

PRESCOTT CITY COUNCIL  
WORKSHOP  
TUESDAY, OCTOBER 18, 2011  
PRESCOTT, ARIZONA

MINUTES OF THE PRESCOTT CITY COUNCIL WORKSHOP held on October 18, 2011, in the COUNCIL CHAMBERS located at CITY HALL, 210 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

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

◆ **INVOCATION**

None.

◆ **PLEDGE OF ALLEGIANCE**

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

◆ **ROLL CALL:**

PRESENT:

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

ABSENT:

None

**I. PRESENTATIONS**

A. Presentation on Bicycle Pump Track at Granite Creek Park.

Brad DeVries said that he lives on Campbell, two blocks from Granite Creek Park, and he was there representing the Prescott Mountain Bike Alliance to talk about a Pump Track at Granite Creek Park. He then gave a PowerPoint presentation that addressed:

▶ PRESCOTT MOUNTAIN BIKE ALLIANCE

He said that approximately 120 members devoted more than 600 volunteer hours to local trail projects around the Prescott area.

- ▶ WHAT IS A PUMP TRACK?
  - Closed circuit, small footprint
  - Shaped dirt mounds & banked turns
  - Mountain Bikes, BMX, Kids Bikes OK
  - Powered by pumping, not pedaling

- ▶ VIDEO

- ▶ WHY A PUMP TRACK?
  - Healthy recreation for kids & adults
  - Attract Mountain Bike Tourists
  - Add to Prescott's Trail Network

- ▶ WHERE SHOULD WE PUT IT?

He said that the Parks staff and PMBA members were recommending Granite Creek Park as a location. He said that by increasing family and visitors to the park they are going to be increasing the safety in the park, both in its reputation and reality.

He said that Joe Baynes has estimated that it would save approximately ½ acre foot of water each year, saving the City between \$500 and \$1,000 on the water bill. On top of that would be the sales tax revenue brought in by visitors using the track.

- ▶ LOCATION MAP

Mr. DeVries said that the tree canopy looks like shadows, but they would not take out any trees in constructing the track. He said that it would have great access to the Depot Marketplace and he noted that Manzanita Outdoors was moving in at the end of the building.

- ▶ HOW CAN IT HAPPEN HERE?
  - PMBA has raised over \$2,000 so far
  - \$1,000 grant
  - Matching donation of \$1,000 by member
  - We have not yet solicited \$ from members

Mr. DeVries said that they believed that the project could be done with volunteer time, donated materials and City oversight. He said that they are talking to the neighborhood and they believed they could bring in a lot of volunteers.

He said that they were working on a construction agreement that lays out what they intend to do, with the ongoing role and takeover of maintenance, dust abatement, weed control, reconstructing when needed. They intend to keep it as a world-class facility, on their own book and dime.

▶ PUMP IT UP, PRESCOTT

He said that it will attract visitors, and it was a great location that benefits mountain bikers, kids, as well as the park itself.

Councilwoman Suttles asked if they were looking to the City to help with maintenance. Mr. DeVries said that they would do the work and provide the materials themselves, but they would work with Joe Baynes and Chris Hoskings in parks and Recreation.

Councilwoman Suttles asked about insurance. Mr. DeVries said that insurance coverage would be part of the agreement.

Councilwoman Suttles asked how it was paid for. Mr. DeVries said that it would be free of charge. The maintenance overall would be low cost. He said that they would address supervision in the same manner as they do at the skate park. He said that they were open to chatting, and discussing signage, etc. but they saw the skate park as a good model.

Councilwoman Suttles said that she believed it would be a plus, and it would add to the park.

Councilman Hanna said that he thought it was a good idea. He asked if it would impede on the walking track. Mr. DeVries said that it would not impede; it would encircle the areas. He said that one of the great things was that the Granite Creek Park was connected to the City's trail system.

Councilman Blair said that he believed that once the corner was improved they should also improve the curb/gutter ramp and the shrubs/trees overall. Mr. Baynes said that it was something they could look at. Councilman Blair said that it would make the access more visible and usable.

Councilman Lamerson asked Mr. Kidd if he had time to look at the potential ramifications and immunities. Mr. Kidd said that he had. He had worked on a license agreement format and maintenance contract, similar to ones in the past that have indemnity, also working on making sure that they cover recreation immunity.

Mayor Kuykendall asked if the area was lit. Mr. Baynes said that there was some existing lighting, but as part of the proposal they would address better lighting. He said that curfew would be 10:00 p.m., which is when the park closes.

Councilman Hanna said that everyone says they do not have a problem in the creek with derelicts and transients. He asked Mr. DeVries how he thought it would affect that issue. Mr. DeVries said that he thought that the more legitimate activity they have the more it tends to push out the illegitimate activity, and it would make it a safer place.

Mayor Kuykendall thanked Mr. DeVries, on behalf of the City, for the work he was doing on the trails. He said that he has received several calls in the last week from equestrian people saying that they were working out the solutions and they were agreeable to what was going on.

Mr. DeVries said that it has been a lot of fun and he has made new friends that he may not have otherwise met.

B. Presentation of Household Hazardous Waste Wrap-Up Video.

Chad McDowell, Field Operations, said that the Solid Waste Division held their household hazardous waste day on September 25. In years past they have had between 500 and 600 cars. This year they had 883 cars. He said that they have reviewed the pros and cons and feel this year it was a huge success. He then showed a video prepared by Public Communications.

Mr. McDowell thanked all of the workers, and gave special recognition to Brad Frisk and Joe Brehm.

Mayor Kuykendall asked how it came out financially. Mr. McDowell said that since they were not expecting as many cars, they would be pushing the limit of the budget. He said that Brad Frisk found a way to rebatch the paint, leaving them with 26,000 pounds of paint which will be given to Code Enforcement, used for graffiti clean up, and such things as painting "P" mountain.

Mr. McDowell reported that on October 29, the City would be holding a free brush day for City departments and residents and they would also be opening up to citizens living just outside of the city limits, partnering with the Fire Department and Wildland Fire. He said that they would be chipping that material and hope to have it available within the next few weeks.

C. Presentation re 2012 Insurance Coverage.

Sheri Swain said that back in July when they had the insurance renewal they talked about her coming back and giving an insurance presentation. She then reviewed a PowerPoint presentation which addressed:

- ▶ COVERAGES WE NEED
- ▶ INSURANCE OPTIONS
- ▶ OPTIONS FOR PROVIDING COVERAGE
- ▶ SELF-INSURANCE – Current
- ▶ TRADITIONAL DEDUCTIBLE PLAN AKA FULLY-FUNDED
- ▶ MUNICIPAL INSURANCE POOL

Councilwoman Suttles asked if the City was ever in the Insurance Pool. Mr. Woodfill said they used to be in the Pool back in the 1980's until they became self funded.

Ms. Swain said that the majority of the cities/towns in the Pool were those with 100 employees or less, with a few exceptions. She said that they need to be sure they are comparing “apples to apples” because the City of Prescott has some things that other communities may not have such as an airport, water, sewer, trash, etc.

Mayor Kuykendall asked if their premium would be cut if they privatized some departments that had high exposure. Ms. Swain said that it would all depend on what their exposures were at that time, but she would think there would be some kind of discount. Mayor Kuykendall said that his experience in the private sector was that they paid for the exposures they had.

- ▶ CURRENT AND RECOMMENDED COVERAGES
- ▶ ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)
- ▶ CRIME

Mayor Kuykendall said that from past experience, one of the hardest claims to get paid was a fraud or theft claim because of everything that has to be proven. He asked if they had ever had an opportunity to collect on a claim. She said that they have never needed to present a claim for payment. There are stop gap measures in place. She noted that the City

also had a cybertheft policy to protect the City against third party liability should personal information be harmed.

Mayor Kuykendall asked if that would cover credit card fraud. Ms. Swain replied that it would.

Brief discussion was held on whether they should look at higher deductibles. Ms. Swain said that the crime coverage had been set up that way for many years now and the premium has always been reasonable. She said that in January she would be meeting with the broker and start talking about the 2013 insurance.

▶ CIMA (aka restitution)

Councilman Hanna asked if there was any way they could get the courts to assess a fee and let them pick up the tab. Ms. Swain asked Chief Kabbel to speak to that issue.

Chief Kabbel said that it was a court-ordered program. The judge has the opportunity to send someone to community service or to jail. He has approached this issue with Judge Markham often but the issue is it is difficult to get money out of the types of offenders and putting it into the program. Additionally, if they pay back their fines in services they believe the services they perform for the City have value and the City is receiving it back in a different way.

Mayor Kuykendall asked if they could have the same “volunteer” more than once, and he asked if they got \$8.36/hour worth of benefit from each exposure they have. Ms. Swain said that she believed that got \$8.36/hour worth of benefit. She said that in the last year’s snow they helped a lot to remove snow from the City buildings. They have been used at the rodeo grounds, weed control, etc. She said that they do provide some benefit and also relief.

Mr. McConnell said that it was probably pennies on the dollar. It did not consider full restitution for an offense, but it may be a little payback.

Mayor Kuykendall said that he noticed many times an officer having to accompany as few as two workers. Ye said that if they look at the cost of having an officer supervising this, it may be that what appears to be a good idea really is not. Ms. Swain said that was another coverage they could look at.

Councilman Lamerson asked who governs or stipulates the quality of community service they are providing. Chief Kabbel said that the Police

Department runs the program. They get the defendants from the court and the type of work they are performing is simple labor work at minimum wage. Their jobs will range from pick up trash, shoveling, landscaping, etc. under direction of monitors. Chief Kappel said that he could address that issue further in his presentation.

▶ AIRPORT PREMISES LIABILITY

▶ PROPERTY – INCLUDES AUTO PHYSICAL DAMAGE

Mayor Kuykendall asked if they had more value than listed or less. Ms. Swain said that they have 384 vehicles. Mayor Kuykendall asked if the City provided the company an inventory each year. Ms. Swain said that they did. They provide an inventory every year with a statement of values.

Councilman Blair asked if this coverage would cover things if a water line broke and affected businesses. Ms. Swain said that it would address City business. She said that if they had a fire and had to relocate out of the building, there is coverage in place for the temporary movement.

Councilman Lamerson asked if they had coverage for private businesses for such a break when it was something the City was responsible for. Ms. Swain said that coverage would fall under the public entity liability. They would file a claim, and there would be an investigation. If covered, there is a self-insured retention and an excess policy that would kick in.

▶ EXCESS WORKER'S COMPENSATION

▶ EXCESS PUBLIC ENTITY LIABILITY PACKAGE

Ms. Swain said that in July with the renewal they voted to pay an extra \$2,000 to institute a \$1 million aggregate, the most the City would pay. She found out today through the broker that Travelers went with a \$750,000 aggregate because of the City's good loss history.

Councilwoman Suttles asked if the Legal department was brought in on any of the cases. Ms. Swain said that their current contract with any claim is with Travelers, they were the third party. She said that the Risk department keeps the Legal department informed of all claims and actions that have happened, and at the same time Legal can weigh in and provide comments, such as not wanting to use a certain law firm.

Councilwoman Suttles asked Mr. Kidd if Travelers and his department always agreed. Mr. Kidd replied that right now there are only two cases being handed under the new policy. He said that it was a good thing to

have claim coverage with a firm that has a broad range. A little issue is when they have claims filed that go to the insurer, and they do not have control or input into the investigation. He said that sometimes the City gets involved a little late and that was one thing they could work on. He said that the City used to handle claims in house. When they outsource, sometimes they can lose control of an investigation.

Ms. Swain said that one of the reasons they went with Travelers was they were a multibillion, #1 insurer in America for public entity. They have that expertise to handle public entity claims. They have in-house counsel and Risk Management provides a monthly claim status report. She said that the reason she recommended to stay self-insured was that 95% of the claims presented to the City are under \$2,500. She said that they were talking about the exception. In 2010 they had no litigating claims; in 2011 they have had two.

Ms. Swain said that was the beauty of being self-insured. Travelers is not going to out on their own without the input of the City. With a deductible plan they cannot do that. She said that lowering the self-insured retention for the City was good. They are still going great because they have good safety programs and risk management, and they are able to keep the exposure of the claims down.

Mayor Kuykendall asked if Willis was paid by the insurance company or by the City. Ms. Swain replied that the City has a contract with Willis as its broker.

#### ► PRESCOTT'S CURRENT INSURANCE MODEL

Ms. Swain said that Risk Management currently oversees the following policies:

- Willis of Arizona - \$36,500 (through 12/13)
- Travelers - \$25,688 (third party administrator; this amount included in premium of \$551,000)
- Avizent Worker's Comp - \$25,430 (third party administrator for workers' compensation) (through 12/12)

Mayor Kuykendall asked if those costs were in addition to the premiums. Ms. Swain replied that they were. They were a separate line item in the budget for professional services.

Mayor Kuykendall said that the agreements were on a calendar year but insurance coverage was on a fiscal year, and he asked if there was any reason to have the six month lapse. Ms. Swain said that they have to start six months out to begin preparing applications.

Councilman Lamerson acknowledged that Ms. Swain was the expert, but asked Mr. Kidd, as the City's legal advisor, if there was some trepidation in their relationship. He asked Mr. Kidd if he was comfortable and confident with the proposal on the insurance package that was being recommended.

Mr. Kidd said that he has not been involved in this item other than a few years back when Risk was with his department. A majority of cities in Arizona the size of Prescott are in the Pool. He said that the reason that the Pool was started was the insurance market was hard to get into. He said that right now with the market soft, they were getting good coverage.

He said that when they outsource claims they lose a little control with the investigations, and they lose control when it comes to litigation.

Councilman Lamerson said that it appeared that they had a little time to work out some of the issues. Ms. Swain said that starting in January she will need to know what direction the Council would like to go.

Councilman Blair said that when they started farming out building permits he saw some issues with not having their finger on the pulse. When they are not tied together he thought there was a breakdown. He said that they need to find a way to smooth things out.

▶ MILESTONES

D. Presentation/Discussion of Police Department Budget.

Mr. McConnell said that some of the community has picked up the dialogue, but they wanted to emphasize how this was being framed and what the approach was. He then reviewed what was covered in the first presentation:

▶ A SYSTEMATIC APPROACH

▶ FUNDAMENTALS TO KEEP IN MIND

▶ COMMUNITY DIALOGUE – NOT “BUDGET GAMES”

▶ SCHEDULE

▶ GENERAL FUND OPERATING EXPENDITURES

▶ POLICE DEPARTMENT – OVERVIEW

Chief Kabbel noted that in the General Fund Capital some things were mandated by the state or feds. In this case they had to put in \$145,000 to get narrow-banded radios to meeting standards.

Councilman Blair asked if the \$312,000 for IT was in the Communications Center and if so if that was the full amount or just the City's share. Chief Kabbel said that the presentation being given today was just the Police Department; it excluded the Communications Center. He said that this amount was to outfit their computers so it is their cost.

Councilman Lamerson said that they showed 68 sworn officers. At 365 days a year, 24/7, he asked how many sworn officers that made available. Chief Kabbel said that he would be addressing some of that in his presentation. It was hard to give a number, but generally the patrol squads are seven-man squads with a Sergeant. There are five squads and the Traffic unit has five officers and a Sergeant. Those are primary services and then they have investigations.

Mr. McConnell said that they were not going to get into detail after detail, but he did not believe they ever summarized the information for reference purposes, so if someone wants to know at a snapshot what the City Police Department consists of in terms of manpower, budget, facilities, capital equipment, rolling stock, there it was.

Councilman Blair asked for further clarification of what the \$312,387 was for IT. Chief Kabbel said that it included all of their computers in the Police Department at work stations, records, traffic, patrol officers, administrators, including hardware, licensing, monitors, printers. Mr. McConnell added that they were all specialized applications. It was not the proportionate share of the Communications Center; that was what it took to run a police department the size of Prescott with those specialized justice tools.

Chief Kabbel added that it also included the mobile data terminals (MDT's), e-ticket writers and printers in cars.

Councilman Hanna said that he appreciated that being brought to light. He asked if the firearms number included ammunition. Chief Kabbel said that would be a separate fund.

► TOPICS OF SIGNIFICANT INTEREST/CONCERN

Chief Kabbel said that the City has cut back on community-oriented policing; they have no school resource officers, DARE officers, etc. and have limited policing in schools. He said that the community requests for

enhanced crime prevention have greatly increased and smaller petty crimes are going up, which affects more of the neighborhoods.

Chief Kabbel said that when they had funding they were able to thwart off major crimes with their Special Enforcement unit, such as Highway 69 that was once referred to as “blood alley.” They were able to get officers out there in a team, and this could also address neighborhood issues along with narcotics.

Chief Kabbel said that in 1990 they had more command staff than they do today, as well as Sergeants than they do today. The population back then was 25,733. He said they have increased in population by 54% and they are down in their command staff and sergeants to supervise, manage and lead the department.

He said that the types of calls and complexity of the calls have changed through the years. In the past they were able to go to a crime scene and see that it was a homicide. They would take pictures and photograph everything they did, using rulers and measuring tapes, distances, etc. They would photograph blood splatter on a wall; now they want the wall. They want it rebuilt in the courtroom. He said that not only are they doing all of the identification work, but they are collecting so much more property, four times as much depending on the case.

With this increased property storage they have seen an increase in the retention period. Some of the property, depending on cases, may be required to be retained from 50 to 99 years. That means better cataloging, storage, etc. and they are running into issues with their storage capabilities.

Councilwoman Suttles asked if those requirements were mandates and not negotiable. Chief Kabbel said they are. If they do not collect what is a standard these days then they will ask why they did not do it, and they may lose the case.

Mr. Kidd said that the case law has changed a lot over the years. Failure to preserve it or destroying it results in obstructions in the case. In certain cases it may result in dismissals.

With regard to the Firearms Range, Chief Kabbel noted that they have 13 agencies that use their outdoor range. At the range they have a lot of lead, hazardous waste, which does not pose a problem now unless they were going to move, sell or trade the property. He said that they still want to use the range because it is in town.

He said that they conduct four to six firearm trainings a year, just their agency. Now they have Storm Ranch coming in, a subdivision that has not yet been built, with properties located 75 yards from the range.

Chief Kabbel said that getting the technology advancements has been the easy part; the hard part is maintaining it.

He said that this past calendar year they dispatched 47,044 calls. In 1990 it was recommended they have 2.2 officers per 1,000 residents as an industry standard. In 1990 they had 2.1/1,000; today they are at 1.7/1,000. If they were fully funded to where he believed they could provide services needed, around 77 officers, it would have them up to 1.9/1,000.

- ▶ UNIFORM CLASSIFICATION OF OFFENSES REPORT
- ▶ PART II OFFENSES
- ▶ CITIATIONS/WARNINGS/PARKING
- ▶ PROGRAMS & SERVICES
- ▶ NON-MANDATED SERVICES

Chief Kabbel said that one of the issues referenced earlier was the Community Restitution program, which they have been doing since 1998. They assist with a lot of different types of work, such as graffiti, wash dumpsters at the transfer station, landscaping, help Parks & Recreation with fields, golf course, snow/ice removal. He said that they are at almost \$136,000 a year to run that program.

He said that most of the Explorer Post is run from donations. He said that it costs \$13,860 to run that program, getting them to events, field trips, etc. They also have a balance of about \$12,500 that supports their program.

- ▶ SERVICES RECOMMENDED TO BE DISCONTINUED

Chief Kabbel said that they provide a courier service for money for six other City departments. They could outsource that to private security or have the department heads handle it in-house.

- ▶ SERVICES WHICH WOULD BE IMPACTED BY A FUNDING REDUCTION

Councilwoman Suttles asked if the items were in any type of order.

Mayor Kuykendall asked if they were saying that anything less than the current budget would be a budget reduction, such as a \$200,000 increase in funding the pension, etc. Chief Kabbel said that it would be.

Mr. McConnell said that was a good point. The way things were going, they are on a diet of funding reduction and each year is a challenge. For the actual services to be provided the Chief has less money.

▶ NEW SERVICES RECOMMENDED TO BE PROVIDED

Chief Kabbel said that there was a discussion earlier on what the effects are if they did eliminate certain programs. You have to look at the cause and effect. When they have reduced their budget for the past three years they did do away with services. Those being recommended to come back are ones that were previously cut. An example is the downtown bike patrol service. He asked how many e-mails the Council gets about that service.

Councilman Hanna asked how many arrests they did with that program. Chief Kabbel said that he did not recall exactly but it was around 150 arrests. Councilman Hanna said that it was 189.

Councilman Hanna said that the public needs to understand that arrests are not being made when they do away with these types of programs.

Mr. McConnell asked to call a 15 second timeout with regard to where they were going with the presentation. He said that they have been looking at slides talking about services. He asked how they were going to get their arms around all of the information. He said that what they will see in the remaining slides is that all of this works up to a number, which is a different number than his FY12 budget. That is for information purposes. He will be providing that he has a FY12 budget and if the needs being listed were put back, the difference would be the number he is presenting.

Mr. McConnell said that these are not the outcomes, but rather the means to the outcomes.

Councilwoman Suttles said that if they are recommending to bring some things back, she would expect a sheet that had more services taken off. They were at the bottom now. She asked who would be paying. Mr. McConnell said that they would all be paying, but they have to have the money to be able to pay.

▶ CANDIDATE SERVICES FOR CONTRACTING OUT

▶ CAPITAL EQUIPMENT – Rolling Stock

▶ OTHER CAPITAL EQUIPMENT OR ISSUES

▶ CAPITAL FACILITIES NEEDS

▶ BUDGET SUMMARY

Mr. McConnell said that a lot of the information was for reference. The direct revenue (citations) was about enforcing the law. When they write a parking ticket, the City only gets a small piece. He said that the Police Department's approved FY2012 budget is \$12.1 million. If the programs that the Chief has provided, and capital needs were met, the difference is almost \$2 million.

▶ BUDGET HISTORY

▶ ENHANCED OUTCOMES IF DEPARTMENT NEEDS FULLY FUNDED

Chief Kabbel said that they have reduced some of their service levels. Some of the cases are not being investigated until 72 hours after they have occurred. He would like to see them worked within the first 24 hours.

▶ FULLY FUNDED FY12 BUDGET

Councilwoman Suttles said that they can get by with the approved budget, but she asked what happens the next year, and so on. She asked if they get so far behind the curve that they do not get caught up.

Mr. McConnell said that they do not have a fully funded vehicle replacement program. The Chief has 24/7 policing requirements and has three vehicles that were down because they should have been replaced two years ago. The operations, whether this or another department, and the services become less reliable.

Mr. McConnell said that they can balance the budget for FY12 during those budget sessions, and they said they balanced it, but they also showed what they had to do to balance them. He was suggesting that they were not going to be able to do that in FY2013.

Councilman Hanna asked if there were enough vehicles for everyone. Chief Kabbel said that they have to get out of their vehicle and turn it over to someone else. Councilman Hanna said that the public needs to know that and to him it is unacceptable.

Councilwoman Suttles said that there were a few things that he has brought up that should be taken care of. When they are on as tight a budget as they are, she asked how he saw funding them.

Councilman Hanna said that in his opinion it a whole lot more important to make sure that everyone is protected than everyone going to the Library to going to the Park. That was where they had to set their priority straight.

▶ RESOURCES – Opportunities for Augmenting Resources

▶ SUMMARY POINTS

Mayor Kuykendall asked if in the fully funded portion there was any increase in wages. Chief Kabbel said that the wages and benefits put into that are at what they stand at today.

## II. ADJOURNMENT

There being no further business to be discussed, the Workshop of October 18, 2011, adjourned at 5:46 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 Workshop of the City Council of the City of Prescott, Arizona held on the 18th day of October, 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