on June 10, 2011, and said that with WIFA, they would not pay interest on anything until the City withdrew it.

Councilman Lamerson asked if the money that they were going to take from the residents for the improvements had been calculated in the rate structures regarding the interest. Mr. Woodfill said yes.

Councilwoman Suttles said that she was confused because they were told that there were not going to be any more increases. Mr. Woodfill said that was why he wanted to clarify it. He said that Council adopted three increases a couple of months ago. Councilwoman Suttles asked if those three rate increases were what they were going to live with for the next few years. Mr. Woodfill said yes, it would be spread out over six years.

Councilwoman Suttles asked if the Impact Fees were still frozen. Mr. Woodfill said yes, which put more pressure on the rate payers. He noted that the legislature just passed a new bill that would cause more problems. He said that the City was still using the fees that were coming in. He said that it was anticipated that a lot of the project would be paid for with Impact Fees.

Councilman Blair asked how that would affect the cumulative total of \$40 million and Proposition 401. Mr. Kidd said that Proposition 401 had exceptions for wastewater treatment and items of public health and safety issues.

Councilman Blair asked if a water line issue was deemed a public safety issue would it take it out of the \$40 million total and Proposition 401. Mr. Kidd said that he had not looked into that issue, but the replacement of existing sewer lines may be an exception. Councilman Blair asked if he would bring forward some clarity on the issue.

Mr. Kidd said that the other issue was what the definition of “project” was under Proposition 401. Councilman Blair said that they needed to make that call in the near future. He asked whose call it would be. Mr. Kidd said that they were anticipating coming to Council with an implementation resolution.

Councilman Lamerson agreed that they needed more clarification of what “project” actually meant. Councilman Blair asked that once they hit \$40 million, if it would ever start over. He asked how that would work.

Mayor Kuykendall noted that the Council bit the bullet and took the heavy increase in the flat rate. He said that the next increase would be more of a consumption increase. Mr. Woodfill said that was true on the water side. He said that the wastewater side would be straighter across the board. He said that the Council adopted a 15% increase for January and another 15% increase the January after that.

**COUNCILWOMAN LINN MOVED TO ADOPT ORDINANCE NO. 4784-1135; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- P. Approval of a purchase order to Dell, Inc., in an amount not to exceed \$175,000.00 for computer/laptop replacement, software, licenses, and maintenance support for the City's imaging and other administrative systems.

Mr. Woodfill noted that the City used Dell computers. He said that in addition to buying computers from Dell, Dell had purchased several other companies; ASAP (which had the State contract for software); Kase, which was the K Box desktop administration and OnBase used for imaging. He said that they were writing a lot more checks to Dell and wanted to get a "not to exceed" contract to Council for the next year. He noted that it would also include work at the library.

**COUNCILWOMAN LOPAS MOVED TO APPROVE A PURCHASE ORDER TO DELL, INC., IN AN AMOUNT NOT TO EXCEED \$275,000.00, FOR COMPUTER/LAPTOP REPLACEMENTS, SOFTWARE, LICENSES, AND MAINTENANCE SUPPORT FOR THE CITY'S IMAGING AND OTHER ADMINISTRATIVE SYSTEMS; SECONDED BY COUNCILWOMAN LINN; PASSED UNANIMOUSLY.**

**V. ADJOURNMENT**

There being no further business to be discussed, the Regular Voting Meeting of April 26, 2011, adjourned at 5:21 p.m.

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MARLIN D. KUYKENDALL, Mayor

ATTEST:

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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 26th day of April, 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

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ELIZABETH A. BURKE, City Clerk

