

PRESCOTT CITY COUNCIL
JOINT WORKSHOP/SPECIAL MEETING
TUESDAY, NOVEMBER 1, 2011
PRESCOTT, ARIZONA

MINUTES OF THE JOINT WORKSHOP/SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL held on November 1, 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.

◆ **INVOCATION** Pastor Irvin, Church of Nazarene

Councilman Hanna gave the invocation.

◆ **PLEDGE OF ALLEGIANCE** Councilman Hanna

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

◆ **ROLL CALL:**

Present:

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

Absent:

Councilwoman Lopas

WORKSHOP

I. PUBLIC COMMENTS

A. Introduction of new businesses.

Dyan Jones of the Prescott Chamber of Commerce introduced the following new businesses, who each presented information:

- ▶ Black Tie Branding, www.blacktiebranding.com; Black Tie Branding on Facebook, 230 South Montezuma Street, Prescott, Twitter at Team300 and LinkedIn at Team300, shawn@blacktiebranding.com; 928.830.1567

- ▶ Aaragon Printing, 214 East Goodwin Street, www.aaragonprinting.com; contact@aaragonprinting.com; 928.778.9699
- ▶ Granite Orthopaedics, 1223 Willow Creek Road, 928.777.9950

B. Introduction by Northern Arizona Center for Entrepreneurship and Technologies.

Wendy Bridges introduced NACET President, Russ Yelton whose PowerPoint outlined:

- RISE OF INCUBATORS – There were 4,000 incubators worldwide to create jobs that the community valued. Business that went through an incubation process showed that 87 percent were still in business in 5 years.
- NORTHERN ARIZONA CENTER FOR ENTREPRENEURSHIP AND TECHNOLOGIES (NACET) – Is a 501(c)3, based out of Flagstaff and Prescott. They were in Prescott looking for higher wage jobs in technology that wanted to bring jobs into domestic and foreign markets.
- NACET PARTNERSHIPS – They have partnered with Northern Arizona Council of Governments (NACOG) and also Embry – Riddle University.
- CLIENTS/PROSPECTS –They looked for clean energy, life science, software and drug discovery types of businesses.
- EMPLOYMENT BY CLIENT COMPANIES – He noted their clients created 165 new jobs in 2009 – 2010 with the average salary being \$75,000.
- CURRENT PRESCOTT CLIENTS – The list included Bioveteria Life, Nest Energy Systems, Precision Approach, SoftKyrpt, Iron Sights Intelligence, Energy Del Sol and First Flight Education.

Their contact information was www.nacet.org, and phone 928.213.9234.

II. PROCLAMATIONS

A. Week of December 1, 2011–*Civil Air Patrol Week on the 70th Anniversary*

Councilman Scamardo read the proclamation and presented it to Roy Evans.

III. RECOGNITION

A. Presentation of GEM (**G**oing the **E**xtra **M**ile) Award.

City Manager Craig McConnell introduced the GEM award and asked Chief Martinez and Fire Department Secretary Karen Cannizzaro to come forward to present the award.

Chief Martinez noted that Ms. Cannizzaro had written \$535,000 worth of grants for the City of Prescott. The money had been used to fund training, classes and purchased vehicles and equipment. She had also gained funding for many of the mutual aid response partners.

Mr. McConnell noted that the award consisted of a Certificate, a turquoise pin and a check for *going the extra mile*.

IV. PRESENTATION

A. Presentation/Discussion of Fire Department Budget.

Mr. McConnell gave a brief introduction in a PowerPoint that included: –

- CITY SERVICES AND ENTERPRISES
- A SYSTEMATIC APPROACH

He noted that in the third Workshop of the series, they wanted to talk about what the process was targeted to. They would be looking at mandatory and discretionary City services and levels of service. He said they would then decide how to budget for the outcomes. He noted they would organize to effectively and efficiently deliver the outcomes.

Mr. McConnell noted that the title for the Workshop, Funding and Achieving Outcomes for Fiscal Year 2013 and Beyond, was chosen to emphasize the focus on long term viability of providing City services, not a year to year balancing of the budget. He noted the first presentation was the General Fund and the Police Department was the second. He noted that 68 percent of the General Fund operating expenditures went to providing public safety services.

He said that municipalities in Arizona were heavily reliant on sales tax and intergovernmental money from the state.

He noted that in order to stabilize and increase sales tax revenue the City had to be entrepreneurial. It would look creatively at how to

grow revenue and services the City provided or the world would pass the City by and they would have a decline because costs were rising and revenues were decreasing.

He said that since Prescott was sales tax reliant, sales tax incentives had been given in the past to attract retailers. He noted that some people had criticized big box retailers in the City of Prescott. He said that the City was currently faced with Public Private Partnerships. He noted they would be important to generate new net additional sales tax. He said the emphasis was on new sales tax and that they would not get that by building more stores that competed for the same sales tax dollars. He noted that the City had to be selective and strategic.

He said they had seen comments about the Trader Joe's agreement. The City became the real property owner in that partnership, facilitating the opening of the enterprise which had a track record of generating high sales per square foot and drawing from outside of the local area. He said that was an investment.

He noted that there were different philosophies on the role of government. Some people felt they should only provide certain core services. He said the philosophy and policy of the City was set by the electorate through the City Council. He said that quality communities provided core and discretionary services. He noted that Prescott was a community that enjoyed quality of life.

He noted that Chief Kabbel summarized cuts that had been made in the Police Department and what his department would look like if it were fully funded. He said the difference was about \$2 million dollars a year. He said the Fire Department was going to make a similar presentation, outlining what their budget would look like if it was fully funded.

He said the General Fund and public safety services were challenged, but critical needs were met. He said he hoped the end result would be an action plan that the public would decide on. He said they were trying to structure city government and challenge funds so they could balance the Fiscal Year 2013 and beyond, while providing the services that the city residents had grown accustomed to and most City residents wanted.

Councilman Lamerson said that Mr. McConnell referenced some dollars that the City got back from the state, tied to income tax. He asked how much those dollars were in reference to the total budget.

Mr. McConnell said the General Fund revenue in Fiscal Year 2012 had three principal components. The biggest of those were taxes: sales tax, intergovernmental revenues and miscellaneous. He said that of the \$27 million revenue, sales tax was \$12 million and Intergovernmental revenues \$10.6 million. He said that locally generated sales tax was \$1.3 million higher than state Intergovernmental revenue that came back.

Councilman Lamerson asked if all governmental included their grants. Mr. McConnell said it was correct; in the General Fund they did have a lot of grants, but it was clear there were two major sources, sales tax and intergovernmental revenue.

Chief Martinez gave the Fire Department overview. His PowerPoint covered the following:

- FIRE DEPARTMENT – OVERVIEW

He said that they took out Wildland from the first slide. He noted that they had to put a lot of money into this area in case they received a grant and that there was a lot of money to be had.

- FIRE DEPARTMENT – OVERVIEW (Continued) Wildland Division

- TOPICS OF SIGNIFICANT INTEREST/CONCERN

Councilwoman Suttles asked if their grant source was different from that of the Police Department. Chief Martinez said that it was usually from the same source. Councilwoman Suttles asked how the amount of money they received in a grant was determined.

Chief Martinez said it was highly competitive. He said it was based on how the grant was written and the justification. The smaller departments tended to get more than bigger departments.

He said there were Fire Department type grants and Police Department type grants through Federal Emergency Management Agency (FEMA). They identified needs to make sure the departments remained operable and that they could deal with terrorist activities.

Councilman Lamerson asked what portion of the Fire Department was dependent on grants. He said it was important that the public know that certain things were not sustainable and that the City could not count on them.

Chief Martinez said their Special Operations would have a lot less equipment if it were not for the grants they received. He said their operating budget funded the personnel and training. Councilman Lamerson said training concerned him immensely. He asked what other things would be compromised if grant funding dried up.

Mr. McConnell noted that the Fire Department got \$128,812.00 in Fiscal Year 2012. He said they had to be constantly looking for grants. Chief Martinez said that grants supplemented the Special Operations.

Councilman Lamerson said he was glad to hear the City Manager say that the fire Department would not be in harms way if the grants dried up. However, the money to maintain the Fire Department, not being dependent and not relying on someone else to have control of the public safety in Prescott did come at a cost.

Mr. McConnell said the situation was different in Wildland Fire. He said they were heavily dependent on grants. To provide Wildland Fire at the level they were now experiencing was very heavily dependent on grants.

Councilman Hanna said that they paid their taxes, which went back to the Federal Government and then they had to promise them to get some of the money back. He said that it did not sound very acceptable. He said that he noticed that the Fire Department had 65 full time employees. He asked if that was the national standard.

Chief Martinez said the national standard said they should have four personnel on each engine; however, it was a recommendation. He said that unless they formally adopted that standard it was up to the funding and elected officials to make the determinations.

Councilman Hanna asked if they would need to add or subtract personnel if they went by the standards. Chief Martinez said they would probably need 12-15 more personnel. Mr. McConnell said the national standard in that case was a resource input.

- ANNUAL RESPONSE TIME CODE 3 – Calls by Zone in Time

He noted that calls came in to Dispatch and they were life and death situations at the time of the call. He said that the National Fire Protection Agency said they should respond in less than five minutes 90 percent of the time. He said that the City of Prescott's

average continued to decline. He noted that a study done ten years ago said they needed three more fire stations.

He said they would like an enhancement of their data collection systems. He noted it was the only way to tell if they were meeting the standards and they did not have enough information to make good decisions.

- **PLAIN TALK ON RESPONSE TIMES**

Chief Martinez said they had to have a benchmark to see what their response times were. He said optimal response time was to get there while the patient was still alive and before flashover occurred. He said the sooner they got to a patient, the better the outcome.

Councilman Scamardo asked what flashover was. Chief Martinez said that when all contents of a room ignited simultaneously; no civilian survived a flashover. It was a fireball and the protective wear of a firefighter gave them less than 30 seconds of protection to exit the area before they received skin burns. He said at that point, they would have lost the ability to control the fire. He said that there should be one engine there in less than five minutes and 15 personnel there within 8 minutes.

- **PLAIN TALK (Continued)**

- **CALL VOLUME HISTORY BY CATEGORY**

He said that 55 percent of the calls they ran were emergency medical service. He noted that in 1991 they were running about 2,800 calls per year, which was when they built their last station on Lee Boulevard. He said their resources had not changed much since then. He said they felt that they were doing a good job with almost triple the calls.

- **FIRE DEPARTMENT PROGRAMS & SERVICES**

He said that the Arizona Revised Statutes said they would have something in place for disaster preparedness. He noted that 76 percent of their budget dealt with the mandated service of fire suppression, due to City Code.

Mr. McConnell said that the mandate was a City of Prescott mandate, not an external mandate.

Councilman Lamerson asked what would happen if the City were not in that business. He said that they would put the citizens in harm's way by having someone else respond to the incidents.

Mr. McConnell said that was a presentation which pertained to public safety. He said the City had chosen to provide those services in the interest of public safety. Councilwoman Suttles asked how long ago they started that. Chief Martinez said it was 126 years ago. Chief Martinez said it had been very important in the community since 1885.

- SERVICES WHICH ARE RECOMMENDED TO BE DISCONTINUED

He said he would not recommend discontinuing any of their services. He said if funding continued to be a problem, they would have to look at non-mandated services.

Councilwoman Suttles asked what order he would get rid of the non-mandated services. He said the Council and community would help determine that.

- FIRE DEPARTMENT PROGRAMS & SERVICES

Councilman Hanna asked what the difference was between Emergency Medical Service (EMS) Assistance and EMS and Paramedic Services. Chief Martinez said that EMS Assistance was a trauma intervention program.

Mayor Kuykendall said that the Council did whatever was necessary to improve their sales tax revenue. He said they had some gains. He said they would have to think about how they would provide services to the community if they lost 25 percent of their sales tax base.

Councilman Hanna said that if they did not have fire protection or a police department, the tourists would not come. He asked if they could pull some money from the bed tax. Mr. Lloyd said that would be a question for finance.

Mr. Woodfill said that if Council wanted to stretch the ballot language to include police and fire as promotion of tourism, and defend it in court, they could do whatever they wanted. He said that he thought it would be a far stretch. He also said there was not much money in bed tax.

Mr. Lloyd said that he misunderstood the question and apologized.

Councilman Blair said that since the ballot language authorized $\frac{3}{4}$ percent to be extended and there was still $\frac{1}{4}$ percent out there, he asked how much $\frac{1}{4}$ percent generated throughout the year that they would be losing. Mr. Woodfill said it was about \$3 million dollars.

Councilman Blair said, from his standpoint, he would like the Council to consider actively submitting to the community to be able to provide the services that were needed and that the $\frac{1}{4}$ percent sales tax may need to be looked at for public safety into perpetuity. He said they should put it on the ballot and vote on it. He said that he did not think that anything was more important than the police and fire departments.

Mayor Kuykendall said the $\frac{3}{4}$ of 1 percent was dedicated to the roads. He said they would have to change the whole structure by getting another $\frac{1}{4}$ percent unless they dedicated it to public safety. Otherwise, he would not gain anything in the General Fund.

Councilman Blair said that they got fat and happy with all of the properties they were sitting on. He said they were getting ready to have a new administration building. He asked if they had looked at a smaller building next to that property that they could move Wildland into. He said they could merchandise the Sixth Street property to fund a couple of fire trucks. Chief Martinez said it was a good point and was something they had considered.

Mr. McConnell said that after they finished the series of workshops they would develop an action plan. He said there were tools which were available. The 1% streets/open space levy would be reduced at the end of the calendar year 2015 and then become .75 percent.

He asked if the City should put a question on the ballot to levy that .25 percent which would otherwise go away, and dedicate it to a specific purpose. He said the specific purpose would look at all of the presentations because they had not heard from Parks and Recreation or the Library. He noted that there may be an appropriate way to structure something like that. He said they also knew that things were tied together. If they totally did away with Parks and Recreation then they would not get the tournaments, the bed tax or the sales tax associated with them. He said by doing away with field maintenance, they would have done something that did not optimize the outcome. He said they would not have a product to market for tourism.

Councilman Blair said that was why the public needed to be listening. He said that the public would be paying around \$800 per year if they were in a private fire district. He said that by going with the method of ¼ percent, it would be shared with the visitors.

- FIRE DEPARTMENT PROGRAMS & SERVICES

Chief Martinez recommended the restoration of the training program. He noted that there was the funding and the management of the programs. He said it took them a long time to get a chief who could focus on training. He said that the Training Chief was also helping him because he did not have a deputy chief. He said they were doing four operations with two people.

Councilwoman Suttles asked how they lost the program. Chief Martinez said it was more the management part of it. As far as the funding went, the City used to provide tuition reimbursement. He said he knew they were in hard times and the City could no longer provide the funding. He said they needed that for the succession plan.

He said the Reserve Firefighter Program was lost in 1988. He said it was a good program. He noted that they supplemented their resources with the program. He said that through the training and the Reserve Firefighters working once a month for a stipend, they had a good pool of people to draw from.

Councilman Lamerson asked why they lost the program in 1988. Chief Martinez said it was due to lack of funding.

Councilman Blair asked what the number was that they could apply to the funding problem. Chief Martinez said the program cost \$100K to run it and they had between 8 and 12 Reserve Firefighters to help supplement the resources.

Councilman Hanna said it would be beneficial to explain to everyone who covered shifts. He noted that the guys who covered for them were paid time and a half. He asked if the Reserve Program would cover those shifts and save the City money.

Chief Martinez said it was something they would have to explore. He said that back then they did not do auxiliary shifts. They did, however, get people trained for succession planning.

- FIRE DEPARTMENT – CANDIDATE SERVICES FOR CONTRACTING OUT

He noted that if they thought about having the all current fire services taken over by a fire district they should consider that the citizens would have a large increase in their property tax. He said they identified nine Arizona communities that previously relied on Rural Metro and they had all discontinued their services.

Councilman Lamerson said that when they lost control of their own services and then those that they contracted with did not deliver the services the City expected, he said it would seem that they put the community in harms way.

Councilwoman Suttles asked who brought it to the table that the City look at those two options. Chief Martinez said that he thought Councilman Blair recommended the idea of going to a fire district.

Councilman Blair said that he was trying to educate the public as to what they had today and how a private company would be funded and what the difference in cost would be.

Councilwoman Suttles said that she could not imagine anyone on the Council who would consider going to a private contractor or fire district. She said they had both police and fire out there as first responders.

- CAPITAL EQUIPMENT

Chief Martinez said they had the funding to buy two Type 1 engines, but if they did that they would have no more reserves. He said they looked at extending the life of their engine one or two more years. He said that they did not put bells and whistles on their fire engines and they just wanted them to be safe. He said that \$525,000 would get them a turnkey engine.

- CAPITAL EQUIPMENT NEEDS

He noted what his inventory was, what its lifespan was and what it cost to purchase the equipment. He noted that some equipment was purchase by grants.

- CONTINUED

He said his estimated annual operating costs were \$88,000 and it would be more if they did not have four trained personnel to maintain their equipment.

He said that they did not have seven Electronic Patient Care Reporting systems. He said that it would enhance their technology to allow them to do their job better. He said that the key component would enhance the records management system and the telemetry, which could send heart monitor readings back to base hospital.

- CAPITAL FACILITIES NEEDS

Chief Martinez noted that they were getting \$150,000 for three consecutive years. He said all of the money was not used, but they did a lot of good for the elderly fire stations. He said that they never put a diesel exhaust system in and there was a new system that went on the vehicles.

Councilman Lamerson said that he appreciated him looking into the issue. Chief Martinez said they had put in for a grant for those units.

He said that Heart Saver Alarm Tones made a light go on in the station and the tone started out low and got gradually louder so they do not wake up with a start. He said that the net effect over the years on a fire fighters heart had a very negative effect on their cardio vascular system, when waking up to loud alarms.

- BUDGET SUMMARY FIRE

He said that they would need \$460,000 more to be fully funded, if they had everything they needed immediately.

Mayor Kuykendall asked if that would put four men on a truck. Chief Martinez said no. Mayor Kuykendall asked if the response time would change whether they had three or four men on a truck. Chief Martinez said probably not.

- GENERAL OPERATING FUND BUDGET HISTORY FIRE DEPARTMENT

- ENHANCED OUTCOMES IF DEPARTMENT NEEDS FULLY FUNDED

- FULLY FUNDED FY 12 BUDGET

Councilwoman Suttles asked if there was anything in the pipeline similar to the Police Department that would provide funding for additional personnel. Chief Martinez said they chose not to put in for that because they did not think they would be able to sustain those people. He said in order for them to meet the standard they would need to hire 12-15 people. He noted that was why they would like to start the Reserve Program again.

Councilman Blair asked if the training mentioned was ongoing for current firefighters and for the minor league he wanted to start. Chief Martinez said the training listed at \$175,802 included everything, including the training division chief. He said it did not include the reserve program. He noted that would be roughly \$100,000 or more per year. He said he would have to do more work on that to present it to Council. Councilman Blair said that program would benefit everyone.

Councilman Lamerson asked if there was a significant workload within the Fire Department for non certified firemen in that program while they were training.

Councilman Hanna said that reserve officers were certified officers and reserve firemen were also certified. Chief Martinez said that was correct and they would be ready to hire.

- **OPPORTUNITIES FOR AUGMENTING RESOURCES**

Chief Martinez said they should look at what they could do with interagency cooperation. He said they did it well already. If there was a large incident in town, they had 15 engines in the tri city area that would respond. He noted that Chief Willis did a great job working on interagency cooperation and they needed to continue to do that.

He said they were recently approached concerning billing for services. He said he was not sure if he was interested in that but it could be a revenue generator.

Councilwoman Suttles asked if other municipalities their size billed for services. Chief Martinez said it was a fresh idea and he did not know if it would be fair to the citizens. He was not sure who was doing it in Arizona.

Councilwoman Suttles said she would like to have that looked at when they got ready for their budget.

Councilman Blair said the first thought he got was charging for Emergency Medical Service (EMS) calls. He said that he knew that the Fire Department inspected fire apparatus on hoods in kitchens. He asked if there was a fee charged for that. Chief Martinez said they did charge some inspection fees through the Fire Prevention Bureau. Councilman Blair asked if the fees they were charging were equitable for the services provided.

- RESOURCES
- SUMMARY POINTS

Chief Martinez said he believed that most municipal fire departments worked under the same fire service model. He said they were looking into smaller vehicles for the EMS Calls.

Mayor Kuykendall asked why response times had increased for Smoke Tree and Lee Boulevard. Chief Martinez said that Prescott Lakes was not there prior to those two stations being built. He said the response time at Pinon Oaks might not be great due to station location. He said the Smoke Tree area grew faster than they had anticipated.

Mayor Kuykendall noted that the fire calls were the minority of runs. He asked if more people on a truck would enhance or change the quality of the medical care. Chief Martinez said no. If they were looking to meet the standards, there were not a lot of fire departments that could do that because of funding. He noted that four people on an engine lent itself to safer firefighting.

V. ADJOURNMENT

The Joint Workshop of the Prescott City Council adjourned at 5:02 p.m.

SPECIAL MEETING

I. Call to Order

Mayor Kuykendall called the Special Meeting to order at 5:09 p.m.

II. DISCUSSION/ACTION ITEMS

- A. Acceptance of Resignation of Councilwoman Lora Lopas, effective October 25, 2011, and discussion/direction of vacancy on City Council due to said resignation.

Councilman Lamerson said that he understood that they had a problem accepting a resignation without a signed letter.

Mr. Lloyd said there was no statutory requirement that a resignation be signed. There was one that it is in writing. He said that most employees believed the email was a valid resignation, and was sent by Councilwoman Lopas. He said there was no requirement that it be signed.

Mayor Kuykendall asked if they had to appoint anyone. Mr. Lloyd said the Charter required that the vacancy be filled within 31 days. He said that before that time passed there would already be new council people seated. He said the vacancy would no longer exist. Councilman Scamardo asked if it went from the date of resignation or the date of the letter. Mr. Lloyd said that he calculated it from the date on the letter.

COUNCILMAN SCAMARDO MOVED TO ACCEPT THE RESIGNATION OF COUNCILWOMAN LORA LOPAS, EFFECTIVE OCTOBER 25, 2011; SECONDED BY COUNCILMAN LAMERSON; PASSED 4-2 WITH COUNCILMEN BLAIR AND HANNA CASTING THE DISSENTING VOTES.

COUNCILMAN SCAMARDO MOVED TO LEAVE THE POSITION OPEN SINCE THE NEW COUNCIL WOULD BE SEATED WITHIN 31 DAYS; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

- B. Recess into Executive Session.

COUNCILMAN HANNA MOVED TO RECESS INTO EXECUTIVE SESSION; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

The Prescott City Council recessed into Executive at 5:16 p.m.

III. EXECUTIVE SESSION

- A. Discussion or consultation for legal advice with the attorney or attorneys of the public body and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to ARS 38-431.03(A)(3) & (4), respectively.

- 1. City Code 2-13, Solid Waste.

IV. ADJOURNMENT

The Prescott City Council reconvened into Open Session at 6:17 p.m. at which time the Joint Workshop/Special Meeting of November 1, 2011, was adjourned.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Joint Workshop/Special Meeting of the City Council of the City of Prescott, Arizona held on the 1st day of November, 2011. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2011.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk