

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, NOVEMBER 8, 2011
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL held on TUESDAY, NOVEMBER 8, 2011, in the COUNCIL CHAMBERS located at CITY HALL, 201 COUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 3:00 p.m.

◆ **INTRODUCTIONS**

Councilman Lamerson acknowledged Councilmen-Elect Arnold and Kuknyo and Candidate Alan Carlow in the audience.

◆ **INVOCATION:** Reverend Julia McKenna-Johnson

Reverend McKenna-Johnson gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilman Scamardo

Councilman Scamardo 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:

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

I. **PROCLAMATION**

A. November 11, 2011 – *Veterans' Day*

Mayor Kuykendall read the proclamation and presented it to representatives of the United States Veterans.

Tim Prater of the United States Veterans said the Veteran's Day Parade would be held at Embry-Riddle at 11:00 a.m. on Friday. Mayor Kuykendall said Embry-Riddle would have events going on the entire week.

II. CONSENT AGENDA

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

- A. Approval of renewal of Kaspersky Enterprise Licenses from SHI International in the amount of \$10,293.21.
- B. Approval of OnBase (imaging) Yearly Support and Maintenance from OSAM, Inc., in the amount of \$19,589.00.
- C. Approval of a Memorandum of Understanding associated with Resolution No. 4067-1137 and the intergovernmental agreement for the new Yavapai County Facilities Maintenance Building.
- D. Approval of minutes of the Prescott City Council Workshop of October 18, 2011, and the Regular Voting Meeting of October 25, 2011.

Councilwoman Suttles asked for an explanation of Item A and B. Mr. Woodfill noted that Kaspersky was protection software for the network and laptops and OnBase was used for imaging and imaging retrieval in various departments including the City Clerk's Office.

Councilwoman Suttles requested a brief review of the first two items for the public's information, which Mr. Woodfill provided.

COUNCILWOMAN SUTTLES MOVED TO APPROVE CONSENT AGENDA ITEMS II-A THROUGH II-D; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

III. REGULAR AGENDA

- A. Public Hearing and consideration of a liquor license application submitted by Carol Ann Watson, applicant for Scottie's (Sundance's Place) for a Series 06, *All Spirituous Liquor Bar*, license for Scottie's located at 114 North Montezuma Street.

Ms. Burke reviewed the application, noting that the property had been posted, no public comments had been received, and the applicant was in attendance should the Council have any questions.

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

COUNCILMAN LAMERSON MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION SUBMITTED BY CAROL ANN WATSON, APPLICANT FOR SCOTTIE'S (SUNDANCE'S PLACE) FOR A SERIES 06, ALL SPIRITUOUS BAR, LICENSE FOR SCOTTIE'S LOCATED AT 114 NORTH MONTEZUMA STREET; SECONDED BY COUNCILWOMAN SUTTLES.

Councilman Blair asked for an explanation of a Series 6 license. Mayor Kuykendall explained that they could sell bottled goods that could be taken off the premises.

MOTION PASSED UNANIMOUSLY.

- B. Approval of Amendment #1 to City contract #2008-179 with Prescott Aviation Fuel, LLC (Legend Aviation), re the emergency fuel supply line for the U.S. Forest Service Tanker Base emergency generator at Prescott Municipal Airport.

Mr. Vardiman noted that the item was an amendment to an agreement that related to the emergency fuel supply. He said the United States Forest Service (USFS) emergency generator powered the entire Emergency Operations Center. In 2008 the City privatized the fuel service at the airport. He said they retained the right and responsibility for the operation and maintenance of the fuel line to ensure they had a continuous supply of fuel to the USFS. He said the item clarified those rights and responsibilities of the City and Legend Aviation had regarding maintenance and operation of the fuel line and the delivery of fuel. He said the special provisions were attached as Example F to the existing contract; all other provisions remained the same.

He said that as part of that, they would be upgrading the system. Currently it was a siphon type system where the intake for the line was about 15' down inside the tank and the pump was outside the tank. He said they would be placing a submersible pump inside the tank to provide continuous pressure.

He noted the cost to be around \$4,000.00 and he anticipated doing the work some time this winter while the tanker base was on a minimal operating schedule.

Councilman Hanna asked about the cost to repair the submersible pump. Mr. Vardiman said that it did cost more, which was the reason for the \$4,000. He said that he did not anticipate failure within 10 years.

COUNCILMAN LAMERSON MOVED TO APPROVE AMENDMENT #1 TO CITY CONTRACT 2008-179 WITH PRESCOTT AVIATION FUEL, LLC; SECONDED BY COUNCILMAN HANNA; PASSED UNANIMOUSLY.

C. Approval of final FY12 Transient Occupancy (Bed) Tax expenditures.

City Manager McConnell noted that the item was two fold. First was for the Council to consider the list of proposed Bed Tax allocations and any final adjustments the Council wished to make; and secondly, to provide authorization to staff to make disbursements according to the final list once invoices were received.

He said the City annually budgeted and allocated Bed Tax funds and they were established by lodging establishments. He said it was increased to 3% for tourism promotion and recreation development purposes. This was restricted funding as to purpose and could not be used for general governmental purposes and was voter approved.

He said there was an attached list which was approved at the October 25, 2011, meeting. He said the staff recommended the final version of the list be approved that day. That list indicated some signature events, major events, for which the City provided support from the tax. There were other events listed including Courthouse Lighting, Sharlot Hall Museum and support for the arts as well as the Prescott Creeks match, Fourth of July Celebration and transfers out to a couple of City accounts and purposes associated with tourism.

He noted that with respect to funding for the arts, they had not talked about how that worked and he summarized the agreement the City had with Prescott Area Arts and Humanities Council (PAAHC). He said the City contracted with PAAHC a number of years ago to do grants administration and solicitation. They were the organization which served as the coordinating agency for the arts, cultural and humanities programs in the Prescott area and the link to tourism was with the purpose of expanding Prescott's role as a center for arts and culture while meeting the needs of the area. He said they would also expand the City's role as a cultural destination, collaborating with tourism activities.

He said the City provided funding. That amount was indicated in the attachment. He said there was a specific process followed. PAAHC solicited and evaluated proposals and presented those recommendations

to the Council at a Council meeting. He noted there was a check and balance whereby there was a presentation made and the Council approved the distribution of that.

He said there were also eligibility and application criteria. He noted that with respect to funding of the arts, there was an amount available annually and a process in place. The Council was in a position to approve the distribution of the funds. He said that was the exception on the list. He said the other organizations on the list used the money for one purpose. He asked the Council to finalize the list and provide the authorization to distribute the disbursements and transfers according to the approved list.

Councilwoman Suttles said the amounts they came up with were a huge part from a carryover from the previous year. She asked if they would be able to do some carryover the following year.

Mr. McConnell said the proposal of the Tourism Advisory Committee (TAC) was to spend down the balance forward. He said there would need to be reductions next year because if that carryover was spent and eliminated then that would be \$120,000 less. With respect to what they might foresee with incoming revenue, the numbers were positive. He said taxable activity was up; however, he did not think anyone believed it would be up enough to replace \$120,000 of additional revenue.

Councilwoman Suttles noted that they did not have the staff or equipment to take care of the Open Space maintenance. Mr. McConnell said the issue of Open Space maintenance extended beyond Bed Tax. He said the total use of Open Space and trails, etc. was local and not tourism related. There may be a contribution on the list, toward that, which may represent a tourism component. He said that most would say the larger use was not tourism related, but used by local residents.

Councilwoman Suttles asked if he was comfortable holding the \$22,000 for the Rodeo Grounds Master Plan until a decision was made to move with it. Mr. McConnell said that would be a Council policy decision, as they went into next year's budget. He said at the present time that allocation of \$22,000 was a placeholder pending a Council determination of whether they wished to proceed.

Councilwoman Suttles asked if he felt they could still spend the money on the Fourth of July the coming year. Mr. McConnell said that it was an accurate number.

Councilwoman Suttles asked if the vote that day would it guarantee that each organization would receive the specified amount of money.

Mr. McConnell said that would be the recommendation and the effect of approving the final list and the authorization to make the expenditures.

Mayor Kuykendall asked if the City had the capability of issuing separate checks to the members of the PAAHC or whether it was their desire to issue one check and the Committee would distribute it. Ms. Gresser said that it would be up to Council. She said that they could provide Council with a list or they could disperse the money. Mr. Woodfill said that he preferred to write one check.

Councilman Hanna said that everyone who received a check needed to realize there would be \$128,000 less next year.

COUNCILMAN HANNA MOVED TO APPROVE THE FINAL LIST OF TRANSIENT OCCUPANCY (BED) TAX DISTRIBUTIONS FOR FISCAL YEAR 2012; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

COUNCILMAN HANNA MOVED TO AUTHORIZE STAFF TO MAKE DISBURSEMENTS AND TRANSFERS ACCORDING TO THE FINAL LIST; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

- D. Adoption of Resolution No. 4106-1216 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting \$86,452 in grant funds from the Arizona Department of Homeland Security for the continuation of regional interoperability enhancement projects previously administered by the Prescott Valley Police Department and authorizing the execution of any and all documents to implement same.

Chief Kabbel said the Council approved submission of a grant application in March 2011 for \$640,283 to the Arizona Department of Homeland Security. On October 10, 2011, they received information that the grant had been awarded for \$86,452, pending formal acceptance. He said the funds would go towards a narrow banding project, which was mandated by the government. He said there were no requirements for local match funding by the City.

Councilman Scamardo asked if there would still be \$400,000 plus worth of items that they would not be getting. Chief Kabbel said yes. He said they put in a \$140,000 package which he would bring back to Council in two weeks. He said they did not believe they would get what they asked for, but did not think it would be that small of an amount. He said they would continue to look at other grant opportunities and had until January 2013 to

come up with the rest. He noted that it would probably be the last purchase this Fiscal Year to complete this project.

Mayor Kuykendall asked if the City of Prescott was administering the entire program. Chief Kabbel said yes. Some radio equipment would go to the Prescott Fire Department and some to the Prescott Valley and Yavapai County Police Departments. Mayor Kuykendall asked if the City submitted the grant for the entire area. Chief Kabbel said yes, they did it jointly.

COUNCILMAN SCAMARDO MOVED TO ADOPT RESOLUTION NO. 4106-1216; SECONDED BY COUNCILMAN HANNA; PASSED UNANIMOUSLY.

- E. Approval of contract with Cooper Aerial Surveys Company for the Aerial Imagery and Digital Terrain Mapping project in an amount not to exceed \$265,000.00.

Mr. Nietupski said that aerial imaging provided vital benefit in land planning for utilities, transportation, drainage facilities, flood plain management, public safety, economic development and other community assets. He said the flight would provide aerial imagery that would be used to develop a digital terrain model and two foot contours for the flight areas. He said it would provide topographic data necessary for planning and preliminary conceptual designs. He said it would cover the majority of the City's planning areas and assets including the entire water shed affecting Prescott, the Big Chino Water Ranch and facilities in Chino Valley.

He noted that it would save the City from hiring other services for smaller projects and creating non-contiguous data sets. He noted that the City's last flight was in March 2008. He said the project should serve the City for the next several years. He said it was a Fiscal Year 2012 budgeted project from the Alternate Water, Sewer, Streets and Drainage Accounts.

Councilman Lamerson asked how big things would look from the aerial photos. Mr. Nietupski said they could go to one inch but it would be very expensive.

COUNCILMAN BLAIR MOVED TO APPROVE THE CONTRACT WITH COOPER AERIAL SURVEYS COMPANY FOR THE AERIAL IMAGERY AND DIGITAL TERRAIN MAPPING PROJECT IN AN AMOUNT NOT TO EXCEED \$265,000.00; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

- F. Adoption of Ordinance No. 4818-1218 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting a Map of Dedication from the Yavapai Prescott Indian Tribe for the granting of easements located on the Yavapai Prescott Indian Tribe Reservation, known as the West Area, and authorizing the Mayor and City staff to take all necessary steps to effectuate such Map of Dedication.

Mr. Nietupski said this was a required procedure in the City's 1994 Water Service Agreement with the Yavapai Prescott Indian Tribe. It would authorize the submittal of the right of way application to the Bureau of Indian Affairs in acceptance of a bill of sale for recently constructed improvements in water and wastewater that would serve 27 residential units.

Mayor Kuykendall asked if there was a permitting process required when they start developing. Mr. Nietupski said when the residential units were constructed; they would come in as each unit was approved.

Mayor Kuykendall asked if the inspection process was the same on and off the reservation. Mr. Nietupski said there was a process for the development of the main lines and testing and procedures they followed for water and sewer design and construction.

COUNCILMAN HANNA MOVED TO ADOPT ORDINANCE NO. 4818 -1218; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

- G. Award of bid and contract for Emergency Well Maintenance and Repairs On-call Services to the Weber Group L.C. in an amount not to exceed \$24,859.00.

Mr. Nietupski said the firm would have to respond within 24 hours of a call and would bill for work based on the unit prices that were provided in relation to the categories listed. He said there were seven production wells currently operating. They had not had to rely on the contract, but it was prudent to have it available. He noted that in the event that the expenditures exceeded the amount authorized by the procurement, they would come back before Council to seek approval.

Councilman Scamardo noted there was a tremendous difference between the first and second bidder. He said there was a notation that Weber Group was also awarded two previous contracts. Mr. Nietupski said they had provided reliable service in the past and there was no reason to question their bid. He noted the contract was for a one year period with provisions for three additional one year periods, subject to mutual agreement of the parties.

COUNCILMAN LAMERSON MOVED TO AWARD THE BID AND CONTRACT FOR EMERGENCY WELL MAINTENANCE AND REPAIRS ON-CALL SERVICES TO THE WEBER GROUP L.C. IN AN AMOUNT NOT TO EXCEED \$24,859.00; SECONDED BY COUNCILMAN HANNA; PASSED UNANIMOUSLY.

- H. Approval to call MPC Bond 1998F and to issue loan from the internal investment pool for the remaining principal amount.

Mr. Woodfill noted that as part of the ongoing review of their outstanding debt, they identified three debt issues that were eligible for call without penalty. He said that one of them was MPC 1998F and the other two were special assessment district bonds. He said the property owners on those had been notified that they could call the bond if they would like to avoid future interest costs. He said they had not heard back from them. He said because of the short term of the 1998F and amount, they would have a lot of cost if they tried to find an external loan to refund the bond. The proposal was to call the bond and use the internal investment pool to loan the money and the internal investment pool would receive those interest payments for the next six years as the bond paid off. He said it would increase the yield on the pool and increase the City funds in that pool.

He said the pool was made up of funds that had reserve requirements or were funds that were accumulating money for future capital projects. He said it was a way to earn the City a little more money on its investments.

Mayor Kuykendall asked if what they were paying off was 4.7 percent. Mr. Woodfill said yes, which would amount to about \$190,000 over the rest of the period.

Mayor Kuykendall said that there was money earning as much as 3.3 percent and he asked what the money was earning that he was going to pay that off with. Mr. Woodfill said the interest rates were down and it would be around 2 percent. He said they would be doubling their money.

COUNCILMAN SCAMARDO MOVED TO APPROVE CALLING MPC BOND 1998F AND ISSUE LOANS IN THE TOTAL AMOUNT OF \$2,371,356.00 FROM THE CITY'S INTERNAL INVESTMENT POOL TO THE WATER FUND AND WASTEWATER FUND AT A RATE OF 4.7% FOR SIX YEARS; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

IV. ADJOURNMENT

There being no further business to be discussed, the Regular Voting Meeting of the Prescott City Council held November 8, 2011, adjourned at 3:53 p.m.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Voting Meeting of the City Council of the City of Prescott, Arizona held on the 8th 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