

PRESCOTT CITY COUNCIL  
REGULAR VOTING MEETING  
TUESDAY, JUNE 12, 2012  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL held on JUNE 12, 2012, 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.

◆ **INTRODUCTIONS**

◆ **INVOCATION** Pastor Jane Cheek, First Congregational Church of Prescott

Pastor Cheek said the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilman Blair

Councilman Blair 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

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

**I. PUBLIC COMMENT**

1. Introduction of new business

Item moved later in the agenda, when the guest arrived.

## II. CONSENT AGENDA

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

- A. Approval to rescind prior approval of Water Service Agreement No. 10-005 and approve Water Service Agreement No. 10-005 for Terrace View subdivision with the Albert M. Coury Sr. Qualified Trust, as amended.
- B. Adoption of Resolution No. 4131-1241 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into Grant-in-Aid financial agreements on behalf of the Arizona Wildfire and Incident Management Academy with the Tohono O'odham Nation, the Gila River Indian Community, and the Pascua Yaqui Tribe, and acceptance of said grant(s), if awarded, for general operating expenses for the Arizona Wildfire Academy at ERAU and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- C. Approval of the minutes of the Prescott City Council Workshop of May 17, 2012.

**COUNCILMAN BLAIR MOVED TO APPROVE CONSENT AGENDA ITEMS II-A THROUGH II-C.**

Councilman Lamerson acknowledged that he was not at the meeting, but would not recuse himself because he agreed with everything and noted that Mr. McConnell updated him on everything that took place.

**MOTION SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

## III. REGULAR AGENDA

- A. Public Hearing and consideration of liquor license application submitted by Robert Andrew Gabrick, applicant for Bev Heaven Concepts, LLC, for a Series 12, *Restaurant*, license for Prescott Station Grill & Bar located at 200 East Gurley Street.

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

**COUNCILMAN BLAIR MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.**

**COUNCILMAN ARNOLD MOVED TO APPROVE A LIQUOR LICENSE APPLICATION SUBMITTED BY ROBERT ANDREW GABRICK, FOR A SERIES 12, RESTAURANT, LICENSE FOR PRESCOTT STATION GRILL & BAR LOCATED AT 200 EAST GURLEY STREET; SECONDED BY COUNCILMAN KUKNYO; PASSED UNANIMOUSLY.**

- B. Public Hearing and consideration of liquor license application submitted by David John Seigler, applicant for Seigler Enterprises LLC, for a Series 12, *Restaurant*, license for Devil's Pantry, located at 126 South Montezuma Street.

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

**COUNCILMAN ARNOLD MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

**COUNCILMAN KUKNYO MOVED TO APPROVE A LIQUOR LICENSE APPLICATION SUBMITTED BY DAVID JOHN SEIGLER, FOR A SERIES 12, RESTAURANT, LICENSE FOR DEVIL'S PANTRY, LOCATED AT 126 SOUTH MONTEZUMA STREET; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.**

- C. Adoption of Resolution No. 4130-1240 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, adopting a Tentative Budget, adopting the estimated amounts required to meet the public expenses for the City of Prescott for the Fiscal Year 2012-13, authorizing and directing publication of Statements and Schedules of the Tentative Budget, together with Notice of Hearing on said Budget and Notice of Date of Final Adoption of said Budget, and Notice of Date of Establishment of the Expenditure Limitation, and Notice of the Date for Fixing a Tax Levy.

Mr. Woodfill showed a PowerPoint presentation that covered the following:

► GENERAL FUND OPERATING BUDGET

Personnel made up 51 percent of the operating budget, Citywide. He said that it was 77 percent of the General Fund, which was a service entity with Public Safety, Park and Recreation and the Library.

- ▶ TOTAL CITY BUDGET
- ▶ UPCOMING BUDGET PROCESS STEPS

He noted that there would be a budget hearing on June 26<sup>th</sup> for the Budget FY13, Expenditure Limitation FY13 and Tax Levy FY13.

He noted that after that meeting, there would be a Special Meeting where the Council would consider the Final Budget for the year. If that was adopted, the Council would consider adopting the Tax Levy for the following year on July 10, 2012. He noted that the budget process tab was on the City's website. He went over the legal schedules and said the format was dictated by the Arizona Auditor General.

- ▶ SCHEDULE A - recap of revenues/expenses as a whole
- ▶ SCHEDULE B - property tax levy and tax rate info
- ▶ SCHEDULE C
- ▶ SCHEDULE D - debt issues or transfers between funds
- ▶ SCHEDULE E

He noted that there were many changes from previous years. He said there was a new division. Facilities had operations in the General Fund that was made up of the Parking Garage and the Rodeo Grounds, which were administrative services before and in an Enterprise Fund. He said that Parks and Recreation was spread into Parks and Library. The Police Department included Regional Dispatch and a new Airport/Economic Enterprise Division which had economic incentives, Special Events and Tourism.

He talked about an appropriation ordinance that the Council did last year in regards to the 215 McCormick Street project, where they moved appropriations from the grant to the trust to buy the property, which was missing from the Council packet.

- ▶ SCHEDULE F - different grouping of expenditures by departments

Councilman Lamerson said that he did not intend to tentatively spend \$500,000.00 on open space. He noted that he also did not agree with allocating tourism promotion money in areas that were non-essential. He noted that some may have thought it was not good tourism promotion to have dirty sidewalks. He said that it

would be disingenuous for him to agree on a tentative budget when he did not agree on it being in the budget at all. He said there were several items in the budget that he did not agree with.

Councilman Arnold asked Mr. Woodfill to explain the purpose of approving the tentative budget. Mr. Woodfill said that it set the maximum appropriation for the next fiscal year, by category. He noted that the final budget could not be any higher than the appropriation level. He said that he could be lower or could be reallocated between departments.

Councilman Arnold said that knowing that the line item budget was well over 500 pages; he shared a similar sentiment to Councilman Lamerson. He said there would always be items in the budget that they may not agree with. He said that he just wanted to make clear that they were setting the spending limitation of the City and there would be additional opportunity for public comment and input from the Council, moving forward.

Councilman Kuknyo said that they needed to remember that it was a budget and they did not need to spend the money. He said they should reward people who did not spend all of their money. He noted that he never liked the idea of not giving people money because they did not spend their entire budget the prior year. He said that he wanted to encourage Craig to find ways to more efficient and try not to spend what was in the budget, but considerably less.

Councilman Blair asked if purchases of \$10,000.00 or over would still come before Council. Mr. McConnell said procurements or agreements over \$10,000.00 would go to Council. He noted that items that were \$10,000.00 - \$20,000.00 would be on the Consent Agenda and over \$20,000 would be on the Regular Agenda

Councilman Blair said that he was also not pleased with certain areas in the budget, but thought they could be handled individually. He said that with past Councils, if money was in the budget, it was a given to the public that they would receive that money. He said that was not the case and that it was just a marker in the budget to be looked at in the future.

Councilman Lamerson said they had contemplated the elimination of certain positions. He noted that if they were to handle their money a little differently, the General Fund would be better protected. He said they should not tentatively obligate their money

to be spent on things other than basic services. He said that he was not flexible on that issue.

Councilman Carlow agreed with Councilman Blair and said that there were a lot of items that they would be strict on, rather than rubber stamping the issues. He noted the whole action plan was to look into the efficiencies of each area which they had just touched upon.

Councilman Blair said the County was in the same position as the City. He said they needed to do the right thing for the community at large, even though they disagreed with individual line items. He said the ultimate goal was to give Mr. McConnell the ability to make some changes throughout the budget, as they direct him

Councilman Arnold noted that revenue was up and spending was down and he felt the budget was a move in the right direction. He said it was the City Manager's job to propose to Council what he felt was necessary to operate the administrative portion of the City government, as well as the capital projects that were forthcoming.

He noted that fire, police, and streets were being addressed in a way that appeared to be sustainable. He said the budget they saw that day, compared to the final budget would be different. He said that they specifically asked that the golf course met certain milestones throughout the year.

Councilman Scamardo said that he disagreed with Councilman Lamerson about taking out some of the line items at that time. He noted that someone had done a tremendous job of trimming or deferring maintenance in the FY12 budget. He noted that they spent \$116 million and the budget called for \$162 million.

Marjory Sente, President of the Friends of the Prescott Public Library, noted that they felt the room use fees were discriminatory against those who most needed to use the facilities and that the library was an asset to the community.

She thanked the Mayor for agreeing to convene a committee to discuss the user fees. They were ready to go as soon as July rolled around. She asked the Council to hit the pause button and strike the \$7,500.00 in revenue that was proposed to come in from the fees in the FY13 budget while the committee had time to discuss the fees and have a due process that was promised them in prior years.

She noted that \$7,500.00 was one one-thousandth of the operating budget. She said it was a small amount to put on hiatus for a year. She was aware that the fees did not go into effect until October, but rooms were being booked through December and the bookings were already down for October and November.

Mayor Kuykendall said they still planned on creating a committee to work with the Library's working group. He noted that they did not have enough money in the 1970's, when they were building the library. He said he was on Council and they were about \$66,000.00 short. He said that a group of them worked together to find the money.

Jean Phillips, represented the Monday Club, noted that it was the Monday Club that established the library in the late 1800's when the Carnegie Foundation realized that the citizens had no means of introducing culture to their area. They offered \$4,000.00 grants to be matched, for the purpose of introducing free library service in the communities. She noted that Julia Goldwater wrote a letter, which was currently displayed on the library wall.

Ms. Goldwater represented the Monday Club, which was the General Federation of Women's Club. Ms. Phillips noted that the \$4,000 was matched, which was not easy to do for the women of the time. She noted that the library still stood across from the Hassayampa Hotel. She said that Prescott was the first in Arizona to receive the Carnegie matching grant. She noted that Tucson also received money and was able to build their library first because of the timing of the fire on Whiskey Row. She noted that the Grand Opening of the free library was in 1904. She said the Carnegie intent was to serve communities with free libraries; to introduce and maintain cultural aspects.

She noted that was the ethical history of the original intent. She said the library had operated by the book and said that she trusted the Council would as well. She said that because Prescott was "Everyone's Hometown", and the library was considered "Prescott's Living Room", it was hardly the time to tamper with the Library monies. She asked the Council not to take the "R" out of "free".

Mayor Kuykendall said that that had been the toughest of ten budgets that he had worked on. He noted that they were trying to do more with less in a community that was very dependent on sales tax. He noted that they were constantly looking for opportunities to attract reasonable business to come to Prescott

that would market a product with widespread appeal to the entire area.

He noted that the expenses continued to go up and the budget was well thought out. He said they knew what they had to spend, but had to guess at what they would be taking in. He noted that if the citizens could go one month and not buy anything on Amazon, they would have more money coming in to the City in sales tax. He commended Council and management for their efforts.

Councilman Arnold asked if there was a contingency and a reserve that were fully funded within the budget. Mr. Woodfill said they were abiding by the Council's reserve policy. Councilman Arnold asked if there was also an unassigned General Fund balance. Mr. Woodfill said yes.

**COUNCILMAN ARNOLD MOVED TO ADOPT RESOLUTION NO. 4130-1240; SECONDED BY COUNCILMAN CARLOW; PASSED 6-1 WITH COUNCILMAN LAMERSON CASTING THE DISSENTING VOTE.**

1. Introduction of new business:

Erin Cornwell, Membership Director for Prescott Chamber of Commerce, introduced the Montezuma Federals, Prescott's new baseball team, who played at Yavapai College at Rough Rider Park.

She said that Prescott was pleased to announce its own baseball team that played at Rough Rider Park. She noticed that the players and management were still looking for places to reside and some were driving up from Phoenix. She introduced Joe Sperle from the Freedom Pro baseball league and the Montezuma Federals.

Mr. Sperle said that he had been working on putting a league together for three years. He noted that they had 20 guys who signed their first pro contract and some other guys getting a second chance.

Pete Marshall, Field General/Manager, talked about his talented players. He said it was independent baseball that was not affiliated with any organization. He noted that they were looking for host families to house the kids from three to five days per week. He said they had four teams this year and were hoping for twice as many next year.

Councilman Kuknyo asked when the season was. Mr. Marshall said they opened the previous week and would run until the first week of September. He said there were 45 games in Prescott.

Councilman Blair said that he was glad they were there.

- D. Approval of First Amendment to the Facilities Use Agreement with the Prescott Chamber of Commerce for Barn B at the Rodeo Grounds.

Stephanie Miller said her item was a proposed amendment to the facilities use agreement between the City of Prescott and the Chamber of Commerce. She noted that it would also do some housekeeping and change some insurance language and ownership from Yavapai County to the City of Prescott. She noted that the agreement was in place when the City bought the Rodeo Grounds.

She noted that the Chamber of Commerce used about 2,700 square feet in Barn B to store holiday decorations. She said the City also stored their holiday decorations there.

She said it was a one year amendment to give the City time to figure out the best use for the facility.

Councilman Arnold asked if anyone talked with the rodeo as they were going through the process to extend the lease. She noted that Mr. Fenech had contact with Prescott Frontier Days. Councilman Kuknyo said that he was glad that it was a one year agreement.

Councilman Blair asked if the City of Prescott was held harmless in the agreement. Mr. McConnell said that one of the things addressed in the amendment was to revise those types of protections that addressed those items. He said they were necessary and standard provisions. As far as individual losses, he would refer them back to the specific language.

**COUNCILMAN LAMERSON MOVED TO APPROVE THE FIRST AMENDMENT TO THE FACILITIES USE AGREEMENT WITH THE PRESCOTT CHAMBER OF COMMERCE FOR BARN B AT THE RODEO GROUNDS; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.**

- E. Approval of First Amendment to Lease with the Northern Arizona Council of Governments (NACOG) for the Head Start site at the Rodeo Grounds.

Ms. Miller noted that it was a one year extension of the agreement with changes in insurance indemnification language and a move from Yavapai County to the City of Prescott. She noted that the Head Start agency used

approximately 48,400 square feet of land. She said there was no cost to the City.

Mayor Kuykendall asked if it was land only and Head Start owned the building. Ms. Miller said yes.

**COUNCILMAN ARNOLD MOVED TO APPROVE THE FIRST AMENDMENT TO LEASE WITH THE NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG) FOR THE HEAD START SITE AT THE RODEO GROUNDS; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.**

- F. Adoption of Resolution No. 4133-1243 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving termination of the Memorandum of Understanding, as amended, Contract No. 2003-265, with the Central Yavapai Metropolitan Planning Organization, providing for personnel, purchasing, and accounting services; and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

Mr. McConnell noted the CYMPO had been relocated to a Yavapai County facility. He said that because they were now in a County facility, they would like the County to provide those services. CYMPO requested that the City terminate the agreement, by which the City was presently providing those services. He noted that it could be styled as a rotation of support to the CYMPO function.

He noted that it would reduce the number of positions of up to a maximum of three, which would be provided by Yavapai County. He noted that CYMPO was a regional organization and they would all chip in and do their part.

Chris Bridges, Administrator for CYMPO, thanked the City of Prescott for providing the service for the past eight years. He noted that they would continue to work for the City of Prescott and the entire region.

**COUNCILMAN KUKNYO MOVED TO ADOPT RESOLUTION NO. 4133-1243; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- G. Award of a bid and two-year contract to Duke's Root Control, Inc., for the supply and application of root control herbicide to the City sanitary sewer system in an amount not to exceed \$224,880.00.

Joel Berman, Utility Manager for the City of Prescott, said that the item was a recurring preventative maintenance performed on the wastewater collection system to prevent re-growth.

He said the herbicide would kill the root 18” outside of the pipe envelope and inhibit root growth beyond that. He noted that the program had been successful in the past, reducing sanitary sewer overflows. He said it was a two year contract and staff recommended a contract to be awarded for both years. He noted that the funding would come from the Sewer Fund to be paid with user fees.

Councilman Kuknyo asked why they only received one bid. Mr. Berman said they had tight specifications for a reason. He noted that they would be introducing an herbicide into their sewer collection system which had the potential of having a negative impact on the wastewater treatment plant as well as on the safety of the employees working in the sewers.

He said they looked at the Consumer Price Index (CPI) for the past four years and compared it to Duke’s previous contract and Duke’s was within one cent of the CPI. He said it was a fair contract. Other municipalities had piggy backed on the contract which was a good indication to staff that it was a good contract.

Councilman Arnold asked about the warranty. Mr. Berman said they had performed without fail. Within two years, if the City had any overflow caused by root intrusion, they would reapply the herbicide. If the City retreated it within 30 months, they would extend the warranty another three years.

Councilman Lamerson asked if the water quality for recharge might be compromised. Mr. Berman noted that they had tight specification in the contract to ensure that the water would not be compromised. He noted that the chemical was removed through the wastewater process. Councilman Lamerson asked if Arizona Department of Environmental Quality (ADEQ) was satisfied. Mr. Berman said yes.

Councilman Scamardo asked how many years they had been doing business with Duke’s Root Control. Mr. Berman said it had been since 2008.

Mayor Kuykendall asked if it was a routine procedure or did they wait for a problem. Mr. Berman said the City of Prescott owned a closed circuit television that they used to examine the sewer systems. He said they tried to be proactive. Mr. McConnell noted that they constantly monitored the entire system for problems. Mayor Kuykendall asked if the service was available for the citizens. Mr. Berman said that he did not know,

**COUNCILMAN ARNOLD MOVED TO AWARD THE BID AND TWO-YEAR CONTRACT TO DUKE’S ROOT CONTROL, INC., FOR THE**

**SUPPLY AND APPLICATION OF ROOT CONTROL HERBICIDE TO THE CITY SANITARY SEWER SYSTEM IN AN AMOUNT NOT TO EXCEED \$224,880.00; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- H. Approval of a professional services agreement with Granite Basin Engineering, Inc., for design of the Annual Small Water Main Upgrades and Sewer Mainline Replacement Project, in an amount not to exceed \$432,100.00.

Mr. Tkach noted that the item was for FY13 and 14. He said the project would provide safe and adequate drinking water infrastructure that would enhance water quality and fire flow suppression. He noted they would be moving the water connections out of the alleys and into the streets. He said that would help them meet the ADEQ requirements for sewer and water separation.

He noted that it would reduce maintenance costs, service calls and potential sewer overflows. He said the project would also install backwater valves in accordance with an ordinance that was passed by the Council in 2008. He noted that the project would have three phases. The project would be done in the Lincoln and Hillside neighborhoods and between Granite and Montezuma Streets.

Councilman Blair asked if any of the improvements to the Lincoln and Hillside areas fell under Community Development Block Grant funding for capacity improvement of the district. Mr. McConnell said it may be possible and they would investigate it. He noted that they had significant unexpended balance and were looking for projects.

Councilman Arnold asked if they would come back to Council for additional fees if they added the third phase. Mr. Tkach said yes.

**COUNCILMAN ARNOLD MOVED TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH GRANITE BASIN ENGINEERING, INC., FOR DESIGN OF THE ANNUAL SMALL WATER MAIN UPGRADES AND SEWER MAINLINE REPLACEMENT PROJECT, IN AN AMOUNT NOT TO EXCEED \$432,100.00; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

- I. Award of bid and contract to Joseph Painting Company, Inc., to apply a protective coating to the Yavapai Hills Lift Station Wet Well in an amount not to exceed \$26,244.00.

Mr. Berman noted that the contract would be to coat the interior concrete surface with a corrosion resistant coating of the lift station and Wet Well

No. 1A, located off of Cactus Drive. He noted that bacteria were formed when septic conditions occurred and the bacteria ate away at the surface of concrete structures.

He noted that it would be a preventative maintenance activity to prevent premature failure of the concrete structure. He said the infrastructure served all of the Yavapai Hills subdivision. It was a regional lift station and was regulated by ADEQ.

Councilman Blair asked what a wet well was. Mr. Berman noted that it was a big manhole. He said that sewage flowed into an underground vessel and held it for a certain period of time. He noted that something would trigger a pump to be turned on and pump the sewage out. Councilman Blair asked if it would be inoperable when they applied the paint. Mr. Berman said that it would not be, because they would use the adjacent wet well 1B.

Councilman Blair asked if the other one was installed or painted at another time so they could alternate. Mr. Berman said yes and it did not have the capacity to serve the entire subdivision.

Councilman Scamardo noted that they were looking for the paint to last for ten years. Mr. Berman said yes.

Councilman Kuknyo asked if the two disqualified bidders understood what they were bidding on. Mr. Berman said the advertisement noted there were two products that could be used and each product must be troweled on. Councilman Kuknyo asked if it was a product that could be applied in-house. Mr. Berman said that he had seen it applied before, but never by City staff. He noted that there was a lot of surface preparation. He said that it could be done by the City, but they would have to purchase the equipment. They would also incur the expense of an outside lab to ensure adhesion. He noted that it was not something that the City staff was capable of performing at that time.

Councilman Lamerson thanked Mr. Berman for saying that the staff was not qualified to do the job, even though they were qualified to do a lot of things.

**COUNCILMAN LAMERSON MOVED TO AWARD THE BID AND CONTRACT TO JOSEPH PAINTING COMPANY, INC., TO APPLY A PROTECTIVE COATING TO THE YAVAPAI HILLS LIFT STATION WET WELL IN AN AMOUNT NO TO EXCEED \$26,244.00; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.**

J. Purchase of insurance policies for Fiscal Year 2013.

Ms. Zelms noted that the item came before Council annually to renew insurance coverage. She discussed the recommended insurance renewals and showed a PowerPoint which covered:

- ▶ AZ – INSURANCE DISCUSSION AND RENEWAL PROCESS
- ▶ RENEWAL PROCESS & MARKET PROJECTIONS
- ▶ WHAT DOES PROPOSAL PROCESS ENTAIL?
- ▶ FOUR MAJOR COVERAGES
- ▶ PROPERTY COVERAGE
- ▶ EXCESS WORKERS COMPENSATION
- ▶ AIRPORT PREMISES LIABILITY
- ▶ EXCESS PUBLIC ENTITY LIABILITY PACKAGE
- ▶ TPA – THIRD PARTY ADMINISTRATION
- ▶ SUMMARY

**COUNCILMAN ARNOLD MOVED TO APPROVE PURCHASE OF THE FOLLOWING INSURANCE POLICIES FOR FISCAL YEAR 2013: 1) PROPERTY COVERAGE FROM TRAVELERS INDEMNITY COMPANY IN THE AMOUNT OF \$124,644.00; 2) EXCESS WORKERS COMPENSATION FROM SAFETY NATIONAL IN THE AMOUNT OF \$59,734.00; 3) AIRPORT PREMISES LIABILITY FROM ACE IN THE AMOUNT OF \$13,750.00; 4) EXCESS PUBLIC ENTITY LIABILITY FROM THE TRAVELERS WITH THE \$100,00.00 SELF-INSURED RETENTION OPTION AND AGGREGATE COVERAGE OPTION IN THE AMOUNT OF \$559,616.00; SECONDED BY COUNCILMAN SCAMARDO.**

Councilman Blair asked if there was a realistic reason that the airport coverage was so low and what it covered. Ms. Zelms said it covered incidences that happened in a public area. She noted that the hangers had to have their own insurance. Councilman Blair asked if it would cover breaches through the exterior fence. Ms. Zelms said that she believed it did. Councilman Blair asked who would cover anything that took place while a contractor was working on the premises, regarding breach through a fence.

Ms. Swain said the airport premises liability was covering third party claims against the City for any kind of premises liability; slip and fall and something that the City may have caused in the movement areas. Councilman Blair asked if they had a contract with Legend Air that held the City harmless. Ms. Swain said yes. She also noted that they had more insurance requirements due to the fueling.

She noted that they had to make sure that all operators at the airport had insurance. Councilman Blair asked if the airport staff checked to see that the insurance policies of each company and the airport were in effect and good. Ms. Swain said that she did not know what the staff at the airport did. Councilman Blair said they should update their files. Mr. McConnell said they were looking at basic business operations of the airport concerning the leases.

Councilman Kuknyo asked why the City had liquor liability at the airport. Mr. McConnell noted that there had been liquor served there during events such as open houses.

Mayor Kuykendall asked what the insurance policies cost the previous year. Mr. Woodfill said the total cost for self insurance, including risk and workers compensation, as well as the salaries to administer it was \$2.1 million. He noted that they were budgeting \$2.243 million for FY13. He noted that it included the premiums except for the airport.

**MOTION PASSED UNANIMOUSLY.**

- K. Approval to submit a resolution to the Arizona League of Cities and Towns regarding fireworks.

Mr. Brehm noted that Representative Fann requested that the City bring the issue to the League to generated awareness and possible support.

Councilman Arnold noted that the bill did not pass the prior year and it was of the utmost importance that a bill similar to that be passed by the State Legislature. He noted that they could prohibit the use of fireworks, but could not prohibit the purchasing or sale of them. He noted it was like allowing a 15 year old to buy cigarettes, but telling him he could not smoke. He noted that it was imperative that the citizens realized the importance of the issue. He said the fireworks people had a big lobby. He noted that there had been fires in the area caused by consumer fireworks. The risk to the Prescott area was too great not to pursue the issue.

Councilman Kuknyo said that it was important to get done. Councilman Lamerson agreed with the importance of passing the bill. He said the

League was innocuous with regard to its ability to help rural municipalities such as Prescott. Councilman Blair said there should be four or five Councilmen at the Legislature the following year.

Mayor Kuykendall asked if the County moratorium had any bearing on Prescott. Mr. Brehm said that it was not his area of expertise, but he believed that it did. He said he would check with the Fire Marshall and get back to them.

Daniel Mattson, Prescott, said that it disgusted him that any of the stores in Prescott would sell fireworks. He noted that he personally saw a fire started by fireworks near Granite Creek.

**COUNCILMAN ARNOLD MOVED TO APPROVE THE DRAFT LEAGUE RESOLUTION FOR SUBMISSION TO THE ARIZONA LEAGUE OF CITIES AND TOWNS REGARDING FIREWORKS; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.**

- L. Approval to cancel the July 3, 2012, Workshop and reschedule it for July 17, 2012.

Mr. McConnell noted that previous Council had not met in proximity to the 4<sup>th</sup> of July.

Daniel Mattson, Prescott, asked if the public comment that normally occurred at the first meeting of the month, would be moved to the 17<sup>th</sup>. Ms. Burke said it would be moved to the 17<sup>th</sup>.

**COUNCILMAN SCAMARDO MOVED TO CANCEL THE JULY 3, 2012, WORKSHOP AND RESCHEDULE IT FOR JULY 17, 2012; SECONDED BY COUNCILMAN KUKNYO; PASSED UNANIMOUSLY.**

#### IV. ADJOURNMENT

There being no further business to be discussed, the Regular Voting Meeting of June 12, 2012, adjourned at 4:55 p.m.

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MARLIN D. KUYKENDALL, Mayor

ATTEST:

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ELIZABETH A. BURKE, City Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Voting Meeting of the City Council of the City of Prescott, Arizona held on the 12th day of June, 2012. I further certify the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2012.

AFFIX  
CITY SEAL

\_\_\_\_\_  
ELIZABETH A. BURKE, City Clerk