

PRESCOTT CITY COUNCIL
BUDGET WORKSHOP
THURSDAY, MAY 24, 2012
PRESCOTT, ARIZONA

MINUTES OF THE BUDGET WORKSHOP OF THE PRESCOTT CITY COUNCIL held on MAY 24, 2012, in the PRESCOTT PUBLIC LIBRARY located at 215 EAST GOODWIN STREET, Prescott, Arizona.

- **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 1:00 p.m.

- **PLEDGE OF ALLEGIANCE**

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

- **ROLL CALL**

Present:

Mayor Kuykendall
Councilman Arnold
Councilman Blair
Councilman Carlow
Councilman Kuknyo
Councilman Lamerson
Councilman Scamardo

Absent:

None

1. Discussion / direction re FY2013 Tentative Budget

- a. Capital programs

City Manager McConnell noted that the focus of the workshop was on capital items. Those items had to meet one of two criteria, they were capital assets or extended the life of capital assets, the other criteria pertained to expenditure for a discrete item over a certain amount of money.

He noted that agendas were provided and they would begin with an overview from Public Works of infrastructure programs that had been extending for decades. He said they would also talk about upcoming projects for FY13-18. He noted that when they created capital improvement programs for the purpose of budgeting, they would extend out another five years. He said the audience would hear six years of capital projects being discussed.

He said they would then discuss the General Fund and Impact Fee funding projects, Enterprise Fund items and Solid Waste. Those would be followed by Council discussion and public comment, which could be about items on the previous budget meeting or on the current day's items.

He introduced the new interim Fire Chief, Dan Fraijo.

Mr. Nietupski showed a PowerPoint which covered:

- ▶ FY2013 – 2018 CAPITAL IMPROVEMENT PROGRAM FOR PUBLIC WORKS
- ▶ MAJOR INFRASTRUCTURE PROGRAMS – WATER, WASTEWATER AND TRANSPORTATION

He noted that those were value community assets that provided the backbone of infrastructure. He said that it was done in conformance with regulatory requirements. He said the assets were significant and that The City of Prescott had over 570 miles of pavement, 380 miles of sewer mains and 400 miles of water mains.

- ▶ CIP ACCOMPLISHMENTS FY2007-2012

They were valued at hundreds of millions of dollars. He said it required a sustained commitment of resources to maintain and operate the facilities. He noted that the quality of the pavement was rated at 6.8 on a scale of 1 - 10. He noted that past Councils wanted a quality of 7.1 and said that they still had some work to do.

- ▶ STREET CAPITAL PROGRAM EXPENDITURES FY1996 – 2012

He noted that roughly \$186 million had been spent in operation and maintenance of the City streets system.

- ▶ WATER CAPITAL PROGRAM EXPENDITURES FY1996 – 2012

\$81 million had been spent, which excluded the Big Chino Water Ranch. He said that if they were to add the purchase of that from 2005, it would be another \$23 million. He noted

that the water programs demonstrated the City's commitment to the infrastructure.

▶ WASTEWATER CAPITAL PROGRAMS EXPENDITURE
FY1996 - 2012

He said they spent \$37 million with major money to be spent in the next 2-3 years, with the improvements to the water reclamation facility at the airport, and associated projects.

Councilman Lamerson said that it was instrumental to acknowledge that, unlike the streets program, the water and sewer were paid for with user fees.

▶ PROGRAM DEVELOPMENT/PLANNING

System tools used were shown. They included data management systems, water model and Wastewater Treatment Master Plan. He said the tools helped them understand the conditions of their systems. He noted that the models were old and needed to be updated.

▶ PROGRAM FUNDING

They relied on sources for implementing and delivering the projects. The sources of the revenues were through water user rates, impact fees, 1 cent sales tax and the Highway User Revenue Funds (HURF). The One Cent Sales Tax would sunset for streets and open space December 31, 2015. Beginning January 1, 2016, the tax for ¾ percent tax for streets would begin. He said that would provide a revenue source, along with HURF Funds for street operations and capital improvements through 2035. He said they would need to begin a rate study for the operation and maintenance for the water and sewer system. The impact fees were last adjusted in 2008.

▶ FY 13 CIP SUMMARY

- Streets
- Water
- Wastewater

He noted that reservoir capacity was identified as a need and they would see the benefit of that improvement in the

next year. He said there was a very aggressive streets improvement program, based on the available resources.

Councilman Lamerson asked how they would maintain the roads with a $\frac{3}{4}$ percent tax, acknowledging that it had been discussed in the past that the City could not keep up with a 1 percent tax.

Mr. Nietupski said they would have to adapt the program to the revenues that were available.

► HURF STREETS & OPEN SPACE FY13 PROJECTS

He noted that the page numbers were listed with the projects and the amounts for each project. Mr. McConnell noted that the page numbers referenced the Capital Improvement Plan (CIP) manual.

Councilman Carlow asked how they would prioritize the maintenance projects. Mr. Nietupski said the Pavement Management System was the fundamental tool they used in developing the CIP for streets improvement. He said they evaluated each street block and did an engineering analysis to determine the quality of pavement and what they would use to repair it. They tried to spread the wealth in the community. When the evaluations were completed they determined how much needed to be done and which streets had a high user demand.

Councilman Arnold noted that, regarding pavement marking, it looked like the City was going to buy equipment and fund its operation. He said that he noted that they were also continue a \$150,000 per year contract and wanted that explained. Mr. Nietupski said there was a capital request for the pavement marking equipment which would be coming to the Council in the future. He said it was a provisional budget item. The Council would be able to look at it again. He noted that they were currently concluding the annual pavement marking as an ongoing activity. Councilman Arnold noted that it was listed so Council had the option to go either route. Mr. Nietupski agreed.

Councilman Lamerson asked how much sales tax was taken in for streets the past year. Mr. Nietupski said \$11.5 million. Councilman Lamerson said there was not the same amount

of money coming in as the wish list. Mr. Nietupski said there was some carryover money involved.

Mr. McConnell said those were the projects that were in the pipeline for which design had been done and arrangements were being made to deliver. The action plan was to accomplish all of the projects, whether or not that happened remained to be determined.

► CIP FY 14-18

Mr. Nietupski noted that pavement maintenance was a key aspect of their program and must continue. He said it was far more economically advantageous to preserve a good pavement than it was to reconstruct it.

Councilman Blair asked about the Overland Trail Bridge and if it could be discussed with Yavapai County as far as shared money in the Flood Control District. Mr. Nietupski said the project was preliminarily approved for the construction funding through the Federal Highways Bridge Replacement Program. He noted that it was in the CIP at \$80,000.00 for design. He said the design would be upon the City of Prescott, pending the funding authorization, through the State of Arizona.

Mr. McConnell noted that at the last Central Yavapai Metropolitan Planning Organization (CYMPO) Board meeting, there was a change in the Metropolitan Improvement Program (MTIP) to recognize the State / Federal Bridge funding for the project as distinct from it being City of Prescott money.

► WATER FUND CAPITAL FY 13

He noted that some of the projects were the new tank reservoirs in the airport area, recovery wells, Thumb Butte reservoir and the Copper Basin tank, among others.

Mr. McConnell noted that they talked about reservoirs in the City that were actually tanks.

Councilman Blair asked about Acker Pond design. Mr. Nietupski said it was a drainage improvement for Virginia Creek, South of Gurley Street. He noted that it would be through the Yavapai County Flood Control District funding.

Councilman Blair asked if there was a way to identify the funding sources with an asterisk. Mr. Nietupski said yes.

▶ WATER FUND CAPITAL FY14-18

Councilman Arnold asked if there was anything related to electrical upgrades at the Chino storage facility. Mr. Nietupski said there was a project listed, entitled Chino Four Bay Improvements.

▶ WasteWater FUND CAPITAL FY13

He said they would be coming back with Construction Manager at Risk (CMAR) delivery in the July time frame. He said they were out of capacity at the airport.

Councilman Lamerson said they should talk about what was involved with not taking care of the facility. Mr. Woodfill said if they did not have the capacity to treat waste, they would be unable to approve development infrastructure plans for subdivisions. Councilman Lamerson said that any plans they had to develop the airport area would be compromised, which would include commercial.

Councilman Arnold said that if they did not do the expansion they would cease to be able to tie anyone into the system.

Councilman Blair asked how much of Forbing Park was on sewer and if the residents were be assessed a higher rate for their sewer since most of the area was in the County. Mr. Nietupski said that it related to the item that was approved at the previous Council meeting, regarding the relocation the City's sewer mains.

Councilman Arnold asked if one of the items was an upgrade of the sewer camera truck system. He noted that the equipment was old. Mr. Nietupski agreed and said it did need to be replaced.

▶ WASTEWATER FUND CIP FY 14-18

He said this was one of most challenged funds regarding available revenues going forward. He said their debt capacity was maximized with the construction of the new facilities at the airport.

▶ TWO DECADES OF PROGRESS

He showed images around Sheldon and Montezuma.

b. Other budget items

▶ GF FY13 CAPITAL OUTLAY / PROJECTS

Mr. Woodfill noted that Email archiving was an item they talked about for several years and was currently in the budget.

Councilman Arnold asked if there had been additional discussion about an automated agenda system. Mr. Woodfill said they talked about it. He said they had the tools for putting that together and it was just a matter of doing it. He noted that with the staff cutback, they were doing projects with a higher priority that had a greater impact to the citizens. He noted that they would be getting the paid utility bills on line.

He noted that they wanted to get high definition cameras in the parking garage for security purposes.

Councilman Blair asked about emergency service alarm monitoring and said if it was in regard to the alarm ordinance, he thought the City was going to handle that in-house, with current employees. He said that it looked like they were adding an employee.

Chief Kabbel said the system was for the Communications Center which had an old DOS system that monitored City burglar and panic alarms.

Mr. Woodfill noted that some other capital projects were facilities related. There were drainage issues at Station 75, improvements to 215 North McCormick, roof modification at Iron Springs Road and efficiency lighting replacement.

Councilman Blair asked for an explanation of the 215 N. McCormick remodel and how the property was acquired. Mr. McConnell said the City was the beneficiary of donated real property as well as financial donations. He said the building would become an administrative facility and training room for the Fire Department. He noted that it was acquired

in FY12 and they would get started on the project as soon as they could.

Councilman Kuknyo asked about the camera in the parking garage and if they could replace a security guard. Chief Kabbel said that it might eliminate the guard. He said there was some money put into the camera system which deterred a lot of the crime in the parking structure, but the video was not high definition and it was hard to pick out license plate numbers and exact photos to be used in their investigations.

► GOVERNMENTAL IMPACT FEES

- PARK IMPACT FEE EXPENDITURES

The fees had been collected and could increase capacity of facilities to meet the increasing demands. They could not create new facilities. Councilman Blair said the question would come up about how irresponsible the Council was by spending that kind of money, when they should be spending it on operation, maintenance or employee salaries. He asked Mr. Woodfill to explain that the money could only be used for capital projects and not for operation and maintenance. Mr. Woodfill verified the statement.

Mr. Baynes gave an overview of the proposed parks impact fee projects. He showed a PowerPoint Presentation that showed:

- KUEBLER FIELD AND PARKING LOT

He discussed the expansion, watering system, lighting and parking lot. The proposed lot would have 70 – 80 spaces. He said it would add two multi-use soccer/football/baseball fields. He noted that the last field was built in 2003. The National average for fields was 1.6 acres per 1000 residents. He said that based on that math, Prescott should have 64 acres of fields and they currently had 29 acres. He noted that they could host tournaments that were currently being turned away. He said it would also give them a duplex baseball field for better tournament play. He said there was a revenue opportunity in the sense that the visitation associated with the participation would create tax revenues.

Councilman Arnold asked if there could be a breakdown of the economic impact to the community and what the operational costs of the field would be.

Councilman Blair asked if the numbers that he showed were “not to exceed” numbers or if they were numbers for actual bids that had been submitted. He asked if money was left over from the projects would it stay in the fund. Mr. Baynes said the numbers were well thought out. He noted that engineers worked on the Kuebler project to produce an estimate. He said the bid book had been put together. He noted that they ran into a problem with retaining walls and saw the opportunity to move the lot across the street, they were able to save a significant amount of money.

Mr. Baynes said the project was shovel ready and if approved, they would begin work in August 2012 and have it ready in the Spring. He said the four major youth organizations that used the fields had roughly 2,500 participants. He said in 2010, the Parks and Recreation Board identified the Kuebler project as the number one priority.

► GOLDWATER LAKE

He said the plan was conceptual. He noted that May – August was the peak season and they were turning people away. He noted that there were 91 parking places. He said the ramada rental was done a year in advance.

He showed a map of parking, docks and ramadas. He said the idea of the expansion was to spread the use out over the park. He noted that they would add 200 parking spaces, two - 60 foot armadas, a restroom, and drill a well. He said it cost the City \$4,500.00 a year to haul water up there to feed the drinking system. He noted that the well could feed the water on a constant basis.

He noted that they had 65 acres, which did not include the lake and currently utilized 12 acres. He said the idea was to build it in phases. He noted that the first phase would be a vault restroom, a ramada and about one half of the parking spaces. He said the lake currently produced \$44,000.00 per year through the kiosk and ramada rental. He said that he felt they could double that and a revenue stream would follow the expansion.

Councilman Lamerson said that the expansion would cost around \$350,000.00 and the user fees were \$44,000.00 per year. He noted that if it was a dedicated revenue stream, it would be paid for the development in less than ten years. Mr. Baynes said that would be correct. He said the first phase was \$350,000.00, which was conceptual. He noted that it would include paved roads and a water delivery system. Councilman Lamerson said it was important to note that the user fees would be funding the project.

Councilman Scamardo noted that all of the projects were funded by impact fees: Goldwater Lake, Kuebler Field and Sundog. He said the fees collected over the years could only be used for projects like the ones they were talking about. He said that they could not even use the fees for maintenance of the existing parks. He said the fees had to be used for brand new projects.

Councilman Kuknyo said that one other benefit of the project was that when they put the road in at Goldwater Lake, they would tie into a forest road, which would give the area a secondary access. Mr. Baynes said the idea was that, with the cooperation of the National Forest, they could put a crash gate in that would allow a secondary access in case of a fire.

Councilman Scamardo asked how much they had in the impact fee account. Mr. Baynes said it was a little over \$1.4 million.

Mr. Woodfill said that it would be built with impact fees and the user fees would be used for maintenance.

Councilman Kuknyo recused himself for a potential conflict of interest.

► PROPOSED SOLID WASTE FUND CIP FY13

Ms. Miller mentioned the need for an automated side loader which was a smaller unit that needed to go into areas that were tight.

Improvements at the Sundog facility included paving, transfer station floor, the welding shop, the assembly room expansion and the security lights for the yard. She noted that

they were still operating on some dirt which created some environmental issues with regard to drainage. She noted that the transfer station floor was scheduled for that year, but they were unable to do it and carried it over to the following year.

She noted that the welder worked outside with a curtain that draped over the area. She said there was no protection for people walking by. There were 60 staff members that filled their training room and the expansion would allow space for them to come together as a department.

She said they would like to pave and install work lights in the yard and noted that the lights would help the crew working during snow events.

They were asking for replacement vehicles for the following years as well as additional paving. She noted that the scales were beginning to fail and they would also need to be replaced.

► **ADJUSTMENTS**

Mr. Woodfill noted that there had been a few adjustments made to the first Budget Workshop items. They included bed tax, the Council membership item, additional information came in about a few grants and the short term disability was included in the budget.

Councilman Arnold noted that they were looking at hundreds of pages of documents and the staff was proposing to cut the operating expenditures by \$500,000.00 and a \$2 million reduction in the capital. He said that he was glad to see that they were taking a positive mind set to reduce the cost to operate the City. He said that he strongly believed that they should at least include a placeholder within the budget, so that if the Council decided that it wanted to do some economic development that opportunity would exist. Councilmen Kuknyo and Carlow agreed.

Councilman Lamerson disagreed and said that he had a problem with earmarking things that may or may not come about. He said that he would rather earmark some personnel costs that may come into play. Councilman Carlow agreed that the money should not go towards a special interest group, but for a general economic development category. He

noted that there was currently \$15,000.00 in the budget for that and he would like that to be a total of \$50,000.00. Councilman Scamardo also agreed.

Councilman Arnold said that he was not asking that the money be earmarked for a special interest group. He noted that there had been ongoing discussions about the potential for regional economic development. He said they would tie the hands of the Council if they did not include the availability. He noted that the entire book was about earmarks. He said it was full of carry over's from previous years.

He said that he believed it was a reasonable request. He made the commitment that he believed that was a direction he would like to see them go. He said that putting it in there was important and the outcome could be positive.

Councilman Lamerson said they were both one of seven and that he disagreed. He said that if they were going to put anything in the budget as a placeholder it would not be for a group of folks who thought they could plan what was good for the City, better than the City could.

Councilman Kuknyo said they had not discussed what they want the economic development to be like. He said they knew it was coming up, whether it was regional or just the City. He said they should have some contingency in the budget. He noted that one thing they heard was that they needed some type of focused economic development. He said that without some funding in place they would tie their hands for a year.

Councilman Blair said that he did not know whether he would support it or not. He said that if it were to come out of the bed tax, or it was generated through people who did economic development in the community, he might support that. He was not sure he would support it coming out of the General Fund without there being a directive

Mayor Kuykendall said it would require a vote of the Council. He noted that they would be able to do that on June 12, 2012. He agreed with some of the comments that they had not had economic development. The last year they could count well over 300 new jobs that economic development, in some form, had placed in Prescott, which had a breakdown.

He noted that they had a couple of major opportunities that may surface in the next few weeks which would indicate that economic development had been strong. He said they did not have to pay for it because it was part of the deal.

He said that he did not believe at throwing money at something unless there was a good plan. He noted that the four page brochure was a wish list without any direction. He said that he had been knee deep in economic development for two years and it was not going to come through the front door to a committee. He said that they had been working behind the scenes and confidentiality was the first thing that an economic engine would tell them. He said that they had been able to sit down with people who could make decisions. He said that timing had not been the best and they had not been able to close the deals. He said they had a proposed new Airport / Economic Development. He said the Council did not have details of what management thought their direction would come from. The money to fund that new department was in the budget. Putting more money in without a specified use was not the proper thing to do at this time.

Councilman Scamardo agreed with the Mayor. He said they had money in the budget for the new department and he was not ready to commit any additional funding. Councilman Blair asked if something came before them where they needed to find the money, he asked if they could borrow from a fund to use that money for that specific use, and then fund it in the next year's budget.

Mr. McConnell said that the Council would set an appropriations limit. The \$160 million consisted of individual budgets and funds. It may be necessary to move that capacity/appropriation around. Generally a budget of that size, if money was not budgeted, they could find the money and pay it back through a loan, at some point.

Mr. McConnell said the City had received a request for \$40,000.00 for regional economic development. There had been indications that, at that point, the City did not know if \$40,000.00 was put in the budget, what it would be spent on, if at all. The most appropriate source of funding, in his mind, for a \$40,000.00 placeholder would be an unassigned General Fund balance. He said that at their first Budget Workshop Mr. Woodfill went through the presentation of

different funds which all rolled up into General Fund to a summary slide. He noted that at the bottom of that slide, there was a quantity of money \$1.68 million of unassigned fund balance. He said that they talked about it being unassigned fund balance, but they would try to preserve as much of that as they could because there were other needs and things that were unmet. He noted there were long term sustainability issues in the General Fund.

He said the Council needed to make a decision on the topic and he had heard three of them say that they were in favor of a place holder. He said they would decide on it before the tentative budget was voted on.

He noted that there was \$15,000.00 in the budget for economic development/other professional services. He said that most of the money was spoken for. He noted that they would take it out of the Council budget. Councilman Arnold clarified that he would not ask for a placeholder in the budget if it was not in the budget, they could find a way to get the money.

Mr. McConnell said that in \$160 million, they could find the appropriation authority. He noted that the more specificity they had in the budget, the better. He said they would suggest that if there was majority support, there be an identified funding source so they did not have to go through a transfer.

Councilman Arnold said that he did not support or not support the plan that had been presented. He said it was the first time that something had been proposed that should be discussed. He said that it may not be voted on by the Council in that fiscal year, but it was a budget. He said that it was not a guarantee that they were spending a dime of what they approved. He said that he was asking for the flexibility for the Council to be able to chart the course when the time and opportunity presented itself.

Mr. McConnell said that from the management a way of addressing the issue was to put it on the agenda and settle it. He said that when they talked about what was and was not in a budget, there was flexibility in a budget of that size. He said the flexibility had to be used prudently.

Councilman Arnold said that his one hesitation with the budget was that the current four page proposal was not in the interest of the City to take a vote on something to the point where it was so underdeveloped at this point. He said they would be comingling the placeholder along with the proposal and that was not the intent. If it was something that the Council may be interested in and they could vote to make it happen, he said he did not see the need for a placeholder. Councilman Carlow said that if the plan was brought to them that day, they would not say it was a good idea because it was so premature.

Councilman Blair said that if they made it a place holder, they were making the inference that they agreed on a plan that they would fund something in the future, which he did not agree with.

Councilman Lamerson said that if they were going to set aside the \$40,000.00, he would like to see it set aside for the City's best interests.

Councilman Kuknyo said they needed to investigate what the City was doing. He said they needed to continue to bring retail into Prescott to drive the General Fund.

Mr. McConnell said that he was hearing not to put a specific amount in the budget for regional economic development. He said that if the Council wished to consider an expenditure of an additional sum, they would consider it at that time.

Mr. Woodfill noted that they adopted appropriations for services of the City. Those were appropriations which could not be exceed; however, there was a provision and they had done it, where appropriations were transferred, through a public process, to move that appropriation to a different purpose.

Mr. McConnell noted that, according to the agenda, it was the opportunity for additional Council discussion and that would be followed by public comment.

Councilman Kuknyo said that the golf course staff was going to put tight controls on expenses and efficiencies. He said they had been tasked with developing a comprehensive business plan. He said the true future of Antelope Hills was

in the hands of the golfing community of Prescott. He said they needed to support their local course.

2. Public comment:

Daniel Mattson, Prescott, asked what NPDES stood for. Mr. McConnell said that it had to do with water quality and that it may stand for National Pollution Discharge Elimination System

Marjorie Sente, President of Friends of the Library, recapped a few points of the letter she sent to Council:

- 1) The Friends felt that having rental fees on rooms in library were a form of unintended discrimination against those who could least afford to be paying for those rooms. She said they were nonprofits, retired individuals who needed to assemble and meet to discuss, learn, and further educate themselves.
- 2) She noted that people learned differently. Some by reading books and some by listening to lectures and watching movies. She said that by putting fees on the library, they were essentially closing down several kinds of ways that people learned. She noted that learning was essential to the community and the fundamentals of the democracy.
- 3) The library, in itself, was a great means for economic development because it was there for those who were unemployed and did not have the means for an education.

Councilman Blair said that at some point in time, a Council person or two and staff, needed to meet with the Friends of the Library to come to some understanding as to what it meant to have a “fee”, i.e. Goldwater Lake fees paid for the maintenance. He said that given the fact that the library was paid for by the taxpayers, the ongoing operation was a \$1.7 million hit on the General Fund. He noted that the only reason he brought it up, was because he was contacted by the Sunnyslope Library District. They closed their library because they did not have the funds to keep it open and the Council would not allow a fee charge. He asked what they achieved. He noted that it was not that he disliked the library, but he wanted to keep it strong.

He said that at some point there would be an objective as to why the City of Prescott had to fund computer service, internet and main frames without any type of use fee for maintenance of those computers. He said the golf course was owned by the citizens and every time they wanted to use it, they had to pay. He said that he would like to see the Friends of the Library say that they understood and ask how they could help. He noted it

might be a \$2.00 fee and a library card and people who could not afford it could get a scholarship through the library. He said at some point, people who had a card could rent the library, free of charge.

He said that he would like to figure out how to offset a small portion of the General Fund draw to their budget. He said that if they were not going to say they needed to do it as a community, they were all fooling themselves. He said they would end up cutting more hours and employees and diminish the value of the facility.

Elisabeth Ruffner, Prescott, said that she was writing about Julia Goldwater. She noted that in 1899 Ms. Goldwater wrote to Andrew Carnegie asking for money so they did not have to charge for the tickets. The concept of free libraries in a civilized world was almost sacred to many people, including those that had given them money to use the room they were in.

She noted that \$50,000.00 was given by the Monday Club. She said that all of the meeting rooms in the building were donated by citizens who were extremely upset at the possibility that those least among them, the people who could least afford, would have to pay to come to the library. This was a sacred responsibility and she was willing to continue raising money to help the General Fund with administration costs, if that was what it took. She said that she was not pledging that, but she could not imagine Prescott even comparing themselves to Sunnyslope.

She asked them to think of the millions that those in the community had given to furnish the library. She said they continued to do that with their hospital which was a taxing district. She said there was a big difference between the feeling of being a civilized community and nickel and diming the least among them.

Mayor Kuykendall said that they needed to have a conversation. He said the effective date was not until October. He said that after they began the new fiscal year, they would appoint three Council members to a committee that would include some people from Friends of the Library. He said that he had never considered what Councilman Blair had suggested as rent, but it did cost money to maintain any facility. He said the carpets had to be cleaned and they were always looking at ways to maintain the trails. He said maybe there was a way for them to work together to keep the library in the condition it was currently in. He said that he knew Councilman Blair would agree to sit on the committee.

Mr. McConnell reminded the Council and public that June 12, 2012, was the date for the Council to consider the tentative budget. He said it was the formal step in the budget adoption process. He noted that upon

Council approval of a tentative budget, the budget would be published and the expenditure limitation could not be increased.

They would follow that in two weeks by a public hearing on the budget on June 12, 2012, where there would be an opportunity for a public comment. The public would also be able to speak at the June 12, 2012, meeting. He said that they recommended that the Council adopt a final budget on June 26, 2012, and then on July 10, 2012, the property tax levies would be set.

Mayor Kuykendall assured them that this year had been the most visible and transparent that he had ever seen in the community. He noted that if there were any comments, good or bad, they would love to hear them.

3. Adjournment

There being no further business to be discussed, the Prescott City Council Budget Workshop of May 24, 2012, adjourned at 2:40 p.m.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk