

PRESCOTT CITY COUNCIL REGULAR VOTING MEETING A G E N D A

**PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, JUNE 12, 2012
3:00 P.M.**

**Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Regular Voting Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

- ◆ **CALL TO ORDER**
- ◆ **INTRODUCTIONS**
- ◆ **INVOCATION** Pastor Jane Cheek, First Congregational Church of Prescott
- ◆ **PLEDGE OF ALLEGIANCE:** Councilman Blair
- ◆ **ROLL CALL:**

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

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

I. PUBLIC COMMENT

1. Introduction of new business

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.

RECOMMENDED ACTION: MOVE to approve Consent Agenda Items II-A through II-C.

- 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.

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.

RECOMMENDED ACTION: (1) *MOVE to close the Public Hearing; and (2) MOVE to approve/deny 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.*

- 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.

RECOMMENDED ACTION: (1) *MOVE to close the Public Hearing; and (2) MOVE to approve/deny 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.*

- 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.

RECOMMENDED ACTION: *MOVE to adopt Resolution No. 4130-1240.*

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

RECOMMENDED ACTION: MOVE to approve the First Amendment to the Facilities Use Agreement with the Prescott Chamber of Commerce for Barn B at the Rodeo Grounds.

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

RECOMMENDED ACTION: MOVE to approve the First Amendment to Lease with the Northern Arizona Council of Governments (NACOG) for the Head Start site at the Rodeo Grounds.

- 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.

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4133-1243.

- 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.

RECOMMENDED ACTION: MOVE 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.

- 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.

RECOMMENDED ACTION: MOVE 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.

- 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.

RECOMMENDED ACTION: MOVE 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 not to exceed \$26,244.00.

- J. Purchase of insurance policies for Fiscal Year 2013.

RECOMMENDED ACTION: MOVE to approve purchase of the following insurance policies for Fiscal Year 2013: 1) Property Coverage from Traveler's Indemnity Company in the amount of \$124,644.00; 2) Excess Worker's 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 \$100,000 Self-Insured Retention option and aggregate coverage option in the amount of \$559,616.00.

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

RECOMMENDED ACTION: MOVE to approve the draft League Resolution for submission to the Arizona League of Cities and Towns regarding fireworks.

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

RECOMMENDED ACTION: MOVE to cancel the July 3, 2012, Workshop and reschedule it for July 17, 2012.

IV. ADJOURNMENT

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Elizabeth A. Burke, MMC, City Clerk

COUNCIL AGENDA ITEM – June 12, 2012
DEPARTMENT: City Manager
AGENDA ITEM: Approval of amended Water Service Agreement No. 10-005 for Terrace View subdivision with the Albert M. Coury Sr. Qualified Trust

Approved By:	Date:
Water Resource Management: Leslie Graser	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-4-12

Item Summary

On October 25, 2011, Council approved Water Service Agreement No. 10-005 (see attached meeting minutes excerpt).

Amendment of the Agreement is necessary to change the trustees of the Albert M. Coury Sr. Qualified Trust from Yvonne H. Coury (who has passed away) to Tom Coury and Steve Coury.

The only changes to the attached Water Service Agreement No. 10-005 (Amended) pertain to the aforementioned designation of trustees.

- Attachments**
- Excerpt of October 25, 2011, Council meeting minutes
 - Water Service Agreement No. 10-005 (Amended)

<p>Recommended Action: MOVE to:</p> <ol style="list-style-type: none"> 1. Rescind the prior approval of Water Service Agreement No. 10-005; <u>and</u> 2. Approve Water Service Agreement No. 10-005 (Amended).
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COUNCILMAN SCAMARDO MOVED TO APPROVE THE WATER SERVICE AGREEMENT NO. 10-005; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.

Councilman Lamerson asked how much water was left in the portfolio. Ms. Graser said the remaining water for 2011 was 175.9 acre feet and 396.91 acre feet in the total portfolio.

III. ADJOURNMENT

There being no further business to be discussed, the Regular Meeting of October 25, 2011, adjourned at 4:51 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 25th day of October, 2011. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2011.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk

AGREEMENT FOR POTABLE WATER
Water Service Agreement No. 10-005 (Amended)
Terrace View

WHEREAS, Tom Coury and Steve Coury, Trustees of the Albert M. Coury Sr. Qualified Trust (hereinafter referred to as “Applicant”), the owner of certain real property within the City of Prescott; and

WHEREAS, Applicant desires to obtain provision of potable water to serve said property from the City of Prescott (hereinafter referred to as “City”); and

WHEREAS, Applicant contemplates subdividing the property into forty (40) residential lots; and

WHEREAS upon the property are located two (2) wells for which the Applicant is willing to retire, abandon, assign to the City any and all associated water credits; and

WHEREAS, Prescott City Code Section 2-1-12(H) requires that an agreement be reached between the City and the Applicant in order to provide potable water; and

WHEREAS the City Council finds that compliance with this Agreement by the Applicant shall result in:

1. The project or development being consistent with and conforming to, furthering the implementation of, and not being contrary to, the adopted Water Management Policy of the City; and
2. The project or development being consistent with and conforming to, furthering the implementation of, and not being contrary to the adopted General Plan of the City; and
3. The project or development being consistent with and conforming to, furthering the implementation of, and not being contrary to any other applicable adopted plans, including but not limited to Specific Area Plans, Circulation Plans, Capital Improvement Plans, Open Space and Trail Plans, Neighborhood Plans, Local Historic District Plans, growth planning or growth management plans, and redevelopment plans; and
4. The project being in accord with the duly adopted City of Prescott Water Budget.

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. This Agreement shall relate to the property described as Yavapai County Parcel Numbers 116-18-083, 116-18-066E, and 116-18-080, more specifically described in the attached Exhibit “A” (hereinafter collectively referred to as the “Property”).
2. The City will designate 14.0 acre feet annually of potable water to serve the Property, subject to the following:

A. Applicant shall be solely responsible for the costs of any water and sewer main extensions or upgrades required by the City to serve the Property.

B. Applicant shall connect the Property to the City's Sanitary Sewer System, and shall be responsible for any and all costs associated therewith, before water service to the property is initiated.

C. Any change in use of the Property exceeding a total of forty (40) residential dwelling units shall result in the termination of this Agreement.

D. The quantity of fourteen (14.0) acre feet annually of potable water shall be reserved for the Property for a period of five (5) years from the date of this Agreement, which quantity shall be made available upon recordation of the final plat encompassing the entirety of the forty (40) residential dwelling units contemplated by the Applicant. In the event the Property is subdivided in phases, this Water Service Agreement shall only be valid for the first of such phases and for 0.35 acre-feet per lot for the lots in such initial phase corresponding to the first subdivision final plat, and an amendment of this Agreement shall be required for any subsequent phase(s) for the water allocation for lots in the subsequent phase, which amendment the City shall not be obligated to approve. In the event the Applicant has not satisfied all requirements for recordation of the final plat within said five (5) year period, this Agreement shall automatically terminate, and in such case neither the Applicant shall have any entitlement to, nor shall the City have any obligation to provide, potable water for this subdivision.

E. Applicant shall be responsible for obtaining any and all approvals from the Department of Water Resources for the retirement and abandonment of the wells on the Property. The issuance of the first residential building permit shall be subject to prior receipt by the City of notice from the Department of Water Resources that the credit of 0.5 acre feet of groundwater per year has been made to the account of the City for the retirement and abandonment of each well within the respective phase.

F. The installation of any new well on the Property, or the use of water on the Property from any other exempt well (less than 35 gpm), shall result in the termination of this Agreement.

3. This Agreement shall run with the land, and shall be binding upon the Applicant's successors in interest and assigns.

4. Pursuant to A.R.S. Section 38-511, the City of Prescott may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. In the event of the foregoing, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City of Prescott from any other party to the Agreement arising as a result of this Agreement.

5. That the Applicant hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the acts or omissions of the Applicant or its agents or employees.

6. Although this Agreement has been drafted by the Prescott City Attorney, it is the result of negotiations by and between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

7. Time is of the essence in this Agreement. The failure of either party to require strict performance of any provision of this Agreement shall not be deemed a waiver of the right of said party thereafter to require strict performance of that or any other provision of this Agreement in accordance with the terms hereof, and without notice.

8. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court.

9. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys' fees, either pursuant to the Contract, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute.

DATED this _____ day of _____, 2012.

THE ALBERT M. COURY SR. QUALIFIED TRUST

By: _____
TOM COURY, Trustee

By: _____
STEVE COURY, Trustee

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this ____ day of _____, 2012

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE
City Clerk

GARY D. KIDD
City Attorney

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Tom Coury, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that they executed it.

[Seal]

Notary Public

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Steve Coury, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that they executed it.

[Seal]

Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Marlin D. Kuykendall, Mayor of the City of Prescott, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

[Seal]

Notary Public

Terrace View
116-18-066E, 116-18-083, and 116-18-080

EXHIBIT A

A PARCEL OF LAND LYING WITHIN A PORTION OF SECTION 28, TOWNSHIP 14 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

(Basis of Bearings is based on City of Prescott GPS Control Network)

BEGINNING AT A FOUND GLO BRASS CAP MONUMENT AT THE SOUTHEAST CORNER OF SAID PARCEL OF LAND, BEING A CLOSING CORNER COMMON TO SECTIONS 27 AND 28 AND THE NORTH BOUNDARY LINE OF YAVAPAI INDIAN RESERVATION;

THENCE NORTH $00^{\circ} 11' 51''$ EAST, ALONG THE EAST LINE OF SECTION 28, A DISTANCE OF 718.89 FEET TO A FOUND CAPPED REBAR MARKED LS# 16921;

THENCE NORTH $72^{\circ} 35' 47''$ WEST, A DISTANCE OF 675.32 FEET TO A FOUND PK NAIL AND WASHER MARKED LS# 15331;

THENCE SOUTH $00^{\circ} 21' 43''$ EAST, A DISTANCE OF 199.21 FEET TO A FOUND REBAR, TAGGED LS# 46473;

THENCE SOUTH $89^{\circ} 38' 29''$ WEST, A DISTANCE OF 391.99 FEET TO A CAPPED REBAR MARKED LS# 46473;

THENCE ALONG A NON-TANGENT CURVE, CONCAVE TO THE WEST, HAVING A RADIUS OF 45.00 FEET, A CENTRAL ANGLE OF $68^{\circ} 21' 47''$, AN ARC LENGTH OF 53.69 FEET, A CHORD BEARING SOUTH $01^{\circ} 17' 03''$ EAST AND A CHORD LENGTH OF 50.56 FEET TO A FOUND CAPPED REBAR MARKED LS# 2398;

THENCE NORTH $89^{\circ} 38' 29''$ EAST, A DISTANCE OF 151.78 FEET TO A FOUND REBAR, TAGGED LS# 46473;

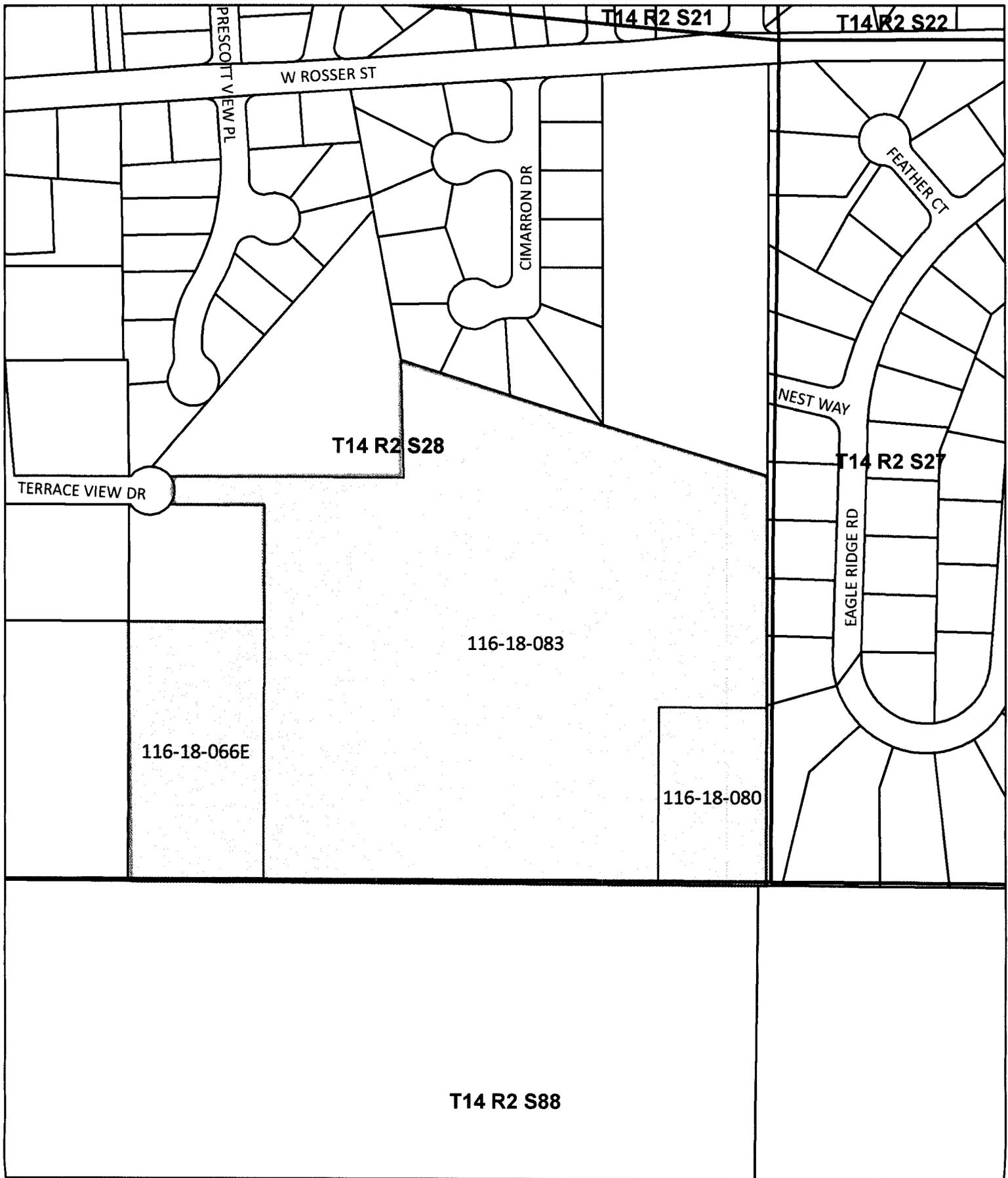
THENCE SOUTH 00° 19' 26" EAST, A DISTANCE OF 207.23 FEET TO A FOUND REBAR, TAGGED LS# 46473;

THENCE NORTH 89° 36' 19" WEST, A DISTANCE OF 238.28 FEET TO A FOUND CAPPED REBAR MARKED LS# 15331;

THENCE SOUTH 00° 44' 41" EAST, A DISTANCE OF 457.98 FEET TO A POINT ON THE NORTH BOUNDARY LINE OF SAID YAVAPAI INDIAN RESERVATION AND A FOUND IRON PIPE, TAGGED LS# 46473;

THENCE SOUTH 89° 41' 12" EAST, ALONG THE SAID NORTH BOUNDARY LINE, A DISTANCE OF 1110.90 FEET TO THE POINT OF BEGINNING;

CONTAINING 811,118.60 SQUARE FEET OR 18.62 ACRES, MORE OR LESS.



terraceviewparcels

-  Legal Boundaries
-  City Parcels
-  TRS

Terrace View



200 Feet

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: Fire

AGENDA ITEM: Adoption of Resolution No. 4131-1241 approving submittal of grant requests to the Tohono O’odham Nation, the Gila River Indian Community, and the Pascua Yaqui Tribe on behalf of the Arizona Wildfire and Incident Management Academy

Approved By:

Date:

Department Head: Dan Fraijo, Interim Fire Chief	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	5-29-12

Background

For the past ten years, Prescott has hosted the Arizona Wildfire and Incident Management Academy. The annual event attracts over 1,000 firefighters for one week and has become the premier wildland firefighting and incident management training event in the nation. Four years ago, the Academy and City of Prescott established an arrangement enabling finances to be passed through the City into a cost recovery account.

Status

The Arizona Wildfire and Incident Management Academy wishes to apply for grants from the Tohono O’odham Nation, Gila River Indian Community, and the Pascua Yaqui Tribe for general operating expenses. Two of the three grant opportunities will expire on June 15, 2012, and June 30, 2012. One of the stipulations is for the City of Prescott to act as the fiscal agent for the grants, and that the City supply to the entities a resolution confirming support for the application and pass-through to the Arizona Wildfire Academy. The accounting mechanism is already in place and the Arizona Wildfire Academy will abide by all City of Prescott financial and purchasing procedures. The grants will allow for the continued operation of this vital training event in Prescott.

Financial

The City Finance Department has already established a project account for this funding to ensure that all fiscal requirements will be followed in the event any of the grant applications are awarded.

Recommended Action: MOVE to adopt Resolution No. 4131-1241.

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

RECITALS:

WHEREAS, for the past nine years, Prescott has hosted the Arizona Wildfire Academy at Embry Riddle Aeronautical University (ERAU). The annual event attracts over 1,000 firefighters from throughout the nation for one week to Prescott and has become the premier Wildland firefighting and incident management training event in the nation; and

WHEREAS, the Arizona Wildfire Academy is applying for grants from the Tohono O'odham Nation, the Gila River Indian Community, and the Pascua Yaqui Tribe for general operating expenses for the academy with the stipulation that the City of Prescott is to act as the fiscal agent for said grant(s); and

WHEREAS, the City of Prescott, on behalf of the Arizona Wildfire and Incident Management Academy, wishes to enter into Grant-in-Aid Fiscal Agent Agreement(s) and accept such grant funding, if awarded; and

WHEREAS, the accounting mechanism is already in place and the Arizona Wildfire Academy has agreed to abide by all City of Prescott financial and purchasing procedures.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

Section 1. THAT the City of Prescott, on behalf of Arizona Wildfire and Incident Management Academy, hereby approves Grant-in-Aid Financial Agreement(s) between the City of Prescott and the Tohono O'odham Nation, the Gila River Indian Community, and/or the Pascua Yaqui Tribe and agrees to accept such grant funds, if awarded.

Section 2. THAT the Mayor and staff are hereby authorized to execute the Grant-in-Aid Financial Agreement(s), if such grant funding is awarded, and to take any and all steps deemed necessary to accomplish the above.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 12th day of June, 2012.

MARLIN D. KUYKENDALL, Mayor

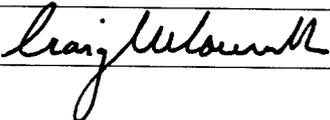
ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

COUNCIL AGENDA MEMO – June 12, 2012	
DEPARTMENT: City Clerk	
AGENDA ITEM: Public Hearing and consideration of a liquor license application from Robert Andrew Gabrick, applicant for Bev Heaven Concepts, LLC, for a Series 12, <i>Restaurant</i> , license for Prescott Station Grill & Bar located at 200 East Gurley Street	

Approved By:		Date:
Department Head:	Elizabeth A. Burke, City Clerk	
Finance Director:	Mark Woodfill	
Acting City Manager:	Craig McConnell 	5-21-12

BACKGROUND

A Liquor License Application, City No. 12-199, State No.12133524, has been received from Robert Andrew Gabrick, applicant for Bev Heaven Concepts, LLC, for a Series 12 Restaurant license, for **Prescott Grill & Bar** located at 200 East Gurley Street.

The public hearing will be held at the Regular Council Meeting of Tuesday, June 12, 2012. The applicant has been requested to attend the Regular Meeting to answer any questions Council may have.

A copy of the application is available for Council’s review in the City Clerk’s Office.

<p>Recommended Action: (1) MOVE to close the Public Hearing, and (2) MOVE to approve/deny Liquor License Application No.12133524, for a Series 12, <i>Restaurant</i>, license, for Prescott Station Grill & Bar located at 200 East Gurley Street.</p>

R19-1-102. Granting a License for a Certain Location

Local governing authorities and the Department may consider the following criteria in determining whether public convenience requires and that the best interest of the community will be substantially served by the issuance or transfer of a liquor license at a particular unlicensed location:

1. Petitions and testimony from persons in favor of or opposed to the issuance of a license who reside in, own or lease property in close proximity.
2. The number and series of licenses in close proximity.
3. Evidence that all necessary licenses and permits have been obtained from the state and all other governing bodies.
4. The residential and commercial population of the community and its likelihood of increasing, decreasing or remaining static.
5. Residential and commercial population density in close proximity.
6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers.
7. Effect on vehicular traffic in close proximity.
8. The compatibility of the proposed business with other activity in close proximity.
9. The effect or impact of the proposed premises on businesses or the residential neighborhood whose activities might be affected by granting the license.
10. The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report(s) of such activity at least 20 days before the hearing by the Board.
11. Comparison of the hours of operation of the proposed premises to the existing businesses in close proximity.
12. Proximity to licensed childcare facilities as defined by A.R.S. § 36-881.

Historical Note

Former Rule 2; Former Section R4-15-02 renumbered as Section R4-15-102 without change effective October 8, 1982 (Supp. 82-5). Repealed effective July 11, 1983 (Supp. 83-4). New Section adopted effective March 3, 1993 (Supp. 93-1). R19-1-102 recodified from R4-15-102 (Supp. 95-1). Amended by final rulemaking at 11 A.A.R. 5119, effective January 9, 2006 (Supp. 05-4).

**ARIZONA STATE LIQUOR LICENSES
TYPES / PURPOSES
AS OF 09/10**

SERIES 01 -- In-State Producer's License

Allows an in-state producer to produce or manufacture spirituous liquor and sell the product to a licensed wholesaler.

SERIES 02 -- Out-of-State Producer's License

Allows an out-of-state producer, exporter, importer or rectifier to ship spirituous liquor into the state to a licensed Arizona wholesaler.

SERIES 02L -- Limited Out-of-State Winery Application License

Allows an out-of-state winery to sell 50 cases of wine or less per calendar year and ship the wine into the state to an Arizona licensed wholesaler.

SERIES 02L -- Limited Out-of-State Domestic Farm Winery Application License

Allows an out-of-state domestic winery within or outside of the U.S. to produce less than 20,000 gallons of wine annually and ship the wine into the state to a licensed wholesaler.

SERIES 02L -- Limited Out-of-State Domestic Microbrewery Application License

Allows an out-of-state domestic microbrewery within or outside of the U.S. to ship beer into the state to a licensed Arizona wholesaler.

SERIES 03 -- Domestic Microbrewery License

Allows the licensee of a microbrewery to manufacture or produce at least 5,000 gallons but less than 310,000 gallons of beer annually.

SERIES 04 -- Wholesaler's License

Allows a wholesaler to warehouse and distribute for sale, spirituous liquor to a licensed retailer.

SERIES 05 -- Government License

Allows the holder of a government license to sell and serve spirituous liquor solely for consumption on the premises for which the license is issued. The license is issued in the name of a county, city, town or state university whose governing body has authorized its use.

SERIES 06 -- Bar License – TRANSFERABLE

Allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

SERIES 07 -- Beer and Wine Bar License - TRANSFERABLE

Allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

SERIES 08 -- Conveyance License (Airplanes, Trains, and Boats)

Allows the owner or lessee of an operating airline, railroad or boat to sell all spirituous liquors in individual portions or in original containers for consumption *only* on the plane, train or boat.

SERIES 09 -- Liquor Store License (All spirituous liquors) - TRANSFERABLE

Allows a spirituous liquor store retailer to sell all spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises. (Also available a Series 09S – Sampling Privileges)

SERIES 10 -- Beer and Wine Store License (Beer and wine only)

Allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises. (Also available a Series 10S – Sampling Privileges)

SERIES 11 -- Hotel/Motel License (with Restaurant)

Allows the holder of a hotel/motel license to sell and serve spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises.

SERIES 12 -- Restaurant License

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

SERIES 13 -- Domestic Farm Winery License

Allows a domestic farm winery licensee to manufacture or produce more than 200 gallons, but less than 40,000 gallons on wine annually.

SERIES 14 -- Club License

Allows the holder of a club license to sell and serve spirituous liquor for consumption only on the premises owned, leased or occupied by the club, and only to bona fide members of the club and their guests.

SERIES 15 -- Special Event License

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

SERIES 16 -- Wine Festival/Wine Fair License (Temporary)

1. *Wine festival license:* Allows a licensed domestic farm winery to serve samples of its products on the wine festival premises and the sale of such products in original containers for consumption off the wine festival premises.
2. *Wine fair license:* Allows a licensed domestic farm winery to serve samples of its products at a sanctioned county or state fair, and the sale of such products in original containers for consumption off the fair premises.

SERIES 17 -- Direct Shipment License

Allows an out-of-state producer, exporter, importer, or rectifier, blender or other producer of spirituous liquor to take orders from retail customers by telephone, mail, catalog or the Internet. The orders must be shipped into the state to a licensed Arizona wholesaler. The wholesaler must sell the product to a licensed retailer. The retailer will deliver the spirituous liquor to the customer.

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: City Clerk

AGENDA ITEM: Public Hearing and consideration of a liquor license application from David John Seigler, applicant for Seigler Enterprises LLC, for a Series 12, *Restaurant*, license for Devil's Pantry, located at 126 South Montezuma Street

Approved By:

Date:

Department Head:	Elizabeth A. Burke, City Clerk	
Finance Director:	Mark Woodfill	
Acting City Manager:	Craig McConnell <i>Craig McConnell</i>	5-29-12

A Liquor License Application, City No. 12-200, State No.12133525, has been received from David John Seigler, applicant for Seigler Enterprises LLC, for a Series 12, *Restaurant*, license for **Devil's Pantry** located at 126 South Montezuma Street.

The public hearing will be held at the Regular Council Meeting of Tuesday, June 12, 2012. The applicant has been requested to attend the Regular Meeting to answer any questions Council may have.

A copy of the application is available for Council's review in the City Clerk's Office.

Recommended Action: (1) **MOVE** to close the Public Hearing, and (2) **MOVE** to approve/deny Liquor License Application No.12133525, for a Series 12, *Restaurant*, license, for Devil's Pantry located at 126 South Montezuma Street.

COUNCIL AGENDA MEMO – June 12, 2012
DEPARTMENT: Budget and Finance
AGENDA ITEM: Resolution No. 4130-1240 adopting the Tentative Budget for Fiscal Year 2013 and setting the Public Hearing for the Final Budget, Expenditure Limitation and Tax Levy for the City of Prescott

Approved By:	Date:
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	5-29-12

BACKGROUND

Workshops were held on May 17 and 24, 2012, for presentation and discussion of the proposed budget.

The remaining steps in the Fiscal Year 2013 budget process are as follows:

June 12	Adopt tentative budget	Set the public hearing date for: <ul style="list-style-type: none"> • Final budget • Expenditure limitation • Tax levy Set the date for adoption of the tax levy, and authorize the publishing of the tentative budget forms in the paper for two consecutive weeks
June 26	Public Hearing	Public hearing on the budget, expenditure limitation and property tax levy
June 26	Final adoption	Sets the final budget for FY 13 Establishes the expenditure limitation for FY 13 Adopts the Capital Improvement Program Approves the City job roster Identifies unfunded capital items
July 10	Adoption of Tax Levy	

Attached is the resolution for adoption of the tentative budget, including related schedules. This resolution specifies the date of June 26, 2012, for the public hearing on the final budget, expenditure limitation, and the tax levy; and sets forth the tentative FY 2013 budget.

Recommended Action: MOVE to adopt Resolution No. 4130-1240.
--

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

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the statements and schedules attached are hereby adopted as the estimated amounts required to meet the public expenses for the City of Prescott and as the tentative budget for the fiscal year 2012-13. Copies of said statements and schedules have been distributed to the Council and are on file in the office of the City Manager. Said copies are attached hereto for the purpose of publication only, except that they are hereby ordered to be entered into the minutes of the City Council of the City of Prescott.

SECTION 2. THAT the Clerk is hereby authorized and directed to publish in the manner prescribed by law, the attached statements and schedules as said tentative budget, together with a copy of this Resolution as notice of the meetings of the City Council, to wit:

- A. That the City Council will meet on the 26th day of June, 2012, at 3:00 P.M., in the Council Chambers of the Municipal Offices Building, 201 South Cortez Street, Prescott, Arizona, at a Regular Meeting to hold a public hearing when and where any citizen may appear and be heard or submit written comments in favor of or against any proposed use within the budget, expenditure limitation, or the tax levy; at said time and place or after said hearing for the purpose of finally adopting the budget and establishment of the expenditure limitation for the fiscal year 2012-13 for the City of Prescott. The proposed budget may be examined on weekdays at 201 South Cortez Street, Prescott, Arizona, between 8:00 A.M. and 5:00 P.M.
- B. That the City Council will further meet at a Special Meeting on the 10th day of July, 2012, at 3:00 P.M. in the Council Chambers of the Municipal Building, 201 South Cortez Street, Prescott, Arizona, for the purpose of

adopting the property tax levy for fiscal year 2012-13 for the City of Prescott.

SECTION 3. THAT upon the recommendation by the City Manager and with the approval of the Council, expenditures may be made from the appropriation for contingencies. The transfers of any sums within or without any specific appropriations shall conform to Article VI, Section 11, Prescott City Charter.

SECTION 4. THAT money from any fund may be used for any of these appropriations except money specifically restricted by State Law, City Charter, codes, ordinance, or resolution.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 12th day of June, 2012.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

CITY OF PRESCOTT, ARIZONA
 Summary Schedule of Estimated Revenues and Expenditures/Expenses
 Fiscal Year 2013

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2012	ACTUAL EXPENDITURES/EXPENSES ** 2012	FUND BALANCE/ NET ASSETS*** July 1, 2012**	PROPERTY TAX REVENUES 2013 Primary: Secondary:	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2013	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013		TOTAL FINANCIAL RESOURCES AVAILABLE 2013	BUDGETED EXPENDITURES/EXPENSES 2013
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 30,232,488	\$ 29,129,638	\$ 15,929,797	\$ 1,095,856	\$ 28,596,140	\$	\$	\$ 20,000	\$ 590,183	\$ 44,951,610	\$ 29,983,800
2. Special Revenue Funds	44,101,538	27,684,368	20,504,352		21,767,113			410,240	76,480	42,605,225	34,336,039
3. Debt Service Funds Available	3,003,209	1,973,889		1,584,975	1,392,635					2,977,610	2,969,610
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	3,003,209	1,973,889		1,584,975	1,392,635					2,977,610	2,969,610
6. Capital Projects Funds											
7. Permanent Funds	203,482	202,471									
8. Enterprise Funds Available	75,841,948	50,074,486	25,573,472		46,061,391		11,619,451	236,423		83,490,737	83,382,116
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	75,841,948	50,074,486	25,573,472		46,061,391		11,619,451	236,423		83,490,737	83,382,116
11. Internal Service Funds	9,224,466	7,237,359	4,488,673		6,935,661					11,424,334	9,387,731
12. TOTAL ALL FUNDS	\$ 162,607,131	\$ 116,302,210	\$ 66,396,294	\$ 2,680,831	\$ 104,752,940	\$	\$ 11,619,451	\$ 666,663	\$ 666,663	\$ 185,449,516	\$ 160,059,296

	2012	2013
1. Budgeted expenditures/expenses	\$ 162,607,131	\$ 160,059,296
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	162,607,131	160,059,296
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 162,607,131	\$ 160,059,296
6. EEC or voter-approved alternative expenditure limitation		

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts in this column represent Fund Balance/Net Asset amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

CITY OF PRESCOTT, ARIZONA
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2013

	2012	2013
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 1,415,244	\$ 1,472,037
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 1,255,878	\$ 1,095,856
B. Secondary property taxes	1,583,350	1,584,975
C. Total property tax levy amounts	\$ 2,839,228	\$ 2,680,831
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 1,218,202	
(2) Prior years' levies	37,676	
(3) Total primary property taxes	\$ 1,255,878	
B. Secondary property taxes		
(1) Current year's levy	\$ 1,532,683	
(2) Prior years' levies	50,667	
(3) Total secondary property taxes	\$ 1,583,350	
C. Total property taxes collected	\$ 2,839,227	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.1978	0.1978
(2) Secondary property tax rate	0.2455	0.2854
(3) Total city/town tax rate	0.4433	0.4832

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the City of Prescott did not operate any special assessment districts for which secondary property taxes are levied.

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

CITY OF PRESCOTT, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

<u>SOURCE OF REVENUES</u>	<u>ESTIMATED REVENUES 2012</u>	<u>ACTUAL REVENUES* 2012</u>	<u>ESTIMATED REVENUES 2013</u>
GENERAL FUND			
Local taxes			
Privilege and Use Tax	\$ 11,924,000	\$ 12,051,000	\$ 12,625,000
Franchise Taxes	1,735,747	1,669,021	1,719,092
Licenses and permits	306,600	333,516	332,600
Intergovernmental			
State	8,492,939	8,492,939	9,471,571
Local Jurisdictions	2,126,637	2,030,336	2,189,619
Charges for services	1,089,850	1,137,343	1,399,458
Fines and forfeits	450,750	505,300	504,800
Interest on investments	324,500	263,100	263,250
In-lieu property taxes	67,000	67,000	67,000
Miscellaneous	26,450	52,351	23,750
Total General Fund	\$ 26,544,473	\$ 26,601,906	\$ 28,596,140
SPECIAL REVENUE FUNDS			
Streets and Open Space Funds			
Streets and Open Space Tax	\$ 11,545,000	\$ 11,449,000	\$ 12,076,486
Intergovernmental - Federal	680,000	201,568	
Intergovernmental - State	2,577,894	2,656,256	2,808,792
Intergovernmental - County	2,174,800	187,188	960,000
Intergovernmental - Local Jurisdictions	7,800	28	
Interest Earned	50,000	175,000	50,000
Miscellaneous	536,109	600,769	654,901
	\$ 17,571,603	\$ 15,269,809	\$ 16,550,179
Transient Occupancy Tax			
Transient Occupancy Tax	\$ 526,624	\$ 541,441	\$ 557,684
Fees/Donations	123,500	143,000	
Miscellaneous	1,500	1,500	1,500
	\$ 651,624	\$ 685,941	\$ 559,184
Impact Fee Fund			
Impact Fees	\$ 564,725	\$ 353,440	\$ 306,120
Miscellaneous	76,710	60,704	61,058
	\$ 641,435	\$ 414,144	\$ 367,178
Grants Fund			
Miscellaneous Grants	5,572,458	3,284,378	4,280,572
	\$ 5,572,458	\$ 3,284,378	\$ 4,280,572
Acker Trust			
Interest Earned	10,000	10,000	10,000
	\$ 10,000	\$ 10,000	\$ 10,000
Total Special Revenue Funds	\$ 24,447,120	\$ 19,664,272	\$ 21,767,113

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF PRESCOTT, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

<u>SOURCE OF REVENUES</u>	<u>ESTIMATED REVENUES 2012</u>	<u>ACTUAL REVENUES* 2012</u>	<u>ESTIMATED REVENUES 2013</u>
DEBT SERVICE FUNDS			
Special Assessments	\$ 1,360,044	\$ 1,360,044	\$ 1,340,044
Interest Earned	74,065	67,065	52,591
Total Debt Service Funds	\$ 1,434,109	\$ 1,427,109	\$ 1,392,635
ENTERPRISE FUNDS			
Water	\$ 16,246,099	\$ 16,270,164	\$ 16,093,795
Wastewater	8,979,404	8,970,908	9,840,700
Solid Waste/Transfer Station	8,186,900	8,267,692	8,294,520
Golf Course	2,824,478	2,675,694	2,895,740
Airport	10,574,818	5,061,763	8,936,636
Parking Garage	40,540	41,523	
Total Enterprise Funds	\$ 46,852,239	\$ 41,287,744	\$ 46,061,391
INTERNAL SERVICE FUNDS			
Fleet Maintenance	\$ 1,751,468	\$ 1,790,468	\$ 1,941,000
Self-Insurance	2,146,127	2,121,127	2,257,978
Facilities Maintenance	1,052,160	1,814,316	1,616,735
Engineering	1,833,183	1,052,160	1,119,948
Total Internal Service Funds	\$ 6,782,938	\$ 6,778,071	\$ 6,935,661
TOTAL ALL FUNDS	\$ 106,060,879	\$ 95,759,102	\$ 104,752,940

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF PRESCOTT, ARIZONA
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2013

FUND	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Grants	\$	\$	\$	\$ 590,183
Parking Garage			20,000	
Total General Fund	\$	\$	\$ 20,000	\$ 590,183
SPECIAL REVENUE FUNDS				
Grants	\$	\$	\$ 353,760	\$
Transient Occupancy Tax				20,000
Streets and Open Space			56,480	
Street Impact Fee				56,480
Total Special Revenue Funds	\$	\$	\$ 410,240	\$ 76,480
ENTERPRISE FUNDS				
Airport	\$	\$	\$ 236,423	\$
Water		11,619,451		
Total Enterprise Funds	\$	\$ 11,619,451	\$ 236,423	\$
TOTAL ALL FUNDS	\$	\$ 11,619,451	\$ 666,663	\$ 666,663

CITY OF PRESCOTT, ARIZONA
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2013

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES* 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
GENERAL FUND				
City Council	\$ 52,066	\$	\$ 34,699	\$ 39,104
City Clerk	105,681		82,748	78,451
City Court	522,912		484,527	549,961
City Manager	2,545,517		2,540,688	697,175
Legal	282,631		282,581	246,865
Budget & Finance	556,443		466,566	561,948
Field & Facilities				138,381
Administrative Services	608,523		335,144	
Community Development	1,494,238		1,416,526	1,308,228
Parks, Recreation & Library	4,855,207		4,759,098	
Parks & Recreation				3,056,449
Library				2,248,752
Police Department	9,428,774		9,198,828	12,445,791
Fire Department	6,865,658		6,840,026	7,222,605
Regional Dispatch	2,914,838		2,688,208	
Economic Enterprises				1,390,090
Total General Fund	\$ 30,232,488	\$	\$ 29,129,638	\$ 29,983,800
SPECIAL REVENUE FUNDS				
Streets and Open Space	\$ 35,850,323	\$	\$ 23,393,108	\$ 27,446,609
Transient Occupancy Tax	780,468		695,125	611,905
Impact Fee Fund	1,424,475		99,000	1,427,350
Grants Fund	6,046,272		3,497,135	4,634,878
Trust Funds				215,297
Total Special Revenue Funds	\$ 44,101,538	\$	\$ 27,684,368	\$ 34,336,039
DEBT SERVICE FUNDS				
	\$ 3,003,209	\$	\$ 1,973,889	\$ 2,969,610
PERMANENT FUNDS				
Trust Funds	\$ 203,482	\$	\$ 202,471	\$
Total Permanent Funds	\$ 203,482	\$	\$ 202,471	\$
ENTERPRISE FUNDS				
Water	\$ 34,255,216	\$	\$ 19,746,052	\$ 32,355,874
Wastewater	19,272,161		13,584,238	30,119,790
Solid Waste/Transfer Station	8,690,134		8,689,370	8,944,146
Golf Course	2,821,974		2,817,054	2,841,390
Airport	10,725,278		5,158,921	9,120,916
Parking Garage	77,185		78,851	
Total Enterprise Funds	\$ 75,841,948	\$	\$ 50,074,486	\$ 83,382,116
INTERNAL SERVICE FUNDS				
Fleet Maintenance	\$ 4,196,457	\$	\$ 2,293,520	\$ 4,267,953
Self-Insurance	2,105,121		2,103,753	2,243,329
Engineering	1,856,509		1,814,317	1,618,817
Facilities Maintenance	1,066,379		1,025,769	1,257,632
Total Internal Service Funds	\$ 9,224,466	\$	\$ 7,237,359	\$ 9,387,731
TOTAL ALL FUNDS	\$ 162,607,131	\$	\$ 116,302,210	\$ 160,059,296

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF PRESCOTT, ARIZONA
Summary by Department of Expenditures/Expenses
Fiscal Year 2013

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES * 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
Public Works:				
Streets and Open Space	\$ 32,541,450	\$	\$ 20,108,784	\$ 23,605,636
Engineering	1,856,509		1,814,317	1,618,817
Water	34,255,216		19,746,052	32,355,874
Wastewater	19,272,161		13,584,238	30,119,790
Department Total	\$ 87,925,336	\$	\$ 55,253,391	\$ 87,700,117
Field Operations:				
Streets and Open Space	\$ 3,308,873	\$	\$ 3,284,324	\$
Solid Waste/Transfer Station	8,690,134		8,689,370	\$
Department Total	\$ 11,999,007	\$	\$ 11,973,694	\$
Field & Facilities				
Rodeo Grounds/General Fund	\$	\$	\$	\$ 29,056
Parking Garage/General Fund				104,325
Streets and Open Space				3,840,973
Solid Waste/Transfer Station				8,944,146
Fleet Maintenance				4,267,953
Facilities Maintenance				1,257,632
Department Total	\$	\$	\$	\$ 18,444,085
Airport and Economic Enterprises				
Economic Dev/General Fund	\$	\$	\$	\$ 121,355
Elks/General Fund				257,834
Tourism/General Fund				181,408
Special Events/General Fund				129,493
Airport				9,120,916
Department Total	\$	\$	\$	\$ 9,811,006

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: Field and Facilities Services

AGENDA ITEM: First Amendment to the Facilities Use Agreement with the Prescott Chamber of Commerce for Barn B at the Rodeo Grounds

Approved By:

Date:

Department Head: Stephanie Miller, Field and Facilities Director	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-4-12

Summary

This item is a proposed amendment to the original Facilities Use Agreement between Yavapai County and the Prescott Chamber of Commerce, pertaining to use of Barn B at the Rodeo Grounds. It calls for the original agreement which expires June 30, 2012, to be extended by one (1) year enable the City to determine the best use of the facility going forward. The amendment also recognizes the change of ownership from Yavapai County to the City of Prescott. Indemnification and insurance language has been added which was not in the original agreement with the County. The Legal Department and Risk Management have reviewed the amendment and concur with the changes.

Background

In 2004 Yavapai County and the Prescott Chamber of Commerce entered into a Facilities Use Agreement for approximately 2,700 square feet of space in Barn B at the Rodeo Grounds. The purpose of the Agreement was to provide the Chamber of Commerce with suitable storage for materials used to decorate the Yavapai County Courthouse for the Christmas holidays. Additionally, the City uses this space to store the tree lights placed on utility poles during that season.

The City entered into Intergovernmental Agreement #2007-315 on June 19, 2007, with Yavapai County through which ownership of the Rodeo Grounds was transferred. Included in the Agreement were provisions for the City to assume active leases and use agreements executed by the County. The proposed Amendment, original Agreement, and a site map are attached for reference.

- Attachments**
- First Amendment
 - Original Agreement
 - Area map

Financial Impact

None. The space will continue to be provided at no cost due to benefit to the community of the City-Chamber of Commerce partnership.

Recommended Action: MOVE to approve the First Amendment to the Facilities Use Agreement with the Prescott Chamber of Commerce.

First Amendment to Facilities Use Agreement

WHEREAS, This First Amendment to the Facilities Use Agreement dated December 6, 2004, originally by and between Yavapai County, a political subdivision of the State of Arizona and Prescott Chamber of Commerce, an Arizona non-profit Corporation, which interest was assigned by the County to the City of Prescott through provisions of the Intergovernmental Agreement dated June 19, 2007, number 2007-315, is hereby Amended as set forth below and as agreed to by and between the Prescott Chamber of Commerce (hereinafter "Occupant") and the City of Prescott, a municipal corporation of the State of Arizona (hereinafter "City").

WHEREAS, Authority to Amend this Facilities Use Agreement is set forth in Paragraph 2 of the Facilities Use Agreement entered into on December 6, 2004, and that Agreement was incorporated into the City of Prescott/Yavapai County Intergovernmental Agreement #2007-315 dated June 19, 2007, and Recorded in Book 4531, Page 213 in Yavapai County Recorder's office, by and between Yavapai County, a political subdivision of the State of Arizona and the City of Prescott, a municipal corporation of the State of Arizona; said IGA transfers the County's interest in the Rodeo Grounds Property to the City of Prescott.

NOW THEREFORE, IT IS MUTUALLY understood and agreed by and between the undersigned parties that the Facilities Use Agreement dated December 6, 2004, as incorporated and assigned to the City of Prescott under IGA 2007-315, shall be amended as follows:

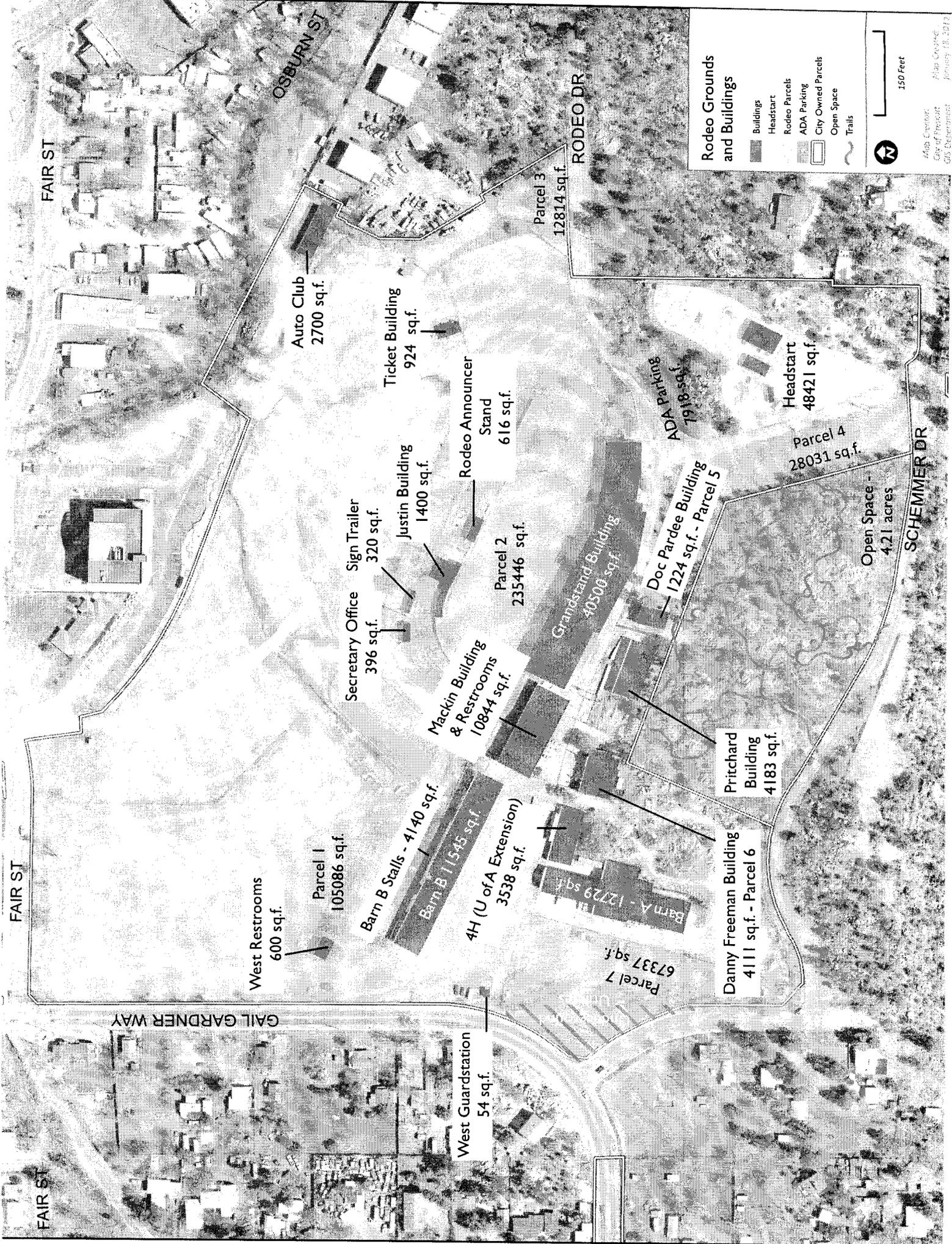
All references to the **COUNTY** in the Agreement shall be amended to read the **City of Prescott** as though fully set forth herein.

Paragraph 2. Term of Agreement. The term of this Agreement shall commence on December 6, 2004, and shall terminate on July 1, 2013, unless earlier terminated as provided herein; prior to expiration, the parties may negotiate a new Use Agreement.

Paragraph 5. Indemnification. To the fullest extent permitted by law, the Occupant agrees to defend, indemnify and hold harmless the City, its employees, officers, agents, representatives, directors, and officials from and against all claims, damages, losses, expenses (including but not limited to attorney fees, court costs, and costs of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Occupant, its employees, agents, invitees; Occupant's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to or impairment, whether or not recovered under Workmen's Compensation law, destruction or property including loss of use resulting therefrom, or arising out of the failure of the Occupant or those acting under Occupant to conform to any statutes, ordinance, regulation, law or court decree. It is the intent and agreed to by the parties to this Agreement that the Occupant shall, in all instances, be indemnified against all liability, losses and damages of any nature whatever resulting from injuries to or death of persons or damages to or destruction of property belonging to any person arising out of or in any way connected with the Occupied Premises.

Paragraph 5.a. Insurance.

Occupant shall procure and maintain, during the term of this Agreement, insurance coverage with limits of liability not less than \$1,000,000/\$2,000,000 Aggregate; insurance coverage shall include bodily injury, Occupant's property damage, Fire Legal Liability (Damage to Rented Premises); said insurance coverage



Rodeo Grounds and Buildings

- Buildings
- Headstart
- Rodeo Parcels
- ADA Parking
- City Owned Parcels
- Open Space
- Trails



150 Feet

Map Engineer:
Map Created:
City of Prosser
GIS Department
January 18, 2017

FAIR ST

FAIR ST

FAIR ST

GAIL GARDNER WAY

OSBURN ST

RODEO DR

SCHEMME DR

Auto Club
2700 sq.f.

Ticket Building
924 sq.f.

Secretary Office
396 sq.f.

Sign Trailer
320 sq.f.

Justin Building
1400 sq.f.

Rodeo Announcer
Stand
616 sq.f.

Mackin Building
& Restrooms
10844 sq.f.

4H (U of A Extension)
3538 sq.f.

West Restrooms
600 sq.f.

Parcel 1
105086 sq.f.

Barn B Stalls - 4140 sq.f.

Barn B 11545 sq.f.

Barn A - 1279 sq.f.

Parcel 7
67337 sq.f.

West Guardstation
54 sq.f.

Parcel 2
235446 sq.f.

Grandstand Building
40500 sq.f.

ADA Parking
1918 sq.f.

Doc Pardee Building
1224 sq.f. - Parcel 5

Pritchard
Building
4183 sq.f.

Danny Freeman Building
4111 sq.f. - Parcel 6

Parcel 3
12814 sq.f.

Parcel 4
28031 sq.f.

Headstart
48421 sq.f.

Open Space -
421 acres

Submit 1 original plus 6 copies of this form and all back-up material to the Clerk of the Board. Requests must be submitted no later than 5:00 p.m. on Friday, one week preceding the meeting date, or as noted on the Board of Supervisors' Regular Meeting Schedule and Schedule for Submission of Agenda Items. USE ONE FORM FOR EACH ITEM SUBMITTED.

YAVAPAI COUNTY BOARD OF SUPERVISORS AGENDA ITEM FORM

Meeting Date: December 6, 2004

Department: Board of Supervisors

Action Requested: Consider approval of Facilities Use Agreement with the Prescott Chamber of Commerce for use of Barn B at the old fairgrounds for the storage of lights and banners for "Arizona's Christmas City."

Brief Explanation of Need: Please see attached minutes from May 17, 2004, and copy of agreement.

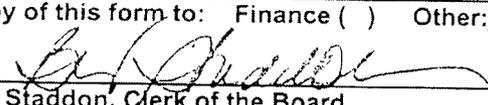
If applicable, notice and/or publication requirements have been met*: Yes No
(*or will have been met by the time this item is considered by the Board)

Total Cost:

Name and number of account to be paid from, if applicable:

Regular Agenda Time Needed:
Name/Title of Presenter: Supervisor Brownlow

Consent Agenda

BOARD OF SUPERVISORS' ACTION	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/> No Action <input type="checkbox"/> Continued <input type="checkbox"/> Date Continued To: _____
Comments: _____	
Copy of this form to: Finance <input type="checkbox"/> Other: <u>Facilities</u>	
 Bev Staddon, Clerk of the Board	Date <u>12/6/04</u>

FACILITIES USE AGREEMENT

THIS AGREEMENT is made and entered into this 6th day of December 2004, by and between YAVAPAI COUNTY, a political subdivision of the State of Arizona hereinafter called "COUNTY" and the Prescott Chamber of Commerce, an Arizona non-profit corporation, hereinafter called "OCCUPANT."

RECITALS

WHEREAS, The COUNTY owns and controls certain real property located in Prescott, Arizona (the "Premises"); and

WHEREAS, The COUNTY has determined that it is in its interest to make portions of the Premises available for certain uses deemed to benefit residents of and visitors to the COUNTY; and

WHEREAS, the OCCUPANT has requested that the COUNTY make a portion of the Premises available for the storage of decorations used to decorate the Courthouse Plaza and other locations within the City of Prescott during the holiday season; and

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Duties of COUNTY.** The COUNTY, pursuant to the terms and conditions of this Agreement hereby grants to OCCUPANT, the right to use that portion of the Premises shown in Exhibit A (the "Storage Area") for storage of holiday decorations subject to the terms and conditions set forth in this Agreement.
2. **Term of Agreement.** The term of this Agreement shall commence on December 6th, 2004 and shall terminate on June 30th, 2012 unless earlier terminated as provided herein. The Agreement may be renewed for an additional period not to exceed eight years upon mutual Agreement of the parties.
3. **Duties of Occupant** In consideration of COUNTY's Agreement to allow use of the subject premises, OCCUPANT agrees to:
 - a. Use the Storage Area exclusively for the purposes specified herein.
 - b. Maintain the Storage Area in a clean and safe condition.
4. **Use of the Premises.** During the term of this Agreement, OCCUPANT shall use the Storage Area exclusively for the storage of holiday decorations. It is understood

and agreed that OCCUPANT's use of the Storage Area shall conform to all applicable federal, state, county and city laws, rules ordinances and regulations. Use of the Building in violation of this section shall be deemed a material breach of this Agreement and shall be grounds for termination of the Agreement as provided herein.

5. **Indemnification.** The OCCUPANT hereby agrees to indemnify and save harmless the COUNTY against any and all claims arising from any of OCCUPANT's activities on or about the Building during the term of this Agreement, including, but not limited to claims arising from the acts, omissions or negligence of its officers, employees contractors or agents or claims arising from injuries or damages, however caused, sustained by any person or persons or to the property of any person, persons or other entities occurring during the lease term on, in or about the premises and against all costs, attorney fees, expenses or other liabilities incurred pursuant to any such claim or action. In any such claim or action against the COUNTY, the OCCUPANT, upon notice and demand by the COUNTY, shall defend such action on behalf of the COUNTY by counsel acceptable to the COUNTY.
6. **Access to Premises.** The COUNTY shall have access to the Storage Area at all times for the purposes of examining and inspecting for health and safety hazards, determining compliance with this Agreement, determining condition of maintenance or repair or for such other purposes as the COUNTY deems necessary and appropriate.
7. **Ownership of Real and Personal Property.** Title to all buildings, improvements or additions to be used by OCCUPANT pursuant to this Agreement, together with all additions and appurtenances that may be installed during the term of this Agreement, shall vest in COUNTY and remain the property of the COUNTY except as expressly provided otherwise in this Agreement or amendments thereto. Title to personal property or fixtures acquired by OCCUPANT on its own account that can be removed without damage to the real property to which it is attached, shall remain in OCCUPANT and such property may be removed by OCCUPANT at any time prior to the termination of this Agreement or extensions thereof.
8. **Assignment and Sublease.** This Agreement shall be freely assignable by the COUNTY, but shall not be assigned or subleased, in whole or in part, by the OCCUPANT without prior express written consent by the COUNTY. Any act by OCCUPANT which purports to assign, sublease or otherwise transfer any right of use or interest in this Agreement or in the Storage Area without such consent shall immediately void this Agreement.
9. **Alterations and Improvements.** OCCUPANT shall make no alterations or improvements to the premises without the express written consent of the COUNTY.
10. **Alternate Storage Area .** In the event that the COUNTY determines that the Storage Area identified in Exhibit A is required for other COUNTY purposes, it shall

designate an Alternate Storage Area of substantially similar area and functionality for use by OCCUPANT pursuant to this Agreement. Upon such a designation, and within 30 days of written notice thereof, the OCCUPANT shall remove all contents from the Storage Area. OCCUPANT's use of any Alternate Storage Area shall be subject to all applicable terms and conditions of this Agreement. If, upon removal of the contents from the Storage Area, they are not transferred to the Alternate Storage Area within 45 days of the specified in this Section for removal the COUNTY may, in its sole discretion, terminate this Agreement pursuant to Section 11 herein and utilize the Alternate Storage Area for whatever purposes it deems appropriate.

11. Termination for Breach. In the event of a breach of any term or condition of this Agreement by OCCUPANT, COUNTY shall provide written notice to OCCUPANT, said notice setting forth the factual basis for the determination that a breach has occurred. If the breach is not remedied within ten (ten) days of OCCUPANT's receipt of notice, this Agreement shall terminate, at the option of COUNTY and COUNTY may re-enter and take such actions as may be required to establish sole possession and occupancy of the Storage Area. The COUNTY's rights in such event may be enforced by any available legal remedy.

12. Early Termination. This Agreement may be terminated by either party without cause upon no less than 12 months written notice to the other party of intent to terminate or by mutual agreement upon such terms and conditions as are acceptable to the parties.

13. Unauthorized Use. Any use or occupancy of the Building by OCCUPANT after expiration of the term of this Agreement or after other termination as provided herein shall be deemed an unauthorized use which shall entitle the COUNTY to re-enter the Storage Area and employ such actions and remedies as are set forth in Section 11 of this Agreement.

14. Notices. Notices to be sent pursuant to this Agreement shall be sent certified mail, postage prepaid to the following addresses:

OCCUPANT:

Prescott Chamber of Commerce
P.O. Box 1147
Prescott, AZ 86302-1147

COUNTY:

Yavapai County Board of Supervisors
1015 Fair Street
Prescott, Arizona 86305

or to such other addresses as the parties may officially designate in writing.

15. Entire Agreement. This Agreement contains the entire Agreement between the parties and no modifications to the terms and conditions of the lease shall be binding upon the parties unless evidenced by an Agreement in writing signed by COUNTY and OCCUPANT.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the date first above written.

APPROVALS

COUNTY: Yavapai County

By [Signature] 12/16/04
Chairman, Board of Supervisors Date

ATTEST:

[Signature] 12/13/04
Clerk, Board of Supervisors Date

APPROVED AS TO FORM:

[Signature] 12/13/04
Deputy County Attorney Date

OCCUPANT: Prescott Chamber of Commerce

By [Signature]
CEO 12/15/04
Title Date

11/29/04

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: Field and Facilities Services

AGENDA ITEM: First Amendment to the Lease with the Northern Arizona Council of Governments (NACOG) for the Head Start site at the Rodeo Grounds

Approved By:

Date:

Department Head: Stephanie Miller, Field and Facilities Director	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-6-12

Summary

This item is a proposed amendment to the original Lease Agreement between Yavapai County and the Northern Arizona Council of Governments (NACOG), pertaining to the site of the Head Start building located at the Rodeo Grounds. It calls for the original agreement which expires June 30, 2012, to be extended by one (1) year in order to allow time for the City to confirm the use of the land going forward. The agreement also amends the name of the ownership party from Yavapai County to the City of Prescott. Indemnification and insurance language has been updated and added to the agreement. Both the Legal and Risk Departments have reviewed the amendment and concur with the additions.

Background

In 2002 Yavapai County and NACOG entered into a Lease Agreement for approximately 48,421 square feet of land at the Rodeo Grounds. The purpose of the Agreement was to provide NACOG with suitable space to conduct a Head Start program in Prescott.

The City entered into Intergovernmental Agreement #2007-315 on June 19, 2007, with Yavapai County through which ownership of the Rodeo Grounds was transferred. Included in the Agreement were provisions for the City to assume the leases and use agreements executed by the County. The proposed Amendment, original Agreement, and a site map are attached for review.

Attachments

- Letter from NACOG
- Supplemental to agreement and ordinance
- Area map of facilities

Agenda Item: First Amendment to the Lease with the Northern Arizona Council of Governments (NACOG) for the Head Start site at the Rodeo Grounds

Financial Impact

During the one-year extension period, the land will continue to be provided at no cost due to the community benefit of this program. The lease value of the land is claimed by NACOG as a local (non-federal) match amount for the Head Start grant.

Recommended Action: **MOVE** to approve the First Amendment to the Lease Agreement with the Northern Arizona Council of Governments for the Head Start site at the Rodeo Grounds.

September 14, 2011

Mr. Mic Fenech
Director of Facilities
433 North Virginia Street
Prescott, AZ 86302

Dear Mr. Fenech:

Thank you for bringing to our attention that the lease agreement between NACOG Head Start and the former lessor, Yavapai County, will be terminating on June 30, 2012. The property located at 828 Rodeo Drive was originally donated by Yavapai County to make available the space needed to provide Head Start and Early Head Start services for more than 90 children and families in the City of Prescott. NACOG Head Start would like to formally request an extension of this agreement.

The Prescott program is one of the original 8 programs opened immediately following the unfolding of the Head Start project in 1965. A local church, the YMCA, and the County have been the local partners who have been instrumental in providing the service space needed throughout our tenure in Prescott. Having to relocate the program from one site to another has made long term planning and quality development difficult and expensive due to the costs associated with moving, site preparation and playground development. For this reason, the current lease with the County was set up for a ten year period.

The children enrolled at this center are served through our preschool program, which is specifically geared for 3 to 5 year olds, or our Early Head Start program which provides services for infants and toddlers and is focused on assisting first time parents and in keeping young teen parents in school. Parents are an integral part of all programming and one of our primary goals is to get parents involved in their children's comprehensive early childhood experience and to transition this experience into the public school or other continuing education environment. Our program recognizes the importance of the wholeness of a child's life and works directly with parents and guardians to increase their self-sufficiency and build on their strengths which in turn, will help children to reach their full potential.

NACOG is confident that a thorough review of our program's history in Prescott will reveal that quality services are at the core of our foundation and that we have not been, nor will we become, a financial burden on the City of Prescott. We provided the funds necessary to develop this site, purchased and installed the three modular units and the playground that reside on the property.

In turn the donation of the property contributes to the local match required by our funding resource. We are fortunate that the value of this space provides a large portion of the match needed to maintain these services. Other forms of local match that help us to meet this In-Kind requirement include parent volunteers and community resource contributions that come in the form of services and/or professional volunteers.

This space donation was originally agreed to by the County and NACOG based on the minimal impact to the County or "public use space." We hope this will continue to be the case now that the City owns the property. While the current lease provides renewal options for two five-year terms, we are asking the City to consider extending the lease for a ten (10) year term with an open option to renegotiate after this period.

On behalf of the local children and families served by NACOG Head Start, we want to thank the City in advance for your support and the partnership that will provide us with the space required to continue our services in Prescott. We look forward to working with you to improve and when possible to expand our program to reach even more of the eligible and needy families in your community.

Please feel free to contact me if you have any questions regarding this correspondence.

Sincerely,

Jesse Rodriguez
Head Start Director

First Amendment to Lease Agreement

WHEREAS, this First Amendment to the Lease Agreement dated June 3, 2002, originally by and between Yavapai County, a political subdivision of the State of Arizona and Head Start Division of the Northern Arizona Council of Governments which interest was assigned by the County to the City of Prescott through provisions of the Intergovernmental Agreement dated June 19, 2007, number 2007-315 is hereby Amended as set forth below and as agreed to by and between Head Start Division of the Northern Arizona Council of Governments (hereinafter "Lessee") and the City of Prescott, a municipal corporation of the State of Arizona (hereinafter "Lessor").

WHEREAS, Authority to Amend this Lease Agreement is given to the Parties under the provisions of the City of Prescott/Yavapai County Intergovernmental Agreement (hereinafter "IGA") #2007-315 dated June 19, 2007, and Recorded in Book 4531, Page 213 in Yavapai County Recorder's office, by and between Yavapai County, a political subdivision of the State of Arizona and the City of Prescott, a municipal corporation of the State of Arizona; said IGA transfers the County's interest in the Rodeo Grounds Property to the City of Prescott and specifically Paragraph 15.b of Contract #2007-315 conveys all interests in the Head Start Lease to the City of Prescott and allows the parties to continue the Lease beyond the initial term by mutual written consent.

NOW THEREFORE, IT IS MUTUALLY understood and agreed by and between the undersigned parties that the Lease Agreement dated June 3, 2002, as incorporated and assigned to the City of Prescott under IGA 2007-315, shall be amended as follows:

All references in the Lease Agreement to "Lessor" shall be amended to mean the City of Prescott ("Lessor") as though fully set forth herein;

Paragraph 2. Lease Term. The lease term shall commence on June 3, 2002, and shall terminate on July 1, 2013, unless earlier terminated as provided herein; prior to expiration, the parties may negotiate a new Lease Agreement.

Paragraph 4. Indemnification. To the fullest extent permitted by law, the Lessee agrees to defend, indemnify and hold harmless Lessor, its employees, officers, agents, representatives, directors, and officials from and against all claims, damages, losses, expenses (including but not limited to attorney fees, court costs, and costs of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Lessee, its employees, agents, invitees; Lessee's duty to defend, hold harmless and indemnify Lessor, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to or impairment, whether or not recovered under Workmen's Compensation law, destruction or property including loss of use resulting therefrom, or arising out of the failure of the Lessee or those acting under Lessee to conform to any statutes, ordinance, regulation, law or court decree. It is the intent and agreed to by the parties to this Agreement that the Lessor shall, in all instances, be indemnified against all liability, losses and damages of any nature whatever resulting from injuries to or death of persons or damages to or destruction of property belonging to any person arising out of or in any way connected with the Leased Premises.

Insurance. Lessee shall procure and maintain, during the term of this Agreement, insurance coverage with limits of liability not less than \$2,000,000 General Aggregate; insurance coverage shall include bodily injury, property damage, Fire Legal Liability (Damage to Rented Premises); said insurance coverage is a

minimum limits requirement and Lessee is free to purchase such additional insurance as may be determined necessary.

CERTIFICATE OF INSURANCE. Lessee agrees to furnish Lessor with Certification of Insurance, or formal endorsements issued by Lessee's insurer(s), as evidence that policies providing the required coverage, conditions, and limits required in this Agreement are in full force and effect as fully set forth under Insurance Requirements; The City of Prescott shall be named as an additional insured to the full limits of liability purchased by Lessee even if those limits of liability are in excess of the minimal requirements; all certificates of insurance required by this Agreement shall be sent directly to Risk Management and shall include the contract number/name and date.

Paragraph 13. Notices. Any and all Notices sent pursuant to this Agreement shall be sent certified mail, to the following addresses:

Lessee: Northern Arizona Council of Governments, Head Start Division, 121 E. Aspen Ave. Flagstaff, Arizona 86001-5222.

Lessor: City of Prescott, Attention City Manager, 201 S. Cortez, Prescott, Arizona 86302-2059.

Add Paragraph 13.a. Northern Arizona Council of Governments shall claim \$43,818 per year as an In-Kind space donation to be recorded under non-federal share of the Head Start Grant Award for the period of June 1, 2012 to May 31, 2013. This amount shall be considered the fair market value of the space as outlined in Title 45 CFR Part 92.24, Uniform Administrative Requirements-state and local governments.

All other terms and conditions of the Lease Agreement dated June 3, 2002, not specifically amended herein, shall remain unaffected and shall continue in full force and effect through the term of the Agreement. If there is any conflict between this Amendment and the Agreement or any earlier amendment, the terms of this Amended Agreement will prevail.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officials with an effective date as first above written.

LESSOR:

City of Prescott

Marlin D. Kuykendall, Mayor

LESSEE:

Northern Arizona Council of Governments
Head Start

By _____
Title _____

ATTEST:

Elizabeth A. Burke, Clerk Date

APPROVED AS TO FORM:

Gary D. Kidd, City Attorney Date

LEASE AGREEMENT

THIS AGREEMENT is made and entered into this 3rd day of June, 2002, by and between YAVAPAI COUNTY, a political subdivision of the State of Arizona hereinafter called "LESSOR" and the Head Start Division of the Northern Arizona Council of Governments Head Start, hereinafter called "LESSEE."

RECITALS

WHEREAS, LESSOR is the owner of certain real property located within the City of Prescott, Arizona and is authorized to lease real property to county fair associations, non-profit corporations, cities and towns, school districts or other political subdivisions pursuant to ARS § 11-256.01; and

WHEREAS, LESSEE is a non-profit corporation qualified to enter into agreements for lease of county real property pursuant to ARS § 11-256.01; and

WHEREAS, LESSEE desires to construct and operate a Head Start Center and has proposed that LESSOR and LESSEE enter into an agreement for lease of LESSOR's property on which such facilities would be located; and

WHEREAS, the parties have fully complied with the requirements of ARS § 11-256.01 prior to execution of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Lease of Premises.** In consideration of LESSEE'S annual lease payment of One Dollar (\$1.00) and LESSEE's acceptance of the terms and conditions of this Agreement, LESSOR hereby leases to LESSEE, the property more fully described in Attachment A (hereinafter the "Leased Premises").
2. **Lease Term.** The lease term shall commence on June 3rd, 2002 and shall terminate on June 30, 2012 unless earlier terminated as provided herein. This Agreement may be extended for up to two additional five-year terms by mutual agreement of the parties.
3. **Use of the Leased Premises.** During the term of this Agreement, the Leased Premises shall be used exclusively for construction and operation of a non-profit Head Start Center. It is understood and agreed that all uses of the Leased Premises shall conform to all applicable federal, state, county and city laws, rules, ordinances and regulations. Use of the Leased Premises in violation of this section shall be deemed a material breach of this agreement and shall be grounds for termination of the lease as provided herein.

4. **Indemnification and Insurance.** The LESSEE hereby agrees to indemnify and save harmless the county against any and all claims arising from any of LESSEE's activities upon the Leased Premises during the lease term, including, but not limited to claims arising from the acts, omissions or negligence of its officers, employees contractors, invitees or agents and against any and all claims arising from injuries or damages, however caused, sustained by any person or persons or to the property of any person, persons or other entities occurring during the lease term on, in or about the Leased Premises and against all costs, attorney fees, expenses or other liabilities incurred pursuant to any of the referenced claims or actions. In any such claim or action against the LESSOR, the LESSEE, upon notice and demand by the LESSOR, shall defend such action on behalf of the LESSOR by counsel acceptable to the LESSOR.

The LESSEE shall, throughout the lease term, maintain insurance coverage in an amount sufficient to protect the Leased Premises against damage by fire or other hazard and shall obtain and maintain Leased Premises liability coverage, naming the LESSOR as an additional insured, in a minimum annual aggregate policy limit of \$2,000,000. All policy forms shall be subject to review and approval of LESSOR. Prior to the effective date of the lease, the LESSEE shall provide the LESSOR with certificates of insurance for the coverages specified herein and shall notify the LESSOR no less than 10 days prior to any changes in coverage including policy forms, policy limits, cancellations, non-renewals or changes in insurance carriers.

5. **Maintenance and Repairs.** LESSEE has inspected the Leased Premises prior to execution of this Agreement and accepts them in their current "as is" condition. It is understood and agreed that LESSOR has no present or future duty or responsibility for maintenance or repair of the Leased Premises except as may be expressly provided in this Agreement or written amendments thereto.
6. **Alterations and Improvements.** It is understood and agreed that LESSOR has no present or future duty or responsibility to alter or improve the Leased Premises except as may be expressly provided in this agreement or written amendments thereto. Prior to any alteration or improvement of the Leased Premises or any structure located thereon, LESSEE shall submit plans and specifications to LESSOR and shall not proceed with such alteration or improvement without the written approval of LESSOR.
7. **Utilities.** LESSEE shall be solely responsible for the costs of installing all required utilities including extensions of utilities as required in order to allow connections to LESSEE's facilities, and for all utility service charges.
8. **Access to Leased Premises.** The LESSOR shall have access to the Leased Premises at all times for such purposes as may be attendant to its ownership of the Leased Premises including, but not limited to, examining and inspecting for health and safety hazards, compliance with this Agreement and for condition of maintenance or repair.
9. **Ownership of Real and Personal Property.** Title to all real property, and all other improvements in existence on the Leased Premises as of the effective date of this Agreement, shall remain in LESSOR. Title to all structures, additions or other improvements constructed or installed by LESSEE during the initial term of this Agreement or renewals thereof, and all personal property or fixtures acquired by LESSEE, shall vest in LESSEE and shall remain the property of LESSEE except as expressly provided in this

Agreement. Within 30 days following termination of this Agreement or extensions thereof LESSEE may, and upon request of LESSOR, shall remove all buildings, structures or other improvements constructed or installed by LESSEE. In the event that LESSEE fails to remove the subject property within the time specified herein, LESSOR may cause said property to be removed at LESSEE's expense or, in its sole discretion, may elect to assume ownership of said property. In the event that LESSOR elects to assume ownership of said property, LESSEE agrees to execute all documents and take such other actions as may be required to transfer sole ownership to LESSOR free of any mortgages, liens or other encumbrances.

10. **Assignment, Sublease or Encumbrance.** This lease shall be freely assignable by the LESSOR, but shall not be assigned or subleased or otherwise encumbered in whole or in part, by the LESSEE without prior express written consent of LESSOR. Any action by LESSEE or any successor in interest which purports to assign, lease, sublease, mortgage, pledge, hypothecate or otherwise encumber this lease or other interest in the Leased Premises except as may be expressly provided herein shall be deemed a material breach of this agreement and shall be grounds for termination of the lease as provided herein.
11. **Termination for Breach.** In the event of a breach of any term or condition of this agreement by LESSEE, LESSOR shall provide written notice to LESSEE, said notice setting forth the factual basis for the determination that a breach has occurred. If the breach is not remedied within fifteen (15) days of LESSEE's receipt of notice, this lease shall terminate, at the option of LESSOR and LESSOR may re-enter and take possession of the Leased Premises and all improvements thereto.
12. **Early Termination.** This Agreement may be terminated at any time by mutual agreement of the parties.
13. **Notices.** Notices to be sent pursuant to this Agreement shall be sent certified mail, postage prepaid to the following addresses:

LESSEE:

Northern Arizona Council of Governments
Head Start Division
121 East Aspen Avenue
Flagstaff, AZ 86001-5222

LESSOR:

Yavapai County
County Administrator
1015 Fair Street
Prescott, Arizona 86305

or to such other addresses as the parties may officially designate in writing.

14. **Entire Agreement.** This Agreement contains the entire agreement between the parties and no modifications to the terms and conditions of the lease shall be binding upon the parties unless evidenced by a written agreement approved and executed by LESSOR and LESSEE.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the date first above written.

APPROVALS

LESSOR: Yavapai County

By Thomas J. Blanton 6/3/02
Chairman, Board of Supervisors Date

ATTEST:

LaD. Anderson 6/3/02
Clerk, Board of Supervisors Date

APPROVED AS TO FORM:

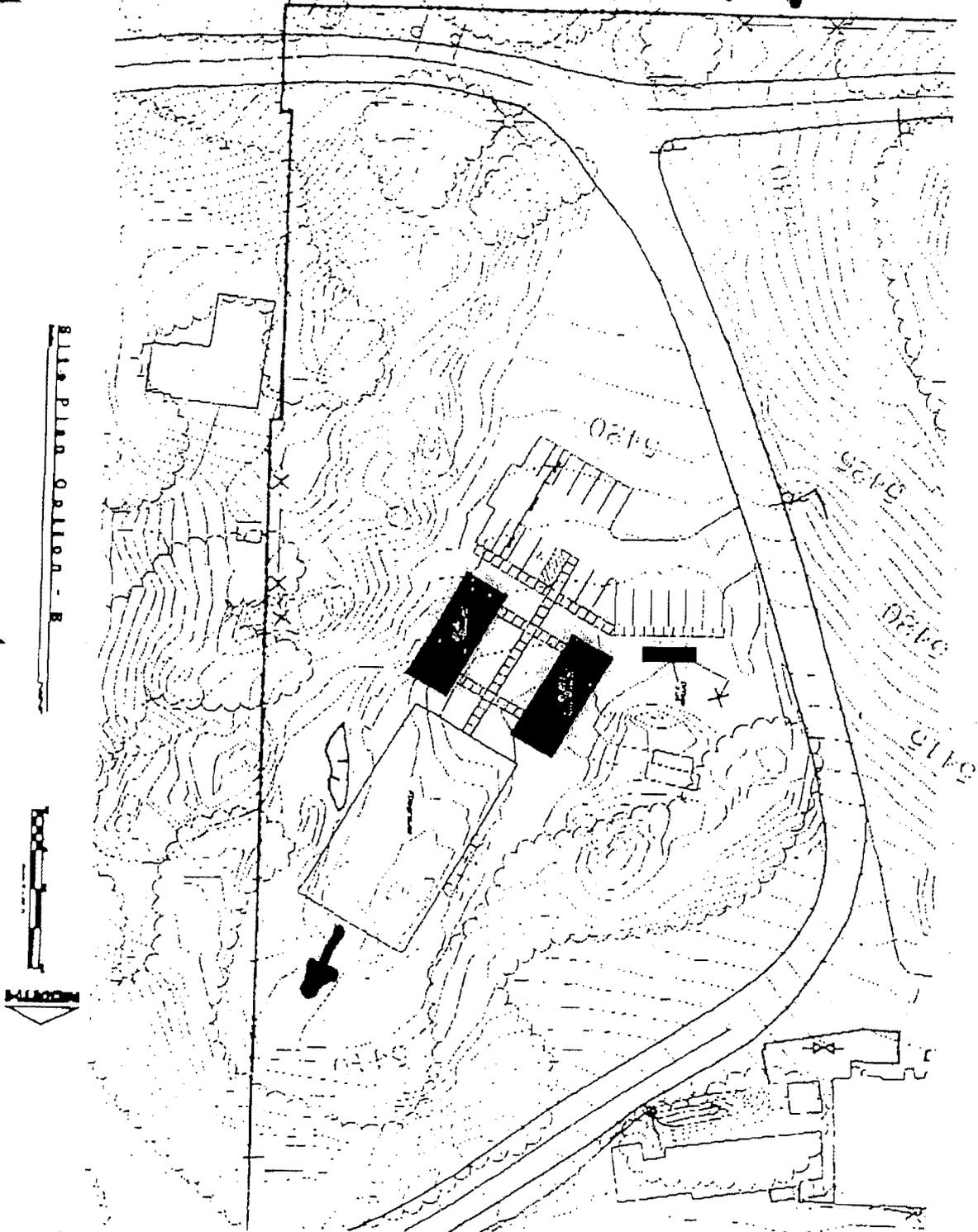
M. H. H. 6/3/02
Deputy County Attorney Date

LESSEE: Northern Arizona Council of
Governments; Head Start Division

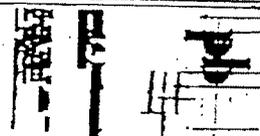
By [Signature]
Executive Director 5/15/02
Title Date

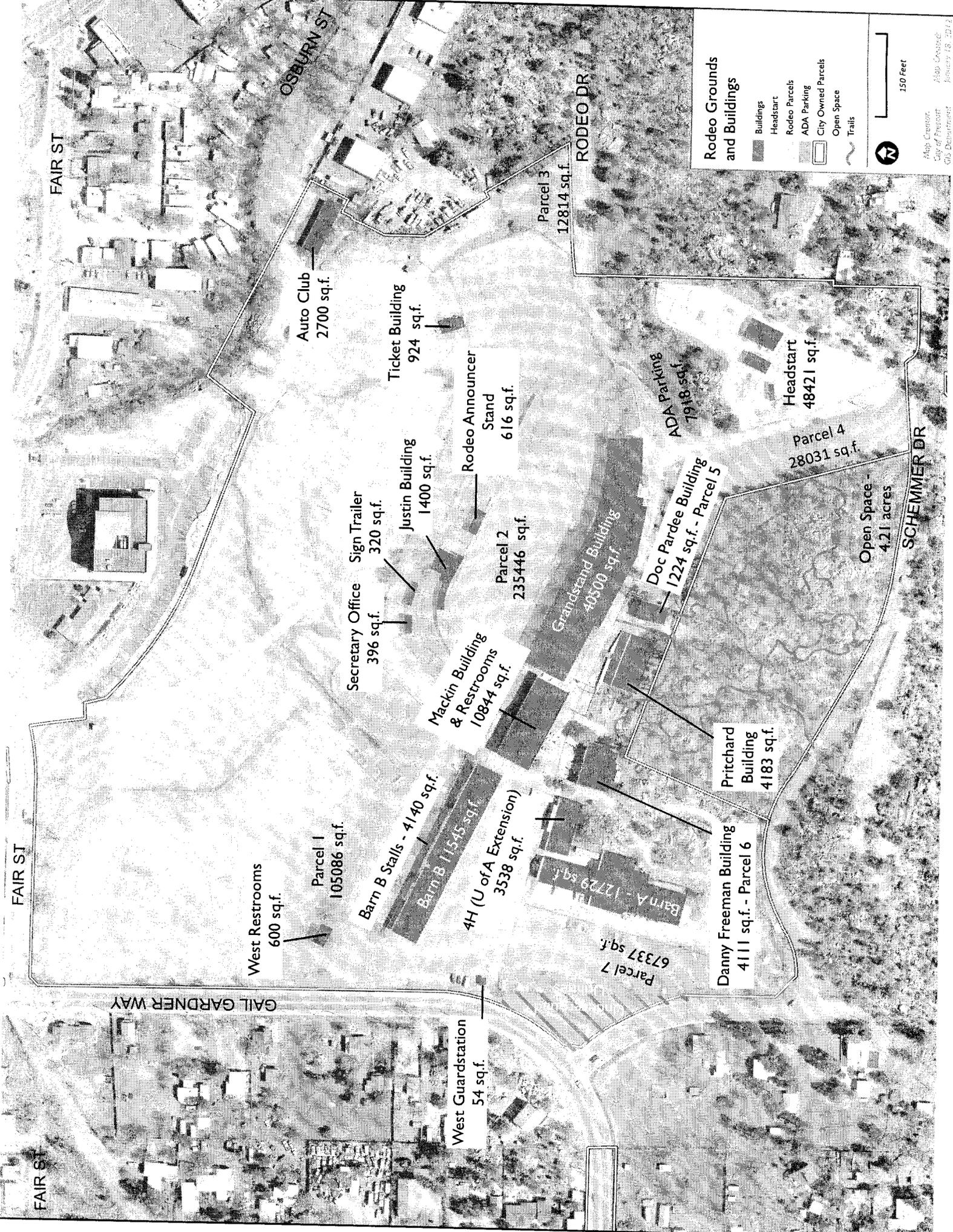
5/6/02

ATTACHMENT A



PROPOSED PRESCOTT HEADSTART
OPTION - B
PRESCOTT, ARIZONA





Rodeo Grounds and Buildings

- Buildings
- Headstart
- Rodeo Parcels
- ADA Parking
- City Owned Parcels
- Open Space
- Trails



150 Feet

Map Created:
City of Prescott
City Department
January 18, 2012

FAIR ST

FAIR ST

FAIR ST

GAIL GARDNER WAY

OSBURN ST

RODEO DR

SCHEMMER DR

Auto Club
2700 sq.f.

Ticket Building
924 sq.f.

Rodeo Announcer
Stand
616 sq.f.

Secretary Office
396 sq.f.

Sign Trailer
320 sq.f.

Justin Building
1400 sq.f.

Parcel 2
235446 sq.f.

Mackin Building
& Restrooms
10844 sq.f.

Grandstand Building
40500 sq.f.

ADA Parking
7918 sq.f.

Headstart
4841 sq.f.

Parcel 4
28031 sq.f.

Open Space -
4.21 acres

Doc Pardee Building
1224 sq.f. - Parcel 5

Pritchard
Building
4183 sq.f.

West Restrooms
600 sq.f.

Parcel 1
105086 sq.f.

Barn B Stalls - 4140 sq.f.

Barn B 11515 sq.f.

4H (U of A Extension)
3538 sq.f.

Barn A - 1729 sq.f.

Parcel 7
67337 sq.f.

Danny Freeman Building
4111 sq.f. - Parcel 6

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: City Manager

AGENDA ITEM: Adoption of Resolution No. 4133-1243 approving termination of the Memorandum of Understanding with the Central Yavapai Metropolitan Planning Organization for provision by the City of personnel, purchasing, and accounting services

Approved By:

Date:

Finance Director: Mark Woodfill

City Manager: Craig McConnell *Craig McConnell*

5-31-12

Background

On May 1, 2003, Yavapai County, the City of Prescott, Town of Prescott Valley, and Town of Chino Valley entered into an intergovernmental agreement creating the Central Yavapai Metropolitan Planning Organization (CYMPO), mandated by the 1973 Federal Transportation Act. Dewey-Humboldt was subsequently added following incorporation of the Town. CYMPO, through its Executive Board consisting of representatives of the aforementioned participating agencies plus an Arizona Department of Transportation member, is responsible for transportation planning and programming within the MPO boundary.

For most cost-effective accomplishment of certain support services, on a reimbursable basis, CYMPO entered into two memoranda of understanding (MOUs): with the City of Prescott for personnel, purchasing, and accounting; and Town of Prescott Valley for office space and communications. The CYMPO offices have since been relocated to a Yavapai County facility, and the County is agreeable to providing personnel, purchasing, and accounting services to CYMPO as well. By letter dated April 18, 2012, the CYMPO Executive Board requested termination of the MOU with Prescott effective July 1, 2012.

Resolution No. 4133-1243 (attached) will implement the CYMPO request, formally terminating the 2003 Memorandum of Understanding, City Contract No. 03-265.

Budget

Prospective termination of the MOU has been incorporated within the City's Tentative Fiscal Year 2013 Budget, reflecting a reduction of up to three (3) full-time equivalent CYMPO positions, and elimination of the annual fiscal capacity (appropriation authority) necessary to support these personnel and other CYMPO annual expenditures which were reimbursed to the City.

Recommended Action: MOVE to adopt Resolution No. 4133-1243.

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. 03-265, 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

RECITALS:

WHEREAS, in 2003 the City of Prescott ("City") and the Central Yavapai Metropolitan Planning Organization ("CYMPO") entered into a Memorandum of Understanding ("MOU"), Contract No. 03-265, for the provision by the City of certain personnel, purchasing, and accounting services to CYMPO; and

WHEREAS, by the First, Second, Third, and Fourth Amendments thereto the parties extended the MOU through June 30, 2013; and

WHEREAS, on May 16, 2012, the CYMPO Executive Board approved an Intergovernmental Agreement with Yavapai County for Yavapai County to provide said services, and on May 21, 2012, the Board of Supervisors of Yavapai County approved the same agreement; and

WHEREAS, the parties do now wish to terminate said MOU.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the City of Prescott hereby approves termination of the Memorandum of Understanding, as amended, between the City of Prescott and the CYMPO, Contract No. 03-265, recorded at Book 4101 at Page 975, Records of the Yavapai County Recorder.

SECTION 2. THAT the effective date of termination shall be July 1, 2012.

SECTION 3. THAT the Mayor and Staff are hereby authorized to take any and all steps deemed necessary to accomplish the foregoing.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 12th day of June, 2012.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: Public Works

AGENDA ITEM: 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

Approved By:

Date:

Department Head: Mark Nietupski	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-4-12

Item Summary

This item is to award a two-year contract to Duke's Root Control, Inc., to supply and apply root control herbicide to portions of the City's sanitary sewer system. After the initial two-year term the contract contains an option to extend the contract three additional one-year terms with an adjustment of no greater than 3% based on the previous year Consumer Price Index (CPI).

Background

Root growth in the City's Wastewater Collection System is a common occurrence which causes and/or contributes to blockages, pipe fractures and failures that result in sanitary sewer overflows, property damage, and unforeseen maintenance expenses.

The purpose of this contract is to apply a specialized herbicide to pre-determined areas within the City's sanitary sewer system where root intrusion has been identified through CCTV inspections and recurrent sanitary sewer overflows caused by roots. The herbicide kills the existing root up to 18 inches outside of the sewer line and inhibits re-growth for up to two years without harming the vegetation producing the roots.

Duke's Root Control carries a two-year guarantee against any sewer stoppages caused by live tree roots and provides an additional three-year guarantee if the line is retreated within 30 months of the initial treatment. If the product fails to prevent regrowth within the guarantee period, a retreatment is required at no charge.

Duke's Root Control was originally awarded a one-year contract which ran from July 1, 2008, through June 30, 2009. Three (3) one-year contract extensions were previously approved by Council since the initial award. The current contract will expire in September 2012.

Agenda Item: 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

Bid Results

On May 6 and 13, 2012, a solicitation for bids was published for the supply and application of the root control herbicide. Five companies obtained the bid documents and one bid was received on May 24th from Duke's Root Control, Inc.

Pipe Size (inches)	Cost per foot	Estimated Footage	Total cost
6	\$ 1.40	32,000	\$ 44,800
8	\$ 1.40	47,000	\$ 65,800
10	\$ 1.76	500	\$ 880
12	\$ 1.92	500	\$ 960
Additional Manhole	\$125.00	N/A	\$ N/A
			\$112,440
Two Year Term			\$224,880

Budget

FY 13 funding is available for the project from the Sewer Fund (Budget Account 720-45-78-7810-8930) and will be programmed for the FY14 budget. Expenditures will be made in Fiscal Years 2013 and 2014 pending approval of subsequent annual operating budgets.

Attachments - Bid Schedule

Recommended Action: MOVE to award the bid and a 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.

BID SCHEDULE

Sewer line chemical root control, including all labor, materials, mobilization, equipment and associated costs shall be paid for at the unit price bid per linear foot of each size pipe. Unit prices are to be computed per linear foot manhole-to-manhole.

PIPE SIZE	UNIT PRICE PER LINEAR FOOT	ESTIMATED FOOTAGE	EXTENDED PRICE
6 inch	\$1.40	32,000 LF	\$44,800.00
8 inch	\$1.40	47,000 LF	\$65,800.00
10 inch	\$1.76	500 LF	\$880.00
12 inch	\$1.92	500 LF	\$960.00
Additional Manholes *	\$125.00		
Total Price (in figures)			\$112,440.00

* Treatment of manholes not directly connected to main-line sections of pipe specified for treatment.

ONE hundred twelve thousand,
 TOTAL BID: four hundred forty dollars & no cents
 (Written Words)


 Signature of Company Official

VICE PRESIDENT
 Title

Duke's Root Control, Inc.
 Company Name

315-472-4781
 Phone Number

1020 Hiawatha Blvd. WEST
 Address

315-475-4203
 Fax Number

Syracuse, New York
 City/State

13204
 Zip Code

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: Public Works

AGENDA ITEM: 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

Approved By:

Date:

Department Head: Mark Nietupski, Public Works Director	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-4-12

Item Summary

This item is to procure engineering services for design of the Annual Small Water Main Upgrades and Sewer Mainline Replacement Project which is an ongoing program to replace deteriorated and undersized water and wastewater main lines within the City utility system.

Background

To meet the basic infrastructure needs of providing for safe, adequate drinking water for the City's residents and businesses, the City annually budgets funds for the replacement and upgrade of small, undersized and aging water mains. These mains are typically 3" or less in diameter, often constructed of galvanized steel and also a source of leaks. In some instances, looping of dead end segments is also included in the project to enhance both water quality and flow for fire suppression, and where larger mains in the proximity need to be replaced they may be added to the design scope. Replacement of these lines improves the water system for our citizens, helps to reduce maintenance costs and water loss.

The City annually budgets funds for the replacement and/or rehabilitation of sewer mains identified as failing or high-maintenance through sewer system investigations, work order tracking and mainline camera reports. Replacement of these sewer mains will reduce maintenance costs, service calls, and overflows. New sewer services with backwater valves will be installed with the new sewer mains.

Water main upgrade design will be broken into two phases as part of this contract with provisions for a third phase of design. Sewer main upgrades will be included in the second phase of design. Post design construction services will also be provided by the engineering firm. Design service phases included in this project are:

Phase I

- Osburn Street and Fair Street – Install 500 lineal feet (LF) of 6" water main, 150 LF of 8" water main. Abandon 840 LF of 2" water main.

Agenda Item: 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

- S. Granite Street to S. Montezuma Street – Abandon 145 LF of 2” water main. Two water services to be tied into existing 6” water mains.
- N. Walnut Street and Division Street – Install 1,400 LF of 8” water main. Abandon 2,425 LF of 2” water main.
- Alley east of Campbell Street and north of W. Hillside Avenue – Install 780 LF of 6” water main.
- Madison Avenue west of Lincoln Avenue – Install 800 LF of 6” water main.

Phase II – Lincoln Street Water and Sewer Improvements

- Lincoln Street from Granite Creek to Whipple Street – Replace 3,500 LF of 14” water main. Replace 1,800 LF of 6” sewer main and 600 LF of 8” & 10” sewer transmission main.

Procurement

On March 15, 2012, the City received proposals from six (6) firms for this publicly advertised engineering project. Pursuant to professional services selection procedures, the firms were ranked based on their Statements of Qualifications, and the three highest-rated interviewed to determine the final ranking for the project. Granite Basin Engineering, Inc., a local firm, received the highest ranking. Subsequently, the scope of services and fees were negotiated.

Schedule

Pending award of a contract design will begin in June 2012, with final plans and bidding documents to be delivered for Phase I in February 2013.

Budget

FY 13 funding for the Annual Small Water Main Upgrades is available from the Water Fund. (Account #7007810-8930-09556). FY 13 funding for the Sewer Mainline Replacement/ Rehabilitation is available from the Sewer Fund. (Account #7207810-8930-09597 & 7257810-8930-09597).

Attachments - Scope of Work Exhibit A
 - Fee Schedule Exhibit B
 - Location Map Exhibit C

Agenda Item: 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

Recommended Action: **MOVE** to approve a contract 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.

Scope of Work
FY 12 & FY 13 Small Water Mains
Sewer Mains Replacement Project
May 30, 2012

Project Description

The project is to provide design and post-design services for several phases of small water main and sewer main replacement. Plans, reports, and specifications shall be prepared to validate and support the existing City of Prescott Water Distribution System and Wastewater Collection Model Report. The final design will include water and sewer main improvements including all appurtenances associated with utility rehabilitation work to the edge of City Right of Way and water/sewer service line installation through private property in various locations within the City of Prescott. The Small Water Mains design will be broken into two phases; one of which (phase 2) will pertain only to Lincoln Avenue, between Whipple Street and Granite Creek which will include both water and sewer main rehabilitation to be included in a single set of plans. The sewer design will consist of replacing the existing sewer main just north of Home Street, in Lincoln Avenue, to Miller Creek, including replacement of the manhole cluster at Miller Creek and the elimination of the double trunk mains to approximately 580 LF east of Lincoln Avenue. The engineer will produce two plan sets (Phase 1 and Phase 2). A third phase may be included at a later date as an extension to the existing contract. The third phase shall be negotiated and if terms are agreeable to both parties, taken to City Council for acceptance after the completion of design for Phase 2.

The water portion will include hydraulic system design (plans, reports, specifications) and corresponding calculations to verify compliance with current flow and pressure requirements. Associated water piping, service installation through private property, various water main abandonment's and associated appurtenances shall be clearly detailed on the construction plans and specifications to deliver a functioning water system. All water mains in alleys (unless specified otherwise) shall be abandoned in place with new water mains to be installed in public roads. All associated water services affected with the abandonment of those water mains shall be moved accordingly. The engineer shall anticipate performing detailed survey of private property features to appropriately design water service connection from the meter to dwelling. The Engineer will coordinate the two phases of water main installation covered in this design contract with a third phase of design outlined in the RSOQ.

The sewer portion will include hydraulic system design (plans, reports, specifications) and corresponding calculations to verify compliance with current flow requirements. Associated sewer main, service installation to include backwater valves (also to be installed in every parcel where new water services must be installed across private property), bypass pumping of main lines, manhole replacement, and all associated appurtenances shall be clearly detailed on the construction plans and specifications to deliver a functioning sewer system.

The drainage portion will include hydrological and hydraulic analysis and design of the on-and off-site drainage control structures when crossing creeks or drainage ways. The City does not anticipate applying for coverage under Section 404 of the Clean Water Act based on estimated disturbance to jurisdictional areas. The Engineer will verify this assertion based on review of proposed utility alignments and actual disturbed areas.

The land and/or easement acquisition will be completed by the engineer as part of this project. The Engineer will obtain Right of Entry easements from all property owners affected by the improvements. The Engineer shall propose alternate alignments and provide the City with the required legal descriptions to obtain all permits and/or easements.

Scope & Fees

100 Pre-Design

- 101 *Pre-Design Meeting:* Attend the pre-design meeting to discuss the execution of work, scheduling, expectations, approach, special conditions, contract documents, etc. Provide list of sub-consultants to be employed for the project.
- 102 *Geotechnical Evaluation:* Partner with Engineering and Testing Consultants to prepare a geotechnical report identifying subsurface conditions and the need for any special excavation equipment. Estimate includes eleven (11) total bores; eight (8) 4' bores along the water and three (3) 9' bores along the sewer (includes two bores along south Lincoln that will be used for both water and sewer). City to approve boring locations, as identified on an exhibit provided by the Engineer, prior to engaging the geotechnical consultant. Bores shall be performed after the pipe alignment is established.
- 103 *As-built and GIS Data Review:* Review all available as-built data and GIS information from the City of Prescott archives. Includes review of all gas, power, telephone and CATV information.
- 104 *Record Boundary Research and Verification:* Research all record property information, perform necessary title searches and verify all boundaries relevant to the utility improvements.
- 105 *Benchmarks:* Establish project benchmarks based on the City's vertical datum and grid coordinate system.
- 106 *Topographic Mapping:* Provide topographic mapping for all areas relevant to the utility improvements. Mapping will supplement current aerial mapping project being completed by the City and will be provided to the Engineer as soon as it becomes available.
- 107 *Pre-Design BLUESTAKE & Potholing:* Partner with Fann Environmental to obtain pre-design BLUESTAKE and pothole existing utilities. Scope includes 100 potholes. Backfill potholes with sack slurry and concrete cap to within 6 inches of finished grade.

Subtotal (Pre-Design): \$103,880 (Includes \$55,000 Subcontractor Costs)

200 Preliminary Engineering

- 201 *Preliminary Design Reports:* Prepare preliminary design reports for proposed water and sewer improvements. Report will cover basis of design assumptions, design calculations and results. Results from the City's water and sewer models will be included.
- 202 *Preliminary Alignment Plans:* Develop preliminary alignment plans based on information obtained from pre-design BLUESTAKE, potholing, geotechnical report, boundary surveying and topographic mapping.
- 203 *Preliminary Cost Estimate:* Prepare preliminary cost estimates based on the preliminary plans. Identify construction phasing to meet City's CIP funding.

Subtotal (Preliminary Engineering): \$29,480

300 Cross-Lot Service Connections

- 301 *Cross-Lot Water Service Design:* Prepare 8.5x11 plot plans for each property that requires a re-routed water service. The initial plot plan will include an aerial photograph of the property that depicts existing and proposed water meter locations. Update the plot plan based on meetings with property owners, private service locating and surveying results. Supply copies to the city and include the plot plans in the Special Provisions.
- 302 *Meetings with Property Owners:* Meet with individual property owners as necessary to establish alignments for new water service connections. Present plot plans, ROE and TCE signatory requirements.
- 303 *Private Service Locating:* Partner with a private utility locating service as necessary to locate water and sewer service alignments from building structure to existing service connection at right-of-way and/or property line.
- 304 *Survey Private Services:* Survey alignments for all new private service connections between the building structure and the new water meter.
- 305 *Right of Entry and Temporary Construction Easements:* Obtain all right-of-entry (ROE) and temporary construction easements (TCE) as required and supply copies to the City.
- 306 *Legal Descriptions:* Prepare legal descriptions for necessary public utility easements or temporary construction easements as required and supply copies to the City.

Subtotal (Cross-Lot Service Connections): \$65,800 (Includes \$10,000 Subcontractor Costs)

400 Plans and Specifications

- 401 *30% Plan Submittal:* Prepare two sets of 30% plans (Phase 1 & 2) for water and sewer that include basic plan and profile views depicting existing features and proposed improvements. Supply 6 copies to the City and affected utility companies for review. Update cost estimate.
- 402 *60% Plan Submittal:* Prepare two sets of 60% plans (Phase 1 & 2) for water and sewer that include final plan and profile views depicting all existing features and proposed improvements. Plans will show all existing utilities, right-of-way limits, and utility easements. Supply 6 copies to the City and affected utility companies for review. Prepare two sets of preliminary technical specifications and special provisions. Update cost estimate.
- 403 *90% Pre-Final Plan Submittal:* Upon receiving 60% plan review comments, prepare two sets of 90% plans (Phase 1 & 2) for water and sewer that incorporate all changes, corrections and additions. Supply 6 copies to the City and affected utility companies. Update cost estimate.
- 404 *100% Final Plans and Bidding Documents:* Prepare two sets of final plans (Phase 1 & 2) for water and sewer incorporating any adjustments or corrections made during review of the pre-final plans. Prepare two sets of technical specifications, special provisions, final engineer's estimates and bidding schedules. Provide mylar plans and CAD files. Supply 6 copies and digital files of technical specifications, special provisions, final engineer's estimate and bidding schedule.

Subtotal (Plans and Specifications): \$85,780

500 Regulatory Agency Submittals & Coordination

- 501 *Regulatory Agency Review:* Prepare ADEQ "Approval to Construct" applications for the proposed water and sewer improvements (Phase 1 & 2). Prepare and submit a water system design report and a sewer system design report with the applications.
- 502 *Submittals and Coordination:* Coordinate all submittals with ADEQ and other reviewing authorities. Account for review time in the project schedule.

Subtotal (Regulatory Agency Submittals & Coordination): \$17,200

600 Project Management & Coordination

- 601 *Monthly Progress Meetings:* For the duration of the project, attend monthly meetings with City staff to discuss project status and pertinent design issues. Augment meeting dates as necessary to address key design issues.
- 602 *Public Information Presentations & Coordination:* Prepare for and coordinate two (2) public meetings to discuss the 60% and 90% plan submittals. Prepare agenda and exhibits for each public meeting and host meetings with sufficient staff available to respond to questions.

Subtotal (Project Management & Coordination): \$22,840

700 Subcontractors

- 701 *Engineering and Testing Consultants (Ref. Task No. 102):* Partner with Engineering and Testing Consultants to prepare a geotechnical report identifying subsurface conditions and the need for any special excavation equipment. Estimate includes eleven (11) total bores; eight (8) 4' bores along the water and three (3) 9' bores along the sewer (includes two bores along south Lincoln that will be used for both water and sewer).
- 702 *Fann Environmental (Ref. Task No. 107):* Partner with Fann Environmental to obtain pre-design BLUESTAKE and pothole existing utilities. Scope includes 100 potholes. Backfill potholes with sack slurry and concrete cap to within 6 inches of finished grade. Bores shall be performed after the pipe alignment is established.
- 703 *Private Service Locating (Ref. Task No. 303):* Partner with a private utility locating service as necessary to locate water and sewer service alignments from building structure to existing meter.

Subtotal (Subcontractors): \$65,000

800 Allowance Items

- 801 *Reimbursable Expenses:* Includes allowances for plan and report production costs, shipping, etc.
- 802 *Ground Penetrating Radar:* Includes allowance to locate private services.

Subtotal (Allowance Items): \$20,000

900 Post Design Services (Construction Phase 1 & Phase 2)	
901	<i>Bidding Services:</i> Prepare for and attend the pre-bid and pre-construction meetings. Review meeting minutes and assist in preparing addendums as required.
902	<i>Post Design Consultation:</i> Provide consultation assistance during construction to answer questions pertaining to the design, respond to requests for information, provide design modifications and provide clarifications to the design as required.
903	<i>Construction Progress Meetings:</i> Prepare for and attend construction progress meetings for the duration of the project.
904	<i>Construction Inspection & Observation:</i> Provide construction inspection and observation services to ensure construction meets the intent of the design plans, City of Prescott and ADEQ standards. Assist with redlines and plan revisions based on field conditions as required. Includes review of contractor submittals, shop drawing review. Observe all hydrostatic testing, chlorination and BACT testing on water mains. Observe all deflection testing, manhole vacuum testing and low pressure air testing on sewer mains.
905	<i>As-built Survey & Plan Development:</i> Provide as-built surveying on an on-call basis and develop as-built drawings as required for the Engineer's Certificate of Completion.
906	<i>Engineer's Certificate of Completion:</i> Prepare the Engineer's Certificate of Completion with all supporting documentation, including a test packet, apply for and obtain Approval to Operate status from ADEQ.

Subtotal (Post Design Services): \$87,120

Project Total: \$432,100

**Phase 1
FY 12 & FY 13 Small Water Mains and Sewer Mains Replacement Project**



		Task I.D.		TOTALS				Estimated Labor					
		Hours	Dollars	Professional Engineer	Registered Surveyor	Field Survey Crew	Designer/Drafter	Construction Inspector					
1	101	10	\$1,085	4	3		3						
2	102												
3	103	22	\$2,110	2	4		16						
4	104	68	\$6,860	4	40		24						
5	105	16	\$2,270		4	12							
6	106	72	\$9,630	3	3	50	16						
7	107												
8	201	32	\$4,000	32									
9	202	62	\$5,880	6	6		50						
10	203	16	\$2,000	16									
11	301	72	\$6,900	12			60						
12	302	72	\$6,900	12			60						
13	303												
14	304	40	\$4,800			20	20						
15	305	52	\$5,400	12	20		20						
16	306	40	\$3,900		20		20						
17	401	99	\$9,515	16	3		80						
18	402	125	\$12,415	32	3		90						
19	403	62	\$5,960	10	2		50						
20	404	54	\$6,070	32	6		16						
21	501	32	\$3,440	16			16						
22	502	32	\$3,440	16			16						
23	601	48	\$5,340	24	12		12						
24	602	32	\$3,440	16			16						
25	701	32	\$3,440	16			16						
26	702												
27	703												
28	801												
29	802												
30	901	32	\$3,360	16								16	
31	902	32	\$3,360	16								16	
32	903	48	\$4,720	16								32	
33	904	106	\$9,650	16								90	
34	905	84	\$9,900	10	10	32	16					16	
35	906	32	\$3,440	16			16					16	

Billing Rate	\$125	\$105	\$150	\$90	\$85
Total Hours	\$1,392	136	114	617	170
Total Labor	\$145,735	\$14,280	\$17,100	\$55,530	\$14,450
Total Subcontractors	\$35,500				
Total Allowances	\$9,000				
Total Project	\$190,235				

**Phase 2 Sewer
FY 12 & FY 13 Small Water Mains and Sewer Mains Replacement Project**



Task I.D.		TOTALS				Estimated Labor			
1	2	Hours	Dollars	Professional Engineer	Registered Surveyor	Field Survey Crew	Designer/ Drafter	Construction Inspector	
101	Pre-Design Meeting	8	\$890	4	2		2		
102	Geotechnical Evaluation								
103	As-built and GIS Data Review	11	\$1,055	1	2		8		
104	Record Boundary Research and Verification	18	\$1,930	2	16				
105	Benchmarks	6	\$810		2	4			
106	Topographic Mapping	32	\$4,180	2	2	20	8		
107	Pre-Design BLUESTAKE & Potholing								
201	Preliminary Design Reports	20	\$2,500	20					
202	Preliminary Alignment Plans	38	\$3,620	4	4		30		
203	Preliminary Cost Estimates	8	\$1,000	8					
301	Cross-Lot Water Service Design	0	\$0						
302	Meetings with Property Owners	0	\$0						
303	Private Service Locating								
304	Survey Private Services	0	\$0						
305	Right of Entry and Temporary Construction Easements	0	\$0						
306	Legal Descriptions	0	\$0						
401	30% Plan Submittal	60	\$5,710	8	2		50		
402	60% Plan Submittal	92	\$9,010	20	2		70		
403	90% Plan Submittal	37	\$3,555	6	1		30		
404	100% Final Plans and Bidding Documents	36	\$4,140	24	4		8		
501	Regulatory Agency Review	16	\$1,720	8			8		
502	Submittals and Coordination	16	\$1,720	8			8		
601	Monthly Progress Meetings	36	\$4,060	20	8		8		
602	Public Information Presentations & Coordination	16	\$1,720	8			8		
701	Geotechnical Evaluation				\$1,300				
702	Pre-Design BLUESTAKE & Potholing				\$10,000				
703	Private Locating Service				\$0				
801	Reimbursable Expenses				\$2,000				
802	Ground Penetrating Radar				\$0				
901	Bidding Services	16	\$1,680	8				8	
902	Post-Design Consultation	16	\$1,680	8				8	
903	Construction Progress Meetings	24	\$2,360	8				16	
904	Construction Inspection & Observation	66	\$6,100	8				60	
905	As-built Survey & Plan Development	40	\$4,720	4	4	16	8	8	
906	Engineer's Certificate of Completion	16	\$1,720	8			8		

Billing Rate	\$125	\$105	\$150	\$90	\$85
Total Hours	630	49	40	254	100
Total Labor	\$65,880	\$5,145	\$6,000	\$22,860	\$8,500
Total Subcontractors	\$11,500				
Total Allowances	\$2,000				
Total Project	\$79,380				

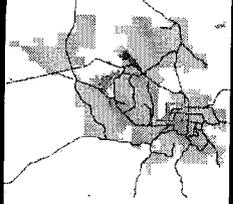
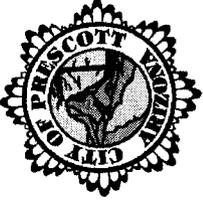
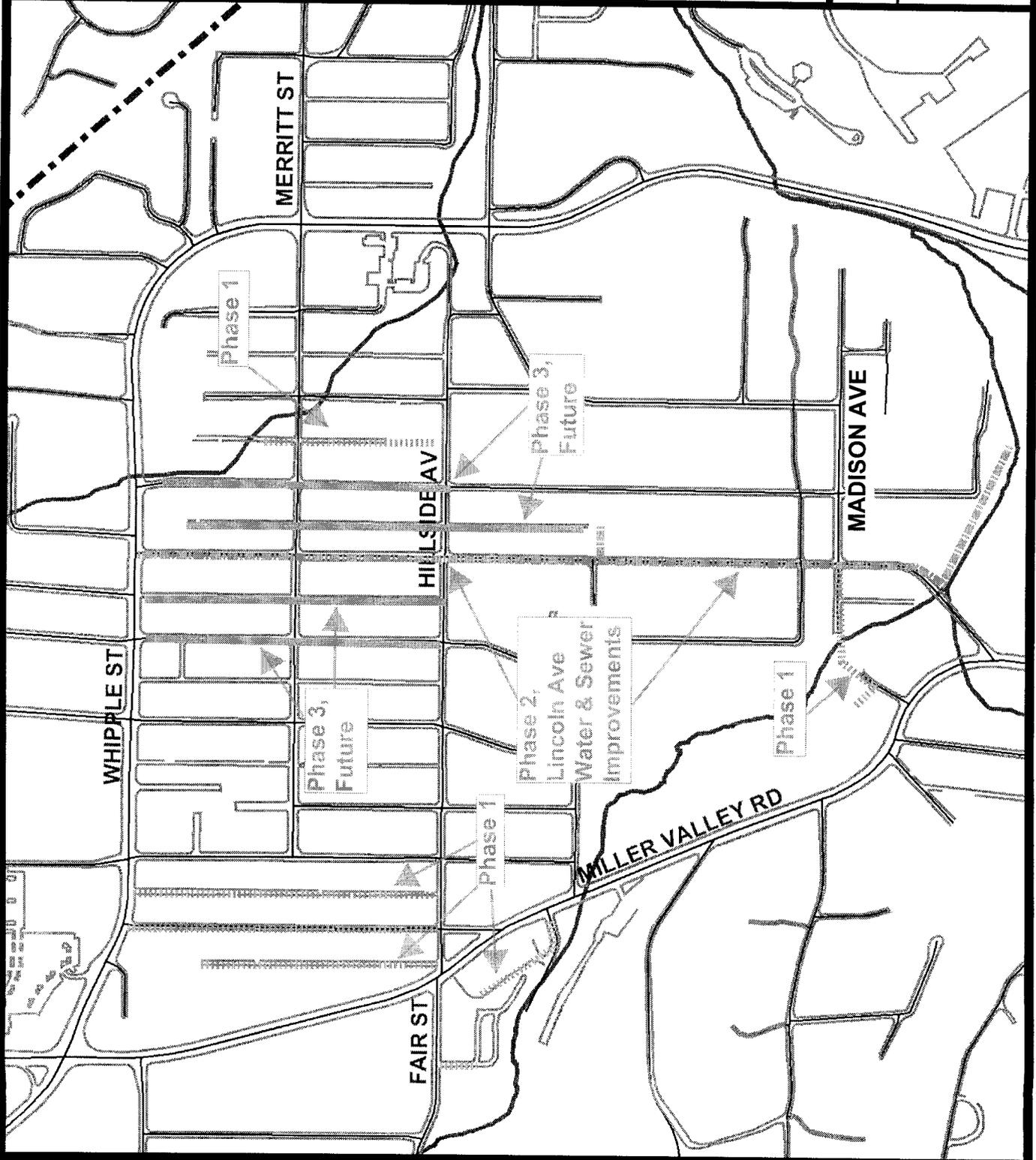


EXHIBIT "C"

This map is a product of the
The City of Prescott GIS



This document is a graphic representation only, of best available sources. The City of Prescott assumes no responsibility for any errors.

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: Public Works
AGENDA ITEM: 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

Approved By:	Date:
Department Head: Mark Nietupski, Public Works Director	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	<i>5-31-12</i>

Item Summary

This item is to award a bid to Joseph Painting Company, Inc., in an amount not to exceed \$26,244.00 to coat the interior concrete surface of the Yavapai Hills Lift Station No. 1A Wet Well.

Background

Microorganisms that are naturally present in wastewater systems convert hydrogen sulfide in the wastewater to sulfuric acid. Over time sulfuric acid attacks concrete structures within the wastewater system (pipes, manholes, wet wells, lift stations). Protective coatings have been successfully applied to various concrete structures within the City's wastewater system to prevent premature deterioration/failure of the concrete structures.

The Yavapai Hills Lift Station No. 1 received an Approval to Operate (ATO) from the Arizona Department of Environmental Quality (ADEQ) in December of 1990. This is a regional lift station that conveys wastewater from the Yavapai Hills subdivision to the Ranch at Prescott Lift Station and then to the Sundog Wastewater Treatment Facility. There are two wet wells at the site:

- The main wet well (No. 1A), which will be coated with this procurement, has been in constant service since 1990; therefore, the coating is crucial to protect the existing concrete structure from further deterioration and premature failure.
- The redundant wet well (No. 1B) is used as an overflow basin and was recently coated and fitted with a new pump and controls to provide reliable service during maintenance, pump failure and high flows.

Bid Results

On April 22nd and 29th a solicitation for bids was published for the supply and application of the wet well protective coating. Bids were received on May 10th from the following companies:

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

Bidder Number	Bidder	Location	Bid Amount
1	A-O Painting, Inc.	Tucson, Arizona	\$16,575.00
2	Southwest Environmental Testing, Inc.	Phoenix, Arizona	\$21,215.60
3	Joseph Painting Company, Inc.	Mesa, Arizona	\$26,244.00

The specifications for this project require a trowelable product based on the City's past experience with trowelable versus spray on coatings. Bidders 1 & 2 submitted bids for a spray on product and therefore were considered non-responsive. Trowelable coatings that were applied over ten years ago are still in excellent condition compared to spray on coatings that failed after less than three years.

Budget

FY12 funding for the coating project is available from the Sewer Fund. (Budget Account No. 7207810-8930-09587)

Attachments: Bid Proposal
Location Map

Recommended Action: MOVE to award the bid and contract to Joseph Painting Company, Inc. to apply a protective coating in the Yavapai Hills Lift Station Wet Well in an amount not to exceed \$26,244.00.



J. P. C. I. SERVICES

Joseph Painting Company, Inc.

4702 E. Virginia Street • Mesa, Arizona 85215-9101

(480) 986-1212 • Fax (480) 380-4461

License No. ROC197873 AE AZ • ROC199485 AE AZ • ROC242450 AE AZ • ROC218119 A AZ

ROC107144 L-34 AZ • CA Lic 280286 C-33 & A • NV Lic N0. 0058702-A15, No.0058579-C-4

PROPOSAL

TO: Public Works Director / City of Prescott, AZ
5095 Cactus Place, Prescott, AZ 86301

PHONE: 928-777-1130

FAX:

DATE May 9, 2012

CELL:

RE: Yavapai Hills Lift Station Wet Well Coating Project

We propose to complete the rehabilitation & protective coating of 1 existing Wet Well as specified below;

- 1 - Sandblast interior of manholes to open voids and remove deteriorated concrete.
- 2 - Fill extensive voids in concrete using C-120 acid proof cement when needed .
- 3 - Apply Sewer Shield 150 to complete interior of manholes at 1/8" (125 Mils) thickness.
- 4 - Spark test Sewer Shield at 15,500 volts to check for pinholes, if found repair and retest.

ITEM # A Prepare and coat 1 Structure.

Section	MH #	Size	Cost / MH #	Notes
Yavapai Hills Lift Station	12 Dia X	18.0	24,740.00	No existing Coating, Flow management by owner

TOTAL PROPOSAL AMOUNT: \$24,740.00

TAX on above Items..... \$1,504.00

The above proposal amount is based on a standard 40 hour per week work schedule. Extended hours, weekend and holiday work will be an add to the contract amount. All work orders need to give JPCI Services a minimum of two weeks notice before the start of the project.

The above proposal excludes the cost of payment, performance and/or warranty bonds, traffic control, bypass pumping, permit fees and sales tax. Installation comes with a 5 year Labor and Material Warranty. Prices above are based on standard payroll wages and standard JPCI Insurance coverage's. Please feel free to call should you have any questions. We are a City of Phoenix Certified Small Business Enterprise.

Respectfully Submitted By,

Beckey Durfee
 Beckey Durfee
 Estimator

This proposal is confidential and proprietary and is intended solely for the use of the individual or entity to whom it is addressed. If you are not the intended recipient be advised that you have received this proposal in error and that its use, dissemination, forwarding, printing, or copying of this proposal is strictly prohibited. If you have received this proposal in error, please immediately notify our office by telephone at 480-986-1212 or via email at bdurfee@jpciservices.com.

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: Risk Management

AGENDA ITEM: Purchase of insurance policies for Fiscal Year 2013

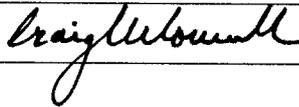
Approved By:

Date:

Department Head: Sheri Swain

Finance Director: Mark Woodfill

City Manager: Craig McConnell



6-1-12

Background

At a Council workshop in October 2011, renewal of three (3) insurance policies to provide coverages for FY 13 was discussed, with effective dates of July 1, 2012. Risk Management additionally worked with the City's Insurance Broker, Willis of Arizona (Willis), to change the airport policy renewal date from October 1, 2012, to July 1, 2012, at no additional cost. This will align all of the City's major insurance policies to a fiscal year basis.

During the last decade the insurance industry has operated within a "soft" market, affording typically lower premiums and more favorable coverages to customers. The insurance market is cyclical, however, driven by economic factors and losses. The market is hardening, resulting in carriers being more selective regarding taking on new business, imposing stricter underwriting guidelines, and charging higher premiums. Consequently, the City is facing anticipated increases in public entity liability, property, and worker's compensation in the 5 % to 10% range attributable to factors such as weather-related incidents, employer's practices liability claims, and specific loss experience.

In January 2012, the City requested that Willis obtain quotations from current and other suitable carriers through a request for proposals (RFP) process. In addition to price, the RFP approach enables the City to evaluate the various coverages available, policy limits and other important factors. This process will be further refined for Fiscal Year 2014, to incorporate improvements identified by the current effort.

Four Major Coverages for Fiscal Year 2013

Property Coverage

The policy limit on property is \$144,804,708 with a \$5,000 deductible. Vehicles valued over \$25,000 have a combined policy limit of \$2,000,000 and a \$10,000 deductible.

Agenda Item: Purchase of insurance policies for Fiscal Year 2013

Excess Worker's Compensation

The City has a self-insured retention of \$500,000 (the limit of City payment for any single claim). Coverage includes: *Part One* – statutory limits to provide payments to employees who suffer work related injury of occupational illness; and *Part Two* – to protect against lawsuits due to employment related injuries or illness.

Airport Premises Liability

The policy limit is \$50,000,000 with a \$0 deductible. Coverage includes: premises airport liability coverage to protect against third-party claims on airport only for hangarkeeper's coverage, liquor liability, static displays, excess auto liability, and excess employer's liability.

Excess Public Entity Liability Package

The City has a self-insured retention of \$100,000 and an aggregate of \$750,000 (the maximum payable in a policy year for all claims). The excess policy has an underlying limit of \$1,000,000 and secondary limit of \$14,000,000 for a total policy limit of \$15,000,000. Coverage includes claims handling by a Third-Party Administrator (TPA) to include third-party public liability, public officials liability, law enforcement liability, auto liability, liquor liability, employee benefits liability, and cyber-risk-liability for communications, media network, and information security.

Budget

The FY 2013 tentative budget includes a 5% increase for all lines of insurance. The total premiums of \$757,744.00 for these four policies will be within the budgeted amount.

Attachments

- A – Property Coverage (includes auto physical damage)
- B – Excess Worker's Compensation
- C – Airport Premises Liability
- D – Excess Public Entity Liability Package

Recommended Action: **MOVE** to approve purchase of the following insurance policies for Fiscal Year 2013:

1. Property Coverage from the Traveler's Indemnity Company in the amount of \$124,644.00
2. Excess Worker's 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 \$100,000 Self-Insured Retention option and aggregate coverage option in the amount of \$559,616.00.

Attachment A – Property Coverage

In the current fiscal year (FY12), the Travelers Indemnity Co. provided coverage with a premium of \$116,500 for property with a total insured value (TIV) of \$142,941,262. Our broker informed us to expect increases between 5% and 10%. In addition to expected rate hikes in Property, the City suffered weather and vandalism related losses to structures over the five year period reviewed. For example, the winter storm emergency in 2010 caused damage to seven public buildings, and a lighting strike at the Elks Theatre damaged a lighting board. Each of these claims was approximately \$20,000, and substantially exceeded the \$5,000 deductible. In addition a \$20,000 vandalism claim was paid at the Elks Theatre.

This year, the Travelers Indemnity Co. has proposed a premium of \$124,644 with a TIV of \$144,804,708 which is an increase in premium of approximately 6.99%. Travelers Indemnity Co. continues to offer the best property coverage.

Results of Analysis

Based on the reputation of Travelers Indemnity Co. and the City's experience with them, and the reasonable premium increase based on claims, this is a favorable quote that supports renewing with the same company.

Travelers Indemnity Company Quote

City of Prescott Renewal Premiums 7-1-2013

Renewal Coverages	Comments	Traveler's Policies	2012-2103	2011-2012	2012-2013	2012-2013
		2011-2012 Limit	Deductible or SIR	Expiring Premiums	Renewal Premiums	Premium Difference
Property/Includes auto physical damage						
Property - Total Insured Value	No Margin Clause	\$142,941,262	\$5,000	\$116,500	\$124,644	\$8,144
Equipment Breakdown		Included	\$5,000	Included	Included	Included
Flood Sublimit for Zone A/Prefixed A		\$3,000,000 Aggregate	\$100,000	Included	Included	Included
Flood (No Zone V/Prefixed V)		\$5,000,000 Aggregate	100,000	Included	Included	Included
Earthquake		\$5,000,000 Aggregate	25,000	Included	Included	Included
Business Income & Extra Expense		\$2,500,000	48 Hours	Included	Included	Included
Fine Arts		\$250,000	\$1,000	Included	Included	Included
IM Cont. Equip. Owned		\$2,831,316	\$5,000	Included	Included	Included
IM Cont. Equip Rented		\$100,000	\$5,000	Included	Included	Included
Auto Physical Damage		\$16,516,376	\$10,000	Included	Included	Included
Total				\$116,500	\$124,644	\$8,144

Attachment B – Excess Worker’s Compensation

In the current fiscal year, (FY12) Safety National provided excess coverage at a premium of \$44,847 and an SIR of \$500,000 for employees who sustain an on the job injury and whose claim costs exceed \$500,000 in worker’s compensation benefits.

Willis advised the City to expect a large increase in Worker’s Compensation. The insurance industry is reporting that municipalities have produced some of the largest losses and frequency and severity are increasing at a rate about which there is considerable concern. Double digit medical cost increases and low industry return on investment are other leading causes for the increase in the rates overall. The City of Prescott experienced some Worker’s Compensation losses over the last five years. For example, there are several claims approaching the \$500,000 excess limit, which is a substantial risk to the insurer. In addition several claims have increased severity and higher reserve amounts. Finally two claims have resulted in back surgeries which are very expensive and signal continued payments on the claim. For reference, one of the surgeries resulted in a \$160,000 hospital bill (not including fees for the anesthesiologist, surgeon, rehabilitation, etc.)

Risk Management continues to work closely with each department to ensure safety procedures are followed.

Two (2) quotes were received:

- Quote (a) Safety National has proposed a premium of \$59,734 with an SIR of \$500,000. This is an increase in premium cost of approximately \$14,887 or 33% over last year.
- Quote (b) Midwest Employer’s Casualty Corporation has proposed a premium of \$169,928 with an SIR of \$750,000.

Results of Analysis

The quote from Midwest Employer’s Casualty Corporation would not only increase the City’s financial exposure with a SIR of \$750,000 (\$250,000 more than Safety National), their premium is almost three times higher than Safety National.

Based on the City’s claims history, the Safety National quote is reasonable, especially when compared to Midwest Employer’s Casualty Corporation.

Attachment C – Airport Premises Liability

The Airport premises liability policy had a policy renewal date of October 1, 2012. The policy premium was \$14,750 with a \$0 deductible and policy limit of \$50,000,000.

The Risk Manager worked with Willis to get the effective date changed to July 1, 2012 to align it with the City's other major insurance policies. The incumbent carrier (ACE) agreed to cancel the current policy on a pro-rated premium basis. The City will receive a return premium for the unused amount of the premium paid for the period of July 1 to October 1, 2012. Additionally, Willis was successful in securing a reduction to the expiring policy premium of \$1,000 or 7% to total \$13,750 based on the expiring coverage and limits for the new policy effective July 1, 2012.

Results of Analysis

The decrease of \$1,000 or 7%, and agreement to move the renewal to July 1, 2012, thereby standardizing insurance renewal timeframes, supports a renewal with ACE.

Attachment D – Excess Public Entity Liability Package

Option (a) – Travelers

Travelers, the incumbent carrier, quoted a premium of \$559,616 including Third Party Administration (TPA) services, with a \$100K SIR, including the \$750,000 aggregate coverage. Coverage includes claims handling by the in-house TPA (Travelers) to include third-party public liability, public official's liability, law enforcement liability, auto liability, liquor liability, employee benefits liability, and cyber-risk-liability for communications, media network, and information security). The TPA cost, estimated at \$33,389, is included in the excess liability premium. Traveler's does not use outside TPAs.

Travelers provided a favorable quote at an increase of 1.41% over the prior fiscal year.

Option (b) – One Beacon & TriStar

One Beacon initially quoted a premium of \$511,306 (without TPA services) for comparable excess liability coverage. They reduced the quote to \$506,306 after Risk Management and Willis expressed concerns about differences in cyber-risk coverage. One Beacon included a quote from one of their authorized TPA firms (TriStar) of \$450 per claim. The City averages 60-90 liability claims per year. Using a five-year average of number of claims to calculate the cost, with an average number of claims over a five-year period of 66 multiplied by \$450 per claim the resulting TPA cost is estimated at \$29,700. This brings the total excess liability premium including TPA services to an approximate total premium of \$536,006.

This amount is \$23,610 less than Travelers (approximately 4%).

Although the estimated cost of the One Beacon proposal is slightly lower, there are various differences in policy coverage, limits, and costs between the Travelers and One Beacon proposals. These differences and factors are enumerated below:

- Renewals - Travelers was targeting an 8-10% increase this year. They did not price the City's account this year with the full rate increase due to the competition from One Beacon. One Beacon offered a competitive proposal this year, which may reflect a one-time discount for "new business."
- Cyber-risk liability – The cyber risk coverage that One Beacon offers is not as strong as that offered by Travelers. Travelers' premium includes a \$1,000,000 underlying limit with a \$10,000 deductible to included coverage for: network and information security liability; communications and media liability, and security breach. One Beacon includes to the full limits of \$15,000,000 but with a \$100,000 SIR. Exposure is low, but severity could be high depending on the number of affected claimants.
- Employment Practices Liability – Travelers includes full limits of \$15,000,000 with \$100,000 SIR to include coverage for wrongful termination and employment practices. One Beacon limits the coverage

Attachment D – Excess Public Entity Liability Package

to \$1,000,000 underlying and \$4,000,000 excess for a total of \$5,000,000. The exposure is high but severity varies.

- TPA Services – Travelers includes the TPA cost in their quoted excess liability premium. The cost breakout of \$33,389 includes claim handling and Travelers in-house counsel at a reduced rate for standard legal services. There is also a reduced rate for outside specialty services. One Beacon does not include TPA cost. They have provided a separate quote from TriStar based on an average of 66 claims per year at \$450 per claim or \$29,700 per year. Typically, Risk Management would solicit proposal for specific TPA services, through a competitive RFP process. While the quote received as part of the package offering from One Beacon appeared to be competitive, there were no comparative offers from other similar TPA services. Quotes were subsequently requested from two other authorized firms. The procurement process for this particular service, because One Beacon does not provide in-house TPA services, was not conducted in an ideal manner and is not in exact accordance with the intent of the City procurement code.
- Run-off Costs – Currently, the City has to establish a loss fund when using a TPA. It typically runs about 2 ½ times monthly claim costs. This is done for liability as well as Worker's Compensation. Typically, when the City goes out for RFP for TPA services the language is much broader ensuring that the City benefits whenever possible. This is very important when switching from one TPA to another. In the case of One Beacon, a quote was provided from a TPA as part of the One Beacon proposal, which limits the City's ability to request certain criteria. This should not prove to be an issue with the current amount of open claims the City has. Should One Beacon be chosen, the City would have the option (if necessary) to negotiate different terms and conditions for TPA services in FY14.
- Premium Savings – Typically, a municipality or business should not consider moving its insurance program unless savings of 10 to 15% would be realized. All factors need to be looked at, for example, coverages, policy limits etc. One Beacon's quote offers an approximate savings of 4% over the incumbent, Travelers, which could increase or decrease depending on the number of claims received during the policy year.

Results of Analysis

The analysis of coverage, industry standards for savings margin when moving business, competitiveness in the next year, and the complexities of comparing savings with the differences in TPA service provision models justify the City remaining with Travelers for FY 13.

In addition, the Cyber-risk liability provided by Travelers reduces the per claim cost to the City, and the Employment Practices Liability coverage levels offered by Travelers

Attachment D – Excess Public Entity Liability Package

provide a substantially higher protection in a claims area with high exposure and where the City has significant current and prior claims experience.

There may be opportunities for savings next year with refinement of the RFP process. Risk Management will be gathering data on claims handling to craft a document that seeks to better solicit and compare potential impacts of various coverages, premium advantages and TPA service models.

Travelers City of Prescott Renewal Premiums 7-1-2013

Renewal Coverages	Comments	Traveler's Policies 2011-2012 Limit	2012-2013	2011-2012	2012-2013	2012-2013
			Deductible or SIR	Expiring Premiums	Renewal Premiums	Premium Difference
Excess Public Entity Liability Package	General Aggregate	\$2,000,000		\$376,471	\$377,843	\$1,372
Public/General Liability	Liability Policy	\$1,000,000/\$2,000,000	\$100,000 SIR			
Liquor Liability		\$1,000,000/\$1,000,000	\$100,000 SIR			
Employee Benefits Admin. Liab.	Claims Made	\$1,000,000/\$3,000,000	\$100,000 SIR			
Law Enforcement Liability		\$1,000,000/\$1,000,000	\$100,000 SIR			
Public Entity Management Liability	Claims Made	\$1,000,000/\$1,000,000	\$100,000 SIR			
Employment Practices Liability	Claims Made	\$15,000,000/\$15,000,000	\$100,000 SIR			
Auto Liability	Composite Rated	\$1,000,000	\$100,000 SIR	\$61,299	\$67,694	\$6,695
Excess Umbrella		\$14,000,000/\$14,000,000	\$100,000 SIR	\$110,571	\$110,571	
CyberFirst Liability	Claims Made	\$1,000,000/\$1,000,000	\$10,000	\$3,482	\$3,508	\$26
TPA services - Included		includes \$750,000 aggregate		\$551,823	\$559,616	\$8,093

One Beacon and TriStar TPA Services City of Prescott Renewal Premiums 7-1-2013

Renewal Coverages	Comments	One Beacon 2011-2012 Limit	2012-2013	2011-2012	2012-2013	2012-2013
			Deductible or SIR	Travelers Expiring	Renewal Premiums	Premium Difference
Excess Public Entity Liability Package				\$376,471	\$243,878	-\$132,593
Public/General Liability	Liability Policy	\$1,000,000/\$2,000,000	\$100,000 SIR			
Liquor Liability		\$1,000,000/\$1,000,000	\$100,000 SIR			
Employee Benefits Admin. Liab.	Claims Made	\$1,000,000/\$1,000,000	\$100,000 SIR			
Law Enforcement Liability		\$1,000,000/\$3,000,000	\$100,000 SIR			
Public Entity Management Liability	Claims Made	\$1,000,000/\$1,000,000	\$100,000 SIR			
Employment Practices Liability	Claims Made	\$1,000,000/\$4,000,000	\$100,000 SIR			
Auto Liability	Composite Rated	\$1,000,000	\$100,000 SIR	\$61,299	\$70,556	\$6,695
Excess Umbrella		\$14,000,000/\$14,000,000	\$100,000 SIR	\$110,571	\$191,872	\$81,301
CyberFirst Liability - Travelers	Claims Made	\$1,000,000/\$1,000,000	\$10,000	\$3,482	\$0	
CyberFirst Liability - One Beacon		\$15,000,000/\$15,000,000	\$100,000 SIR		incl in liability	
TPA services - Included with Travelers		includes \$750,000 aggregate		\$551,823	\$506,306	(\$44,597)
TPA services - Separate quote	\$450 per claim	includes \$750,000 aggregate			\$29,700	(\$14,897)
Average of 66 claims per year			TOTAL	\$551,823	\$536,006	(\$15,817)

III-K

COUNCIL AGENDA MEMO – June 12, 2012

DEPARTMENT: City Manager

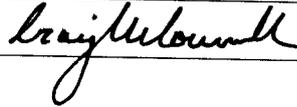
AGENDA ITEM: Approval to submit a resolution to the Arizona League of Cities and Towns

Approved By:

Date:

Finance Director: Mark Woodfill

City Manager: Craig McConnell



6-4-12

Item Summary

This is an action item to seek approval to send a resolution to the Arizona League of Cities and Towns proposing that Arizona municipalities be empowered to regulate the sale in addition to the use of consumer fireworks within their incorporated boundaries, and Arizona counties be granted similar authority to regulate within their unincorporated boundaries.

Background

Every year at the Arizona League of Cities and Towns Annual Conference, the League convenes a Resolutions Committee where municipalities may submit resolutions proposed to be included with the League's annual Municipal Policy Statement. Resolutions are submitted to the League, and a Resolutions Sub-Committee reviews and then categorizes them: Recommend for Adoption, Recommend with Amendments, or Not Recommended. The League then passes the Municipal Policy Statement onto legislators to inform them of important municipal issues and ask for their support of the resolutions.

Attachments - Draft League Resolution

Recommended Action: MOVE to approve the draft League Resolution for submission to the Arizona League of Cities and Towns.

**LEAGUE OF ARIZONA CITIES & TOWNS
RESOLUTION FORMAT**

Requests that A.R.S. 36-1606, concerning consumer fireworks regulation; state preemption; further regulation of fireworks by local jurisdiction, be amended to allow an incorporated city or town and a county within the unincorporated areas of the county to regulate the sale and use of permissible consumer fireworks.

Submitted by: City of Prescott

* * * * *

A. Purpose and Effect of Resolution

In 2010 the Arizona State Legislature lifted the statewide ban of the sale of consumer fireworks. The Legislature allowed municipalities to ban the use of consumer fireworks within incorporated limits but not the sale. This resolution seeks to enable the elected governing body of each municipality and county in Arizona to decide for their constituents whether or not to allow the sale in addition to use of consumer fireworks within their geographic boundaries (unincorporated areas in the case of counties).

On May 2, 2011, a fire was started in the backyard of a home in Prescott Valley, Arizona, as a result of an unattended 11 year old child playing with a consumer firework (sparkler). Central Yavapai Fire District personnel were called to respond to the scene. Upon their arrival the fire had been extinguished by the residents after burning about a tenth of an acre. This incident occurred even though the Prescott Valley Town Council enacted an ordinance that banned the use of all consumer fireworks within Town limits.

B. Relevance to Municipal Policy

In addition to the potential cost and damage of fires, HB2246 which allowed fireworks to be sold in Arizona, intruded into local control. The evaluation of risk and the decision to allow consumer fireworks to be sold and used in a community is best left to the governing body of that community. This resolution does not place any restrictions or mandates on any community, rather it allows each to decide what is best.

C. Fiscal Impact to Cities and Towns

There will a minimal loss in sales tax collection if a municipality chooses to ban the sale of consumer fireworks. The local control aspect of this resolution would allow each city and town to weigh the potential costs of damage to property and public safety response with the benefit of allowing the sale of consumer fireworks.

D. Fiscal Impact to the State

The State could experience a minimal negative reduction in revenue dependent upon the number of municipalities that choose not to allow the sale of consumer fireworks.

E. Contact Information

Name: Joseph Brehm

Title: Assistant to the City Manager

Phone: 928-777-1279

Email: Joe.Brehm@prescott-az.gov