

PRESCOTT CITY COUNCIL  
JOINT SPECIAL MEETING/WORKSHOP  
TUESDAY, APRIL 5, 2011  
PRESCOTT, ARIZONA

MINUTES OF THE JOINT SPECIAL MEETING/WORKSHOP OF THE PRESCOTT CITY COUNCIL held on APRIL 5, 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 3:00 p.m.

◆ **PLEDGE OF ALLEGIANCE** Councilwoman Suttles – introducing the SNAP (Special Needs Activity Program) Signers

Mayor Kuykendall introduced the Special Needs Activity Program (SNAP) Signers who led the Council and audience in the Pledge of Allegiance, and then signed the National Anthem. Councilwoman Suttles said that she was proud of the group and thanked Kathy Lilley for the work she had done.

◆ **INVOCATION** Church of the Nazarene

Pastor Amy Ryland of Church of the Nazarene gave the Invocation

◆ **ROLL CALL:**

Present:

Absent:

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

None

## **SPECIAL MEETING**

- I. Public Hearing and consideration of purchase of property at 502 Montezuma for multiple-family housing units for formerly homeless families.

Ms Hartman said that the item had been on the street for 30 days for public comment and they received one comment correcting her on the address. Mayor

Kuykendall said that they received a letter from a citizen who thought the money was coming from City tax money, and he asked Ms. Hartmann to clarify that issue.

Ms. Hartman said that Community Development Block Grant (CDBG) funds were allocated to entitlement communities to support those who need help. She said that they were guided to low to moderate income people and housing and first time buyer programs. She said that the City was taking a step in which they were actually creating homes. She noted that the definition of family, according to Title 24 was *all persons living in the same household who are related by birth, marriage or adoption*. She said that they were not group homes.

She said that the purpose of this housing is for families. She noted that Project Aware had been around for 20 years in Prescott and created the first housing for homeless people in Prescott. She said that they had a homeless shelter for men and 14 units for formerly homeless Vets. She said that in deeding the property to them, the City was giving them an opportunity for them to qualify for a low income loan and they could build on that and provide more homes. She said that they have very strict rules and if a person flunked a drug test, they would not get a second chance.

Councilman Hanna said that he was not for entitlement. He said that they needed to work for what they had. He said that he did not believe that it said anywhere in the Constitution that people were entitled. He asked where the \$164,051 coming from. Ms. Hartman said that it was coming from CDBG grant funds from Housing and Urban Development (HUD).

Mr. Mattson said that he was a homeless advocate and the need for the facility in Prescott could not be overstated. He encouraged the Council to vote in favor of it.

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

**COUNCILWOMAN SUTTLES MOVED TO AUTHORIZE THE PURCHASE OF PROPERTY AT 502 MONTEZUMA IN THE AMOUNT NOT TO EXCEED \$164,051.50; SECONDED BY COUNCILMAN LAMERSON; MOTION PASSED 6-1 WITH COUNCILMAN HANNA CASTING THE DISSENTING VOTE.**

II. Discussion and possible action regarding Acting City Manager position.

Mayor Kurkendall said that the item was the result of an Executive Session held earlier in the day which was centered on the action the Council would take to select a name for an Acting City Manager.

**COUNCILMAN LAMERSON MOVE TO APPOINT CRAIG MCCONNELL AS ACTING CITY MANAGER EFFECTIVE APRIL 12, 2011, FOR A PERIOD NOT TO EXCEED SIX MONTHS, WITH LAURIE HADLEY TO CONTINUE IN THE CITY MANAGER'S OFFICE TO ASSIST HIM THROUGH MAY 2 UNDER THE TERMS OF HER MEMORANDUM OF UNDERSTANDING WITH THE CITY AND TO INSTRUCT THE CITY ATTORNEY TO PREPARE A CONTRACT FOR EMPLOYMENT OF THE NEW ACTING CITY MANAGER TO BE PRESENTED TO THE COUNCIL NEXT WEEK; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

III. Adjournment

The Prescott City Council adjourned their Special Meeting at 3:15 p.m. at which time the Workshop began.

## **WORKSHOP**

I. **PUBLIC COMMENTS**

A. Introduction of new businesses.

Dyan Jones of the Prescott Chamber of commerce presented the following three new businesses:

- ▶ Joy Chandler Allstate Agency, Whipple
- ▶ Surperlative Salon and Day Spa, 212 South Montezuma
- ▶ WebBush Securities, 1745 Hassayampa Village Drive

B. Ross Alexander re denied claim from Risk Management.

Mr. Alexander said that he lived in Prescott 35 years and owned his own salon for 20 years. He said that six months ago one of the City's garbage trucks caught the power lines in front of his house and ripped the box off of the front of his building. He said that he was on vacation in Utah at the time, but received a call from crisis management in Prescott to let him know what was going on. He told them to fix it because he was out of the state. They told him to get a contractor and permits and fix it himself and file a claim with the City when he was done. He said that he got it fixed before he came back.

He said that the City's insurance company got back to him a week later and said that they did not think that they were liable; they thought that

APS was liable because the wires were too low. He said that the wires had been there for 35 years.

He said that he then filed claims with APS, who wanted pictures, which he did not have. APS said that they were not responsible and it must be the phone company. He said that the phone company blew him off faster than anyone else.

He said that he then came in and talked to Mayor Kuykendall who tried to help, but he was still getting the runaround.

Councilman Hanna asked what the height of the wire was. Mr. Alexander said that no one knew and the wire was on the ground. Ms. Hadley said that according to City Code, there was a standard height for the wires.

Mr. Alexander said that when they put the wires back up, they were put on the new poles, which were about six feet higher. Councilman Hanna asked Ms. Hadley if the City truck did hit the wire. She said yes. She said that the wires were live and the driver stayed in his truck until APS could remove the wires.

She noted that there was a process that went through the insurance adjuster who investigated and denied the claim. She said that if they were to pay a claim, APS and the phone company would come after the City to get the money back for their costs. She did not think that it was the driver's fault since he had run that route for years. She said that she had to go with what the professional insurance company found when they did their investigation.

Councilman Hanna asked if Mr. Alexander thought that it was the trash guy's fault. Mr. Alexander said no. Councilman Hanna asked why he would expect the City to pay for it. Mr. Alexander said that the driver caused the accident. Councilman Hanna said that it was not an accident. He said that the wire caused the accident and he needed to take it up with APS.

Mr. Alexander said that he could not get APS to talk to him. Councilman Hanna said that he understood his frustration with dealing with utilities and municipalities.

Councilwoman Suttles asked the City Attorney how the matter had been handled. Mr. Kidd said that the City had changed their insurance policy so they send the claims into the insurance company for investigation and handling. He said that they review on whether the City has exposure or liability. He said that they would not pay for the claims that the City did not have liability for.

Councilwoman Linn said that there were two to three different places that he could file complaints against that company. Councilman Hanna said that the Corporation Commission would be one.

C. Todd Scott re Yavapai 4-H/FFA Expo.

Ms. Scott said that they were ambassadors for the 4-H and FFA Expo. She said that she had been in 4-H for 6 years. John Alder said that he had been in 4-H for 12 years. Molly Kennedy said that she had been in 4-H for 9 years. Ms. Scott said that the Expo was a week long event. They thanked the City for loaning the generators in the past.

Mr. Alder said that the event was the last week of April and invited Council to a luncheon before the auction.

Councilwoman Linn said that they might want to send an e-mail to the City with specific information. She said that if more than three of the Council attended, they would have to post it.

D. Todd Sadow re Whiskey Row Off-Road Update.

Mr. Sadow said that he was there to provide an update on the 2011 Whiskey Row Off-Road Mountain Bike Event and showed them a Schedule of Events for three days, April 29 – May 1. He said that the Calendar of Events was intended to show off all of Prescott's facilities and highlight the natural resources. He said there would be a family fun night, a beer garden and two touring bands. He said that their goal was for 1,500 riders. They had 1,300 so far and had 1,000 riders the previous year.

He noted that there were 75 pros registered and there were only 100 in America. He said that the \$20,000 cash prize helped the numbers. He felt that 90 of them should be registered before the event began, which was great for the first year. He noted that there were riders from various countries. He noted that the Hassayampa Inn and Springhill Hotels had been booked for quite awhile.

Councilman Lamerson asked if they had done an Economic Impact Analysis on some of the positive residuals. Mr. Sadow said that they did a post event survey each year. He said that if there was anything they wanted to know about the participants that they were not asking, just let him know.

Councilwoman Linn asked how they were doing with volunteers. Mr. Sadow said that they were recruiting and needed 100 volunteers. He

said that Nigel Reynolds was the volunteer coordinator and people could contact them at [info@epicrides.com](mailto:info@epicrides.com).

E. Daniel Mattson re City's Towing Policy.

Mr. Mattson said that on February 22, 2011, they had a meeting that involved the towing policy. He said that he volunteered to represent the public at the following meetings, but he was not told when that meeting would take place so he wanted to discuss his ideas.

He said that Channel 3 suggested that the person who was getting his car towed should be given a list of towers in town so that he would know if an authorized truck was picking up the car. He said that rights and responsibilities should be included.

Councilman Hanna asked him if he believed that it was the responsibility for the rest of the public to pay for someone that did not have money. Mr. Mattson said that the public would pay for it one way or another. Councilman Hanna said that was what charitable organizations were for. He said that was how they ended up in the situation they were in today in the country. He noted that everyone believed there should be entitlement.

Councilwoman Linn said that it was a State Law to carry insurance on a vehicle. She noted several charities that may be helpful.

## II. PROCLAMATIONS

A. April 2011 as *Substance Abuse Awareness Month*

Councilman Hanna read the proclamation and presented it to Police Chief Mike Kabbel. Chief Kabbel said that he would get it to MATForce and noted that they were doing a great job.

B. April 2011 as *Fair Housing Month*

Councilwoman Lopas read the proclamation and presented it to Linda Hartmann.

C. April 2011 as *Water Awareness Month*

Councilwoman Linn read the proclamation and presented it to Shawn Rydell.

Ms. Rydell said there were a thousand things to do to save water. She reminded everyone to look on the City's website for activities that kicked off water awareness. She wanted the public to be water smart especially

April through October. She thanked the public for the good job they were doing. She said that the web site was [www.prescott-az.gov](http://www.prescott-az.gov) and to click on water services and conservation.

D. April 5, 2011 as *Supporting the Goals of the Arizona Solar Challenge*

Mayor Kuykendall read the proclamation and presented it to Arizona Smart Power. They noted that the contact numbers were 480-386-3089 and 928-637-6598 or they could be found at [arizonasmartpower.org](http://arizonasmartpower.org).

E. April 10-16, 2011 as *National Library Week*

Councilwoman Suttles read the proclamation and presented it to Toni Kaus, Prescott Library Director. Ms. Kaus thanked her for the proclamation and said that they had their annual fundraiser, Jazz in the Stacks, coming up on Sunday May 1.

### III. PRESENTATIONS

A. Recognition of Police Officer Robert Coker for DUI Enforcement, as recognized at the Annual MADD Awards Banquet

Chief Kabbel recognized Officer Coker for a job well done. He said that over the past three years, Officer Coker had been one of the top five officers in removing Driving under the Influence (DUI) suspects off the streets in Prescott. He said that in the past two years he had led the Prescott Police Department in the total number of DUI arrests, arresting 80 DUI drivers in the past two years.

B. Civilian Commendation to Keith Beesmer

Chief Kabbel said that they recognized Mr. Beesmer for an act of kindness that he tried to perform for the past 27 years and was just recently able to accomplish it. Mr. Beesmer posted a picture of a class ring on the internet that he had found 27 years prior, and could not find the owner. He said that a woman saw the ring and located its owner through a social networking site. He commended Mr. Beesmer for being a Good Samaritan, and for his kindness, diligence and honesty.

Mr. Beesmer said that he was sorry it took so long to find the owner, but they were Facebook friends now.

C. Presentation by Community Cupboard on their program

Mr. Beeson said that the Community Cupboard has been around since 1970. He noted that they were supported by volunteers of eight local

churches. He said that they were open 52 weeks, 5 days a week. He noted that they were nonprofit and nondenominational. He noted that in 2005 they filled 3,647 orders in 2010 they filled 4,465 orders. He said that they were located at 313 West Gurley Street.

Councilman Hanna asked where people could drop off food. Mr. Beeson said Catholic Charities on Summit Street. He said that their website in the brochure was [www.prescottcommunitycupboard.org](http://www.prescottcommunitycupboard.org),

Councilwoman Linn said that people need to know that they were serving Prescott. Mr. Beeson said that 22 City employees delivered the full Thanksgiving dinner to the cupboard last year. He said that last year the City's Building Department collected 700 pounds of food.

Councilwoman Suttles said that she appreciated them and thanked all of the volunteers.

D. Council Update

Ms. Hadley said that there were three new officers on patrol and they had completed 16 weeks of field officer training which followed 18 weeks of training at Northern Arizona Regional Training Academy. The Officers were Tanner Farnsworth, Andrew Hoffman and Carl Leithead.

She noted that there was also one lateral officer, Peter Tomasovitch, who came to Prescott from the Goodyear Police Department. She said that the Police department was planning a Citizens Academy in May.

She said that Baja Fresh was opening a location next to Big Lots and the old China Buffet restaurant was bought by a local family and would open up a family owned steak house.

She also noted that the Bed tax was up for seven consecutive months a row and the Tourism Department said that they would be running a Prescott commercial in Scottsdale and North Phoenix at the movie theaters.

Councilwoman Suttles asked what the City was doing about the Centennial. Ms. Hadley said that she would be glad to gather some information and email it to them. She said that the local committee, spearheaded by Barbara Gilliss, was doing a paver project around the statue at the front of City Hall.

Councilwoman Linn said that there would be about 600 volunteers to pull off the BestFest. She encouraged everyone to watch for that.

Councilman Hanna said that it was great to have four more officers and he understood that they were going to four twelve hour days. Chief Kabbel said that they were not. He said that they had looked at that option to increase staffing levels. He said that they had changed some things around in other divisions to get manpower back on patrol.

He said that they would be keeping the same schedule, but in analyzing their investigations division, about 10 months ago they combined the special enforcement and investigations to work on issues. They wanted to offer uniform training and lessen their liabilities. He noted that they were down 12 people due to new babies and various other leaves of absence.

Ms. Hadley said that they were trying their hardest to fill those positions. She said that it was about nine months from the time they hired to the time they got them on the street.

E. Board/Commission Reports by Council liaison

Councilwoman Suttles said that the Central Yavapai Metropolitan Organization (CYMPO) was in the middle of the public transit issue. They had one bidder who was local and they were hoping that it came to service.

She also noted that she and Councilwoman Linn had attended a regional meeting where the communities discussed Centennial plans.

She said that Northern Arizona Municipal Water Users Association (NAMWUA) Chairman, Councilman Flannery from Prescott Valley, would be stepping down when his term expired in June of 2011, and he would be missed.

Councilwoman Linn noted that Councilman Lamerson was also at the Regional Government meeting with Councilwoman Suttles and herself.

Councilwoman Linn and Lopas had no report as did Councilman Blair, Hanna and Lamerson.

F. Legislative Update by Joe Brehm

Mr. Brehm said that the budget had been remitted to the Governor and they expected her to sign it within the next couple of days. He said that the City of Prescott had three different impacts to face. One was a new fee for water users to cover expenses for the Arizona Department of Water Resources. The next was a cut in highway user revenue funds (HURF), a shared fund that came to Prescott through gasoline tax. The third impact

was an additional cut in HURF funding to go to the Arizona Department of Motor Vehicles.

Councilman Hanna confirmed that Prescott knew that it was coming. Mr. Brehm said yes. He noted that Prescott would face an impact of \$396,801.

Mayor Kuykendall asked if the City could get the Arizona Department of Water Resources fee back and then move it on to the water users. Mr. Brehm said that was the original intent of the fee. He thought that it would be put on the water bills as a line item at the bottom.

Councilwoman asked if the amount was related to population and if it would include exempt wells. Mr. Brehm said that he had not seen the language but he thought wells would continue to be exempt

Councilwoman Suttles said that she had heard that the fee could be \$.02 to \$.10. Mayor Kuykendall said that the amount could only be what the actual cost was.

Mr. Brehm said that Bill 1379 made more changes to fireworks. He said that an amendment was adopted that said the sale and use of permissible consumer fireworks was prohibited in a county that included at least 2,500,000 but not more than 5,000,000 acres of Federal land that has a population of less than 500,000. He said that would ban the sale and use of fireworks in Yavapai and Coconino Counties. He said that a second amendment attached an emergency clause which said that if the Governor signed the bill, it would become active immediately.

#### **IV. DISCUSSION ITEM**

##### **A. Discussion/direction re fees for City's liquor licenses**

Mr. Brehm said that he had previously been presented some questions with regard to liquor licenses and was there to present the answers to them, as well as answer any other questions that may arise.

##### *1. How did this start and what was the process the City used when adopting its liquor license?*

Mr. Brehm said that he looked into the City's liquor license history and found it was adopted in 1933. He said that businesses would pay \$50 per year for beer and wine. He noted that the fee would be \$837 in today's market. He said that if they sold spirituous liquors, the fee would have been \$230; that would be \$4,235 today.

2. *Is the City of Prescott the only city in Yavapai County that charges a liquor license fee?*

Technically yes, but others have a business license, with a standard rate of \$40-\$50 per business and those with liquor licenses pay an increased amount. He said that there were several others around the state that charge an annual liquor license fee, depending on the type of series.

3. *Where does the revenue go when it is collected?*

He said that the revenue goes into the General Fund, which is 64% made up of by police, fire and dispatch.

4. *How much is collected yearly?*

He said that between all licenses approximately \$66,000 is collected annually.

Mr. Brehm said that they had members of the Prescott Area Independents present with some recommendations.

Councilwoman Lopas said that she would propose that they do a workshop on the business license and factor in the liquor license issue.

Mayor Kuykendall said that there is a lot of interest and they should move forward if that was what the Council wanted to do.

Ms. Hadley noted that the third Tuesday of the month was available when they would be holding a short workshop on the Rosser project, or they could do it at the first meeting in May.

Mayor Kuykendall said that at that meeting they could get into the details and the organizations could become involved. He was sure that as they looked at those costs they would look at some method to replace that revenue. Ms. Hadley said that if they collect a business license it would take some manpower for staff to administer it.

Mayor Kuykendall reminded everyone that everyone has an opinion on the issue of business licenses. He asked if that a few people be appointed to represent their views so they could move through it and be organized.

Councilwoman Suttles said that she would like to get some of the information out before they had that workshop. They have looked at business licenses at least three times in the past and they would probably

need more than one workshop. She was pleased that they were coming up with another option. She said that she was behind business licenses as it was not just a fee, but a tracking activity.

Ms. Hadley said that if they ran the call volume they would see a higher numbers of calls to those establishments with liquor licenses. The last time they visited this was in 2003. At that time the City Manager recommended doubling it and that was not very popular. It has not been looked at since that time.

Councilman Blair said that when he sees people violating alarm ordinances, etc. it seems like an unfair playing field. At some time they need to bring up the different costs of service to the community that are legitimate to pay people pay for.

Ms. Hadley said that they would be happy to bring back the alarm ordinance. She said that the business license did not go over well, and at that time they were not looking at it as a revenue maker.

Councilman Blair said that he was not willing to have an alarm ordinance; they should charge those that create the problem. Similarly, they should charge extra for those establishments where the Police Department has to be called to over and over. He said that it would be something to discuss at a workshop.

Councilman Lamerson said that the tax structure is broken, period. The last time he was there with the business license, they wanted to target certain groups of people, not everybody equally. They wanted to target store fronts, not everybody equally. Talking about the alarm ordinance, they wanted to target everyone that owned an alarm, not those creating the problems. The fact of the matter is that everyone is getting taxed, but not everyone is creating the problem, and he was feeling the same with the business license. They need to have this type of discussion and fix the tax thing to begin with, not just one part of it.

Barry Barb and Roxanne Nielsen, both on the Board of PAI (Prescott Area Independents), approached the Council. Mr. Barb first thanked Joe (Brehm) for meeting with them. He said that this was something that their organization has been dealing with for almost two years. One of the things to clarify was that in 1933 it was at the end of prohibition, so alcohol had a very bad name and that is why the taxes were so extreme at that time.

Mr. Barb said that it has been a huge education for them and they appreciate the continuing conversation. They have made some suggestions. They were not asking for an extra burden on anyone, but

when their neighbor pays nothing and they pay a lot, it needs to be addressed.

Ms. Nielsen said that there was a law on the books, in Arizona Revised Statutes, that says, *“A city or town shall not discriminate against hospitality industry businesses in the collection of fees. For purposes of this subsection discriminate means any increase of fees on hospitality industry businesses by any dollar amount on or after April 1, 1990 without a corresponding equal dollar amount of increase in the privilege license fees or other fees imposed on all other businesses in the city or town. For purposes of this subsection, fees on hospitality industry businesses means annual liquor license taxes or fees, or annual renewal or reissuance fees for municipal privilege license however denominated.”* She noted that there are some limitations. The law does not apply in small cities with populations of 100,000 or less. Their position, as license holders, is if it is discriminatory in a town of 110,000 then why is it not discriminatory in a town of 40,000.

She said that the City of Glendale did that and after ALBA (Arizona Licensed Beverage Association) took it to task they had to rescind their increase in fees.

She said that they have come up with a proposal. They have met and realized that the \$66,000 is important to the City’s budget. They were not proposing or endorsing a business license tax, but they would be willing to publicly stand behind a City initiative, depending on the way it was worded.

She said that they felt it needed to be distributed more fairly and they were willing to work with the City.

Councilwoman Linn said that if they were going to do something with the business licenses they would need to have some background information, such as the past numbers required for staffing. Ms. Hadley said that they could get more numbers on what other communities are doing.

Councilman Blair said that he was not concerned with hearing what other communities were doing. If their budget was broken and their roads are a mess, they need to live within their own means. Ms. Hadley said that they could bring comparables on others’ fees.

Councilwoman Linn asked that they also look into the Arizona Revised Statutes. Mr. Brehm said that they would get with Legal to make sure everything was above board.

Councilman Lamerson asked that as they move forward they include those businesses selling items on the internet or having a home business, and everyone else making a living. Councilwoman Suttles asked how they would find those numbers.

**V. ADJOURNMENT**

There being no further business to be discussed, the Joint Special Meeting/Workshop of the Prescott City Council held on April 5, 2011, adjourned at 5:07 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 5th 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