

AGENDA

**PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, JUNE 11, 2013
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. One or more members of the Council may be attending this meeting through the use of a technological device.

- ◆ **CALL TO ORDER**
- ◆ **INTRODUCTIONS**
- ◆ **INVOCATION** Reverend Julia, Each One Reach One Ministries
- ◆ **PLEDGE OF ALLEGIANCE** Councilman Blair
- ◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall
Councilman Arnold
Councilman Blair
Councilman Carlow

Councilman Kuknyo
Councilman Lamerson
Councilman Scamardo

- ◆ **ANNOUNCEMENTS**
- I. **CONSENT AGENDA**

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

- A. [Approval of the minutes of the Prescott City Council Workshop of May 21, 2013; Special Meeting of May 28, 2013; and a Regular Meeting of May 28, 2013.](#)

- B. Approval of Contract with Party Professionals in the amount of \$18,796.50 for various rides and activities for the 4th of July Celebration (City of Prescott No. 2013-198).
- C. Approval of Contract with Expectation Sports, LLC, DBA Rock it Up, in the amount of \$13,280.00 for various rides and activities for the 4th of July Celebration (City of Prescott No. 2013-199).

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

II. REGULAR AGENDA

- A. Public Hearing and consideration of a liquor license application from Ann Louise Woodruff, owner and applicant for Biga for a Series 12 Restaurant license, located at 623 Miller Valley Road.

RECOMMENDED ACTION: (1) MOVE to close the Public Hearing; and (2) MOVE to approve/deny Liquor License Application No.12133550, for a Series 12, Restaurant, license, for Biga located at 623 Miller Valley Road.

- B. Public Hearing for request to annex portions of APNs 102-05-032C, 102-05-324L, 102-04-010A, and 102-04-010B (ANX13-001; Owner: James Deep Well Ranches #1).

RECOMMENDED ACTION: MOVE to close the Public Hearing for Annexation Request No. ANX13-001.

- C. Adoption of Ordinance No. 4858-1315, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF PRESCOTT BY ANNEXING 0.38 ACRES OF RESIDENTIAL (R1L-10) ZONED LAND LYING AT 613 WEST MARICOPA DRIVE INTO THE CITY OF PRESCOTT AND ASSIGNING A ZONING CLASSIFICATION THERETO (Annexation of APN 107-14-057A) (ANX12-001; Owners: Todd L. Metcalf and Dawn L. Nabors).

RECOMMENDED ACTION: MOVE to adopt Ordinance No. 4858-1315.

- D. Approve purchase of four (4) HVAC units from Trane U.S., Inc., dba Trane, with fully integrated Trane Tracker building automation controls for the Prescott Police Station in the amount of \$22,608.99.

RECOMMENDED ACTION: MOVE to approve the purchase of four (4) HVAC units from Trane U.S., Inc., dba Trane, with fully integrated Trane Tracker building automation controls for the Prescott Police Station in the amount of \$22,608.99.

- E. Discussion of Airport rates and fees proposed for Fiscal Year 2014.

RECOMMENDED ACTION: *No formal action is proposed. The revised rates and fees will be presented to Council for adoption at the meeting of June 25, 2013.*

- F. Approval of purchase and installation of OnBase digital evidence management software from SHI Direct in the total amount of \$33,183.01 using State contract pricing.

RECOMMENDED ACTION: *MOVE to approve the purchase of OnBase digital evidence management software from SHI Direct in the total amount of \$33,183.01 using State contract pricing.*

- G. Approval of Animal Sheltering Service Agreement with the Yavapai Humane Society in the annual amount of \$77,700.00 (City Contract No. 2013-194).

RECOMMENDED ACTION: *MOVE to approve the Animal Sheltering Service Agreement with the Yavapai Humane Society (City Contract No. 2013-194).*

- H. Adoption of Resolution No. 4177-1339 approving transfers of certain Fiscal Year 2013 appropriations.

RECOMMENDED ACTION: *MOVE to adopt Resolution No. 4177-1339.*

- I. Resolution No. 4175-1337 adopting the Tentative Budget for Fiscal Year 2014 and setting the Public Hearing for the Final Budget, Expenditure Limitation, Tax Levy and Truth in Taxation for the City of Prescott.

RECOMMENDED ACTION: *MOVE to adopt Resolution No. 4175-1337.*

- J. Adoption of Resolution No. 4174-1336 approving an Intergovernmental Agreement with Yavapai County for Consolidated Court Operations (City of Prescott No. 2013-204).

RECOMMENDED ACTION: *MOVE to adopt Resolution No. 4174-1336.*

- K. Legislation

RECOMMENDED ACTION: *Council can discuss and provide direction. No formal action will be taken.*

III. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
- (v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));
- (vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

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.

Lynn Mulhall, MMC, City Clerk

I.A.

CONSENT AGENDA

I.A. Approval of minutes:

- Workshop of May 21, 2013
- Special Meeting of May 28, 2013
- Regular Meeting of May 28, 2013

PRESCOTT CITY COUNCIL
WORKSHOP
TUESDAY, MAY 21, 2013
PRESCOTT, ARIZONA

MINUTES OF THE WORKSHOP OF THE PRESCOTT CITY COUNCIL HELD ON MAY 21, 2013, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 9:00 A.M.

◆ **PLEDGE OF ALLEGIANCE** by Mayor Kuykendall

◆ **ROLL CALL**

Present:

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

Absent:

None

I. Discussion/Direction re FY2014 Tentative Budget

City Manager McConnell presented. The presentation will be available for viewing on the City Website at www.prescott-az.gov, this afternoon. He noted that this presentation will provide financial information and identify key budget items, issues and considerations and selected reference materials. It is a document intended to be useful for policy discussion. Written responses will be provided for those questions not answered today.

Mr. McConnell said there are many complexities in our budget for a City our size. He reviewed the FY2014 Organizational Chart and the FY14 key budget issues and considerations:

- Stabilization and growth of the regional, state, and national economies
- Transaction Privilege Tax
- Property Tax
- Employee pay and benefits

- Airport area
- Tourism
- Public Safety response alternatives
- Strengthening relationships with regional partners

Personnel, Pay, and Benefits

Alison Zelms, Deputy City Manager, reviewed retirement costs, overtime, and assignment pay. She pointed out the estimated increase in the FY14 budget will total \$500,000.00 for Arizona State Retirement and Public Safety Retirement. These rates are set by the State of Arizona, not by the City of Prescott. Ms. Zelms recapped information provided at the May 7th workshop.

Councilman Lamerson questioned the \$1 million mandated increase to the General Fund and the lack of an equal revenue increase. He asked how we can continue the level of service when we do not have assurance of the revenue. Ms. Zelms said last year the Council adopted a balanced budget. The mandated increases make it more difficult to make decisions.

Ms. Zelms reported:

- The last year of a City cost of living adjustment was FY 08; merit and step increases were suspended after FY09
- Pay compression is an issue City wide
- Work related training and travel is included in each department budget
- Education assistance for personal development was last funded in FY08
- This draft budget does not include funding for tuition assistance

Councilman Arnold said it makes sense to look at our step system. Now we are locked into 4 percent at each step. He suggests having a smaller percentage and let management determine how many steps a person should get based on job performance.

Ms. Zelms pointed out, as discussed at the May 7th workshop, the ability to fund FY14 pay adjustments will depend upon both the primary property tax levy of the City and whether the Arizona Legislature changes construction sales tax to point of sale and/or makes other major modifications.

Mayor Kuykendall noted the differences between the City of Prescott and the Town of Prescott Valley as relates to public safety retirement and sales tax.

Ms. Zelms explained the position changes in the FY14 budget. If all positions are approved, both new and eliminated, means an additional 1.25 full time employees bringing our total to 508. The total positions in FY 13 are 505 and total positions in FY 09 were 570. Councilman Blair pointed out that some of the new positions are being mandated by the Federal Government.

Councilman Arnold asked if there is a projection for building permits for next year and if we have enough staff for any increases.

General Fund

Mr. McConnell said the funding structure is severely limited by state law. He reviewed key items, issues, and considerations:

- Continued attacks on funding sources and revenue amounts through tax code revisions and changes to state-shared revenue distributions
- 89 percent of the General Fund revenues come from City and State assessed taxes which have no correlation to service demand
- 69 percent of General Fund expenses are for public safety, year after year pressuring other City programs and services directly related to the overall quality of life in our community
- Trauma Intervention Program – increase of \$10,000 to \$23,906 per year
- Regional Economic Development – GPREP request for \$40,000
- New five –year IGA with Yavapai County for Consolidated Court
- Yavapai Humane Society request for (1) sheltering services contract increase from \$59,334 to \$77,700/year; and (2) additional \$15,000 to complete new building
- Financial support required for Airport infrastructure and operations
- Downtown enforcement hardware

Councilman Blair said 70 percent is due to public safety. Maybe we need to consider a one percent sales tax to cover the costs of public safety. Council discussed the federal mandates for personnel and programs.

General Fund Revenues

Mark Woodfill, Finance Director, reviewed General Fund Revenues. We are projecting an increase in sales tax of \$13.5 million based on estimated Local Taxes (sales/use tax, primary property tax, franchise tax); Intergovernmental Revenues (state sales tax, state income tax, state vehicle license tax, joint dispatch, library, other); Licenses and Permits; Service Charges; Fines and Forfeitures; Miscellaneous and Interest; for a total predicted General Fund Revenue of \$31 million in the FY 2014 Budget. Several funds are reduced in FY14: Franchise taxes, Joint Dispatch, Library, Service Charges, Fines and Forfeitures, Interest.

Councilman Blair said we need to have discussions with the County regarding funding for the library. He noted that the formula no longer works. He asked how they can raise the property tax side of the Library District to get some relief for what the City pays.

Mr. McConnell noted that the new Board of Supervisors, with their five members, is very different from what it was. He said a dialogue with the new Board can be initiated in FY 2014.

Mr. Woodfill said the library is projected to have a \$1.7 - \$1.8 million impact on the General Fund. Mr. McConnell said the Library District provided approximately one quarter of the funding for the library.

Property Tax

Mr. Woodfill said there are significant state limitations on the amount of property tax the City is allowed to access.

- The City assesses two types of property tax: Primary and secondary.

Mr. Woodfill reviewed the Primary Property Tax Capacity and Use. The proposed \$422,609 increase in primary property tax is comprised of \$160,022 from a reduction in the FY13 levy and \$262,587 from new construction and the allowed 2% annual growth on the levy which has not been levied by the City. The proposal would yield about \$1.5 million, only 5 percent of the City's \$31.1 million General Fund.

Mr. Woodfill reported sales tax in Prescott Valley is 2.33 percent, Chino Valley is 4.00 percent and City of Prescott is 2.00 percent.

TPT (Sales Tax) Legislation

Mr. Woodfill said the current proposal is effective January 2015 and would not affect FY14 budget. New FY14 expenses requiring recurring funding must be considered from the standpoint that the funding may not be there in FY15.

10:35 A.M. Mayor Kuykendall recessed the meeting for a short break.

10:47 A.M. Mayor Kuykendall reconvened the meeting.

General Fund Expenditures

Mark Woodfill reported that 69 percent of the General Fund is in Public Safety and 76 percent is in personnel costs. He reviewed the operating expenditures by department, including the percentage change. We are looking at expenditures coming in at 5.4 percent over next year.

General Fund FY14 Capital Outlay/Projects:

He noted that \$204,000 is carryover funds from the previous year. About \$687,000 is related to facility improvement and they come from the Capital Facilities Reserve Fund. He said \$167,000 of the projects will come out of current year operating revenue.

Council Questions & Answers:

- Andy Reinhardt, Deputy Police Chief, explained that the alarm system is to update the current system. Officers already have some night vision equipment; this purchase would be for the helmets.
- Mr. Woodfill explained the priority ranking, saying that FY14 is important now and staff needs direction for this budget if the priorities are different than what the City Manager has listed.
- Departments always look for grant opportunities to cover expenses for projects. The items on the list are projects that do not fall into the Grant category and are items the City Manager has listed as necessary.
- The fitness center at the Fire Department should not compete with local businesses. Mr. McConnell said that is not the intent. He pointed out that the exercise equipment came with the building. Chief Fraijo said they like to keep their people as close to their area of work as possible.
- Councilman Blair asked how much we are being demanded by Federal Government to spend, with no money coming in to offset the demand.
- Mr. Baynes said the Watson Lake Park is a part of the Master Plan for the park, with possible funding in 2015. This is for planning purposes.
- Regarding the three proposed fire stations, Mr. Woodfill said these will depend on the outcome of an Impact Fee Study. Don Devendorf, Battalion Chief, said it is based on timing/response time and population moves.

Mr. Woodfill reported the Rodeo Grounds rehabilitation is still listed on the Unfunded Capital.

General Fund Summary

Mr. Woodfill reviewed:

- General Fund Operations
- Operating Income
- Capital Expenditure and Transfers Out
- Transfers Out (Golf Course, Airport Grants Match, Governmental Grants Match)
- Net Change in the Fund Balance
- Fund Balance Beginning and Ending (\$12,522,569)
- Ending Balance – Detail

City Council – Operating Expenditures

Mr. Woodfill reviewed the operating expenditures, resulting in a 2.7 percent increase over FY13. Mayor Kuykendall pointed out that there are guidelines for travel. Council has been paying their own way to attend out of town conferences. Necessary travel in FY14 will have compensation for travel. There will be guidelines to follow. There will be

a mechanism put into place to review requests and to determine if it is an appropriate benefit to the City. The Council takes this very seriously.

Councilman Kuknyo said it is important for Council to attend some events, for example, to fight for better roads and to represent the City. He looks forward to working on this. Councilman Arnold said this is important. The Council is taking an active role in drafting this part of the budget and this is a positive change.

Library

Ms. Zelms reported that the Library Advisory Board, appointed by Council, has been looking at budget and fees. The Advisory committee recommends:

- Make meeting rooms available to the public at no charge as a basic service by the Library
- Charge postage recovery fees for interlibrary loans of materials
- Increase the cost of color printing at public access computers from \$0.25 to \$0.50 per page
- Increase the cost of a replacement Library card from \$1.00 to \$2.00
- Implement a \$15 fee for proctoring tests
- Retain current late fees for FY 14; consider increase in FY15

Mayor Kuykendall recessed the meeting at 12:00 P.M.

Mayor Kuykendall reconvened the meeting at 1:00 P.M.

Special Revenue Funds – Specific funds for a specific purpose

Streets and Open Space – The largest fund

- The 1 percent tax will decrease to $\frac{3}{4}$ of 1 percent effective January 1, 2016, and cease to be a funding source for open space acquisition (currently brings in about \$13 million)
- Maintenance and rehabilitation needs
- No funding source exists for new streets
- Funding from HURF has declined during the last six years
- State Highway System is severely underfunded
- The change in the fund balance is about \$6 million

Mr. Woodfill reviewed the projects projected out through 2019.

Impact Fee

- Current law has significantly reduced the amount of funding which can be made available for new capacity

- In communities with aging infrastructure, single rehabilitation projects usually include both “existing deficiency” and “new growth” components
- Funding and financing of capital costs is increasingly difficult
- A new impact fee study is in progress for Police, Fire and Streets, as required by law
- Library and Parks fees will end in 8/1/2014
- Goldwater Lake expansion and Pioneer Park projects are included in Impact Fees Capital Improvement Projects

Councilman Scamardo asked that the City Manager and Tom Guice look at options available for funding. Mr. Woodfill said the state is trying to eliminate all construction taxes.

Bed Tax

Ms. Zelms said it is at 3 percent in the City of Prescott. This tax is restricted to specific activities and has been doing fairly well. The major changes are in marketing and promotion. The balance is built up because funds were not used in the past. Ms. Zelms reviewed Tourism – A Strategic Enhancement.

- Enhancement will enable the City to implement strategic interest of local hospitality industry stakeholders in generating increased leisure and group market sales during target expansion periods, attracting conferences, meetings, scheduled group tours, and independent tour programs.

Councilman Arnold asked about liquor license fees. Mr. McConnell pointed out if we do away with the fee, there will be a hit to the budget of about \$70,000. Council discussed. Councilman Kuknyo asked about a fee for Bed & Breakfasts and spreading out the fee. Mr. McConnell said to him this is about taking tourism to the next level. We need to identify the outcome. The Tourism Advisory Committee has discussed this.

Councilman Arnold said he would like to discuss the fee this year. Ms. Zelms said the fees collected by Liquor License fees are used in the Tourism industry and are in the General Fund.

Councilman Blair asked if we will ever be able to access a fee on rehabilitation houses (Recovery residences). City Attorney Paladini said the first step would be to adopt a plan to have a list of these houses. A portion of the fee charged to residents would be deemed as rental. The lease amount could fall under Transaction Privilege Tax for rentals. Councilman Blair said we should have a way to charge houses that charge a fee. They are making an income. Mr. Woodfill said it is hard to find these homes. Councilman Blair was glad there is an ongoing effort. Mr. Paladini said first you have to find out how much is being used for rent and how much for caretaking.

Other special revenue funds include: Aker Trust and miscellaneous gifts and donations; governmental grants.

Enterprise Funds

Water Fund

- Restrictions on collection and use of impact fees complicate funding and delivery of system capital projects.
- If needed projects are to proceed, and less/fewer impact fees are available for funding, the burden on existing rate payers must increase

Mr. McConnell said staff will be looking at the Aquifer Protection fee.

Councilman Lamerson questioned the 80/20 split. Mr. McConnell said the basis for the 80/20 split is complicated. Some is about water management and some is about future populations. All factors went into the determination of the 80/20. At some time in the future this will need to be updated and validated. The Big Chino will get built if the market will support the cost of the water.

Wastewater

- Similar issues and considerations as those for the Water Fund
- Implementation of the Wastewater Capital Program is behind that of the Water CIP
- Several large projects, to respond to new conditions and regulations
- The biggest project is for the Airport Phase I

Solid Waste

- The Tipping Fee reduction is due to a change in accounting.

Mr. Woodfill reviewed the list of capital projects for FY2014.

Stephanie Miller explained that the \$600,000 for Landfill Cap Repair is a place holder. We have \$1 million set aside for landfill maintenance. This money is collected from the users. Although Household Hazardous Waste Collection Day is very popular, the last time we had it, participation was way down so staff decided to go to an 18 month schedule.

Airport

Mr. Woodfill reviewed the Airport Fund; revenues and expenditures.

Jeff Tripp, Airport Manager, explained the request for \$1 million for a new Aircraft Related Fire Fighting Truck Replacement. Councilman Blair said the terminal does not fit and we have plans for a new terminal. Something always comes up. He asked when they will be going out for request for proposals. Mr. McConnell said we do have a

Master Plan and since that time we have had additional thoughts. We will revision the airport area, including the terminal. We need to go through a validation process and determine if part of the game plan is to lengthen the runway for future commercial service. He noted that it is a conversation for FY14.

Mayor Kuykendall asked if we get reimbursed for the Law Enforcement Officers and noted at one time we were. Mr. Tripp said we are not getting reimbursed at this time. He said we have challenges with the terminal and cannot market ourselves to a major airline with the current terminal.

Councilman Lamerson pointed out we are a small city and we need to look at the big picture. He said our airport handles our current needs. Mr. Tripp said there are a lot of factors to consider if Council determines that they want to improve/enlarge the airport.

Mr. McConnell said these numbers are for the master plan and it needs to pencil out for a City with 40,000 people. It has to work financially and it has to be what the community wants. He asked why we would go into debt for one flight a week.

Councilman Carlow asked about the restaurant. Mr. Tripp explained that the restaurant is old with equipment from the 1950's. He asked what the cost benefit of renovating is if we are going to go with a new terminal.

Golf Course

Ms. Zelms reviewed the actual revenues and expenditures. Food sales are up a little and the overall operation of the golf course is virtually in the same place as in the past year. She noted that costs exceed revenues.

Councilman Kuknyo questioned why the beverage sales are so far down. Ms. Zelms said staff will check the accounting to make sure beverages were not added in food totals.

Ms. Zelms reported there is about a net income loss in golf operations of (\$146,349.00).

Key items, issues and considerations:

- Continued operating deficit
- Loan from General Fund estimated to total \$4.05 million by the end of FY14
- Local competition among courses
- National and local decline in golf
- More clarity regarding the fit of Antelope Hills as a threshold asset into a higher level Airport Area business and tourism economy, and how to operate the golf, food service, and meeting venues
- Policy for dealing with current and future operating deficits financially

Councilman Blair said in the private sector, numbers like these would close down a restaurant. He questioned the \$300,000 for personnel in Manzanita Grille/Centennial Center. Mr. McCarley said there are additional salaries that come out of that total for staff who work both sides of the golf course and temporary staff who come in for special events. He wants to see the vision to make this course work.

Mr. McCarley said the cost of their food is higher than that of a private business. He discussed the number of employees and the benefits they receive. He noted that the cost of effluent water has increased dramatically.

Councilman Scamardo explained that our employees get paid more than what private industry pays their workers. The maintenance workers also get higher salaries and benefits.

Mr. McCarley reported that over the past four years rounds of golf have decreased from 70,000 rounds to 60,000 rounds. He believes as we re-vision the whole area, Antelope Hills can become part of the economic solution not the economic problem. He feels we have leveled off. In the long range plans, Antelope Hills has to play a part in the entire area. We have a challenge which is also a great opportunity.

Councilman Arnold said this is the year we need to make a decision, whether changing the configuration or something else. Between management and Council we need to move the golf course in the right direction.

Councilman Lamerson said he agrees with Councilman Arnold that we need to make a change. He does not believe the City of Prescott would be better off without the golf course. He agrees the golf course can be part of the solution. He likes the idea of potentially having an executive type golf course and a hotel and making the area a tourism magnet.

Councilman Kuknyo said only golfers use the golf course. It bothers him that we are having the same discussion we had last year. He asked if rounds would decrease by having an executive course.

Councilman Scamardo asked if Council supports putting the entire golf course operation out for a Request for Proposal for a management company to take it over. Councilmen Arnold said he would support having this on an agenda to discuss in more detail. Councilman Blair pointed out if we do that we lose control. We need to look at the bigger picture as relates to the development of the airport area.

Mr. McConnell said at the end of the day there is a fixed amount to run a 36-hole golf course. He said it was a declining game and there is no basis to think that it would ever be better. He felt the City is headed toward contracting out the entire operation. He said there is no alternative and the question is when they would do it. The view from the staff perspective is to maintain the asset, realize that it will not break even, and integrate the asset into the larger picture.

Councilman Kuknyo asked if the City did anything last year to reduce costs. Councilman Carlow said visioning is the key and it should be done in 90 days. Councilman Kuknyo asked why staff showed up at this meeting with numbers that cannot be explained. He would like to see a 10 percent decrease. Councilman Blair said we need a grander plan. Get someone in to redesign the nine holes and plan for a conference center. Then if you want to put out a Request for Proposal, that will be fine.

Mr. McCarley said he is trying to provide a quality golf experience. You can cut to a certain point and it will affect the entire property. We present a first class product. If the Council wants to present a typical municipal golf course with a hot dog stand, that is up to Council, which he does not agree with. There are no capital improvements for the golf course. The Cart Path was on an original improvement list but he is now using the millings from streets. He said if they want to break even, they need to slash expenses, stop watering, cut back on service and staffing. He also noted that the new fleet of golf carts cost \$500,000.00 per year for four years. Mr. McCarley suggested cutting the South Course to nine holes.

Councilman Blair agreed and said the water could be put back into the portfolio and we could keep the North Course at a high level.

Mayor Kuykendall said he brought in a restaurant guy to look over our operations. He did show him the balance sheets and was told our food is too high and the labor overhead is too much. The airport area is complex. He said there are several things that have to be done with the land and the golf course is a plus. He noted that there are some opportunities in marketing and said he would volunteer to put together a small group of successful professionals in the community to come up with a plan in six weeks. He said that government does not do well putting together an overall scheme of money making opportunities. If that is Council's desire he will be happy to do it. Some of the solutions may be difficult to take. He feels there is a solution.

Councilman Scamardo talked about the increasing number of players at Antelope Hills and said that he is in favor of the Mayor's proposal.

Mayor Kuykendall recessed the meeting at 3:49 P.M.
Mayor Kuykendall reconvened the meeting at 4:00 P.M.

Internal Service Funds

Mr. Woodfill reviewed these funds, which include:

- Engineering
- Fleet Maintenance
- Self Insurance
- Facilities Maintenance

Total City Budget

Mr. Woodfill said we are level for the year. Capital projects are up a little from last year; 2.62 percent. Our budget as proposed is \$173,111.928; up 8.2 percent.

Mr. Woodfill reviewed where the monies come from. There is a net change of \$34,315,786. It is almost \$10 million higher than we projected last year.

The remaining steps include the tentative budget on June 11, 2013; a public hearing on the budget on June 25, 2013; Adopting the Property Tax levies on July 9, 2013.

Mayor Kuykendall suggested a 9:00 A.M. Workshop on budget on June 4, 2013 and the Regular Workshop at 3:00 P.M.

II. ADJOURNMENT

There being no further business to be discussed, the Prescott City Council Budget Workshop of May 21, 2013, adjourned at 4:10 P.M.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

LYNN MULHALL, City Clerk

PRESCOTT CITY COUNCIL
SPECIAL MEETING
TUESDAY, MAY 28, 2013
PRESCOTT, ARIZONA

MINUTES OF THE SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MAY 28, 2013, in the LOWER LEVEL CONFERENCE ROOM located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 1:30 P.M.

◆ **ROLL CALL**

Present:

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

Staff Present

Craig McConnell, City Manager
Jon Paladini, City Attorney
Lynn Mulhall, City Clerk
Mark Woodfill, Finance Director
Mark Nietupski, Public Works Director
Alison Zelms, Deputy City Manager
Linda Ripley, Legal Administrator
Joel

CALL TO ENTER INTO EXECUTIVE SESSION

Upon a public majority vote of the members constituting a quorum, the Council may hold an executive session that is not open to the public for the purposes set forth below. When the executive session ends, Council may adjourn or return to open session.

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

The Prescott City Council recessed into Executive Session at 1:30 P.M.

EXECUTIVE SESSION

I. **LEGAL MATTERS**

- A. An executive session pursuant to A.R.S. §38-431.03(A)(3)and(4) for discussion or consultation for legal advice with the attorney or attorneys of the public body; for discussion or consultation with the attorneys of the

public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation.

- a. ADEQ Pretreatment Ordinance Consent Order
- b. Workers' Compensation Third Party Administrator Contract with Berkley Risk Administrators Company through the Arizona Municipal Risk Retention Pool

B. The executive session adjourned at 2:15 P.M.

ADJOURNMENT

There being no further matters to come before the Special Meeting, the meeting was adjourned at 2:15 P.M.

MARLIN D. KUYKENDALL, Mayor

ATTEST

LYNN MULHALL, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of the City of Prescott, Arizona held on the 28th day of May, 2013. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2013.

AFFIX
CITY SEAL

LYNN MULHALL, City Clerk

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, MAY 28, 2013
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MAY 28, 2013, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 3:00 P.M.

◆ **INTRODUCTIONS**

◆ **INVOCATION** by Reverend Julia, Each One Reach One Ministries

◆ **PLEDGE OF ALLEGIANCE** by Councilman Lamerson

◆ **ROLL CALL:**

Present:

Absent:

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

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

Mayor Kuykendall reported there was a great turnout at Citizens Cemetery yesterday, observing the holiday and that Citizens Cemetery and the City of Prescott will be 100 years old next year. There were over 3,000 flags flying at the Veterans Cemetery.

I. **CONSENT AGENDA**

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

- A. Approval of the minutes of the Prescott City Council meeting of a Special Meeting on May 7, 2013; Workshop of May 7, 2013; Special Meeting of May 14, 2013; and a Regular Meeting of May 14, 2013.
- B. Approval of contract with Prescott Pro Sound, LLC, in the amount of \$14,625.00 for Summer Concert Series sound reinforcement services.
- C. Authorization to purchase Microwave Communication equipment for the Airport Water Reclamation Facility in the amount of \$14,405.05.

COUNCILMAN ARNOLD MOVED TO APPROVE CONSENT AGENDA ITEM I.A. – I.C.; SECONDED BY COUNCILMAN CARLOW; PASSED UNANIMOUSLY.

II. REGULAR AGENDA

- A. Approval of License Agreement with Sturm, Ruger & Co., Inc., for use of City of Prescott property (City Contract No. 2013-191).

George Worley, Planning Manager, presented and reported that Sturm, Ruger has added 150 new employees and are requesting additional parking. The request is for City property adjacent to Ruger Road that the City is not currently using. The proposal is to install an unimproved parking area with minor improvements such as lighting and a walkway. Representatives from Ruger are available to answer any questions.

Kathy Swenson, Prescott resident, said Sturm Ruger has enough money and we are not in the business for corporate welfare.

Daniel Mattson, Prescott resident, said this is a local company employing many Prescott residents, and he approves.

Ralph Hess, Prescott resident, said he sees that this as a licensee agreement, and has not gone out to bid. He called attention to an item at the end of the agenda regarding water quality and asked how much of the expense would be assignable to Ruger. He asked why the City would grant a license for one acre of City property to a private corporation without a request for proposal.

Councilman Scamardo noted that it was a month to month lease and did not see it as corporate welfare.

Mr. Hess said that under the agreement Ruger has agreed to make improvements to the property and he saw no conditions in regard to termination. He said this is short notice and there is not time to raise questions with only three days notice about what will be on the agenda. He asked what the benefits to the citizens would be.

Councilman Blair said the land is in the flood plain that cannot be built on. This is a good use of the property.

Councilman Kuknyo said the benefit to the community is the 100 additional jobs and the additional revenue spent in our stores.

Mr. McConnell said it is city property and is unusable. This property has never been used for any other business. This is a simple, straight forward business transaction.

Mayor Kuykendall said we are taking action to approve a temporary lease for space in the flood plain.

COUNCILMAN LAMERSON MOVED TO APPROVE A LICENSE AGREEMENT WITH STURM, RUGER & CO., INC., FOR USE OF CITY PROPERTY (CITY CONTRACT NO. 2013-191); SECONDED BY COUNCILMAN CARLOW; PASSED UNANIMOUSLY.

- B. Approval of a Second Amendment to the Facilities Use Agreement between the City of Prescott and the Prescott Chamber of Commerce re property at the Rodeo Grounds (City Contract No. 2012-227A2).

Stephanie Miller, Field and Facilities Director, said this amendment will provide an extension for an additional year. The Chamber uses this building to house decorations used at the Yavapai County Courthouse at Christmas. There is no budgetary impact. Chamber representatives are available to answer questions.

Councilman Kuknyo said he would like to see a master plan for the Rodeo Grounds.

COUNCILMAN LAMERSON MOVED TO APPROVE A SECOND AMENDMENT TO THE FACILITIES USE AGREEMENT BETWEEN THE CITY OF PRESCOTT AND THE PRESCOTT CHAMBER OF COMMERCE (CITY CONTRACT NO. 2012-227A2; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.

- C. Approval of a Second Supplement to the Lease and Management Agreement between the City of Prescott and Prescott Frontier Days, Inc., for use of various facilities at the Rodeo Grounds (City Contract No. 2011-323A2).

Mr. McConnell, City Manager, presented. This item is to extend the use by Frontier Days through 2017, of the Mackin Building activity room, restrooms, and Barn B through December 31, 2017. The reason for this date is that it is the Master Lease date, which is the current lease in effect with Yavapai County. Last year was the first year the Mackin Building was available. This allows for security to their tenancy. The agreement also allows alterations to the leased facilities upon prior City approval.

Councilman Kuknyo said one reason he would like to see a master plan is for people to feel like it is a permanent venue.

Stephanie Miller, Bill Oden, President and J.C. Turjillo, General Manager of Prescott Frontier Days, are available for questions.

J.C. Trujillo thanked Council and said the extension of the lease to 2017 is important to them. They want to keep Frontier Days and the Prescott Rodeo in Prescott.

Sandra Smith, Prescott resident, commented to the Rodeo people, that more handicap access needs to be made available. Mr. Trujillo replied that they will work on better accessibility.

Mr. McConnell said a master plan for the Rodeo Grounds is not in the budget this year. Discussion has to take place how to implement a master plan.

COUNCILMAN SCAMARDO MOVED TO APPROVE THE SECOND SUPPLEMENT TO THE LEASE AND MANAGEMENT AGREEMENT BETWEEN THE CITY OF PRESCOTT AND PRESCOTT FRONTIER DAYS, INC. (CITY CONTRACT NO. 2011-323A2; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.

D. Approval of a Second Amendment to the Lease Agreement between the City of Prescott and the Northern Arizona Council of Governments re property at the Rodeo Grounds (City Contract No. 2919-228A2).

Stephanie Miller, Field and Facilities Director, presented and said this agreement provides a one year extension to their lease agreement to provide NACOG with a suitable location to conduct a Head Start program in Prescott. Last year we extended the agreement one year and this will extend to June of 2014. There is no cost to the community. Piper Swenson is available for questions.

Piper Swenson, Assistant Director for Head Start Program, reported they provided for 95 children to get ready for public schools. Ms. Swenson said a multiple year lease would benefit them. Mr. McConnell said the Council could extend through 2017 or approve this lease and next year extend the lease to multiple years with an escape clause.

COUNCILMAN ARNOLD MOVED TO APPROVE A SECOND AMENDMENT TO THE LEASE AGREEMENT BETWEEN THE CITY OF PRESCOTT AND THE NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (CITY CONTRACT NO. 2012-228A2; SECONDED BY COUNCILMAN CARLOW; PASSED UNANIMOUSLY.

E. Adoption of Resolution No. 4170-1332 approving an Intergovernmental Agreement with the City of Phoenix for the disposition of residential recyclable materials (City Contract No. 2013-195).

At 3:42 P.M. Councilman Kuknyo declared a conflict of interest and left the dais.

Stephanie Miller, Field and Facilities Director, presented. Ms. Miller said there is a demand by our residents to recycle glass and this IGA will establish a schedule

whereby Prescott will receive a share of the revenue generated from the sale of processed materials. Staff will develop a Request for Proposal to provide this service. In the meantime we can either stay with our current provider who does not recycle glass, on a month to month contract or we can go into an IGA with the City of Phoenix to provide the recycling of glass. The term of the IGA is for one year with up to four, one year renewal periods. Under the agreement we have a maximum tonnage amount but no minimum. The increase to haul to Phoenix will be offset with revenue sharing. She noted that the two containers in the alley behind Whiskey Row are part of a pilot program.

COUNCILMAN ARNOLD MOVED TO ADOPT RESOLUTION NO. 4170-1332; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

Councilman Kuknyo returned to the dais at 3:47 P.M.

- F. Approval to purchase two (2) each Evapotranspiration Weather Centers and related Oasis system upgrades from John Deere Landscapes in an amount not to exceed \$21,797.20.

Joe Baynes, Parks and Recreation Director, presented. The hardware and software will update equipment purchased in the 1990's. The information will be used to better manage the irrigation systems in the turf areas. This is estimated to have an annual savings of up to \$8,000 a year. A representative from John Deere is available to answer questions. Mr. Baynes said the life expectancy of the equipment is 20 plus years.

Councilman Blair asked how often the equipment is checked. Mr. Baynes said it is constantly monitored.

COUNCILMAN LAMERSON MOVED TO APPROVE THE PURCHASE OF TWO (2) EACH EVAPOTRANSPIRATION WEATHER CENTERS AND RELATED OASIS SYSTEM UPGRADES FROM JOHN DEERE LANDSCAPES IN AN AMOUNT NOT TO EXCEED \$21,797.20; SECONDED BY COUNCILMAN KUKNYO; PASSED UNANIMOUSLY.

- G. Adoption of Resolution No. 4173-1335 approving an Intergovernmental Agreement with the Central Yavapai Fire District for use of Glassford Hill communications infrastructure (City Contract No. 2013-190).

Andy Reinhardt, Deputy Police Chief, presented. If approved, this will give access to the tower that the Central Yavapai Fire District (CYFD) is leasing from Intermountain Communication. The Prescott Valley tower would be the main tower and this one will provide redundancy. There is no charge to the City for the use of the tower. The agreement is for as long as CYFD has access to the sight.

COUNCILMAN KUKNYO MOVED TO ADOPT RESOLUTION NO. 4173-1335; SECONDED BY COUNCILMAN CARLOW; PASSED UNANIMOUSLY.

- H. Approval of banking services contract with Wells Fargo Bank (City Contract No. 2013-186).

Mark Woodfill, Finance Director, presented. The City goes out to bid every five to six years to make sure we keep prices current. There were five bidders, and Wells Fargo is recommended by staff.

COUNCILMAN BLAIR MOVED TO APPROVE A CONTRACT WITH WELLS FARGO BANK FOR BANKING SERVICES FOR THREE YEARS WITH THREE OPTIONAL ONE-YEAR EXTENSIONS (CITY CONTRACT NO. 2013-186), AND AUTHORIZE THE FINANCE DIRECTOR TO FINALIZE THE DOCUMENTS NECESSARY TO IMPLEMENT THE CONTRACT; SECONDED BY COUNCILMAN SCAMARDO; PASSED UNANIMOUSLY.

- I. Approval of Workers' Compensation Third Party Administrator Agreement with Berkley Risk Administrators Company through the Arizona Municipal Risk Retention Pool (City Contract No. 2013-192).

City Attorney Paladini reported that effective June 1, 2013, the City will be obtaining its property and causality insurance from the Arizona Municipal Risk Pool. All existing claims that occur before that date will be the responsibility of the City. The City is required to have a Third Party Administrator for Workers' Compensation claims through the end of May 2013. In the past, the City retained York as its claims administrator. Staff recommends that as of June 1, 2013, the City retain Berkley Risk Administration, which is a subset of the risk pool. The annual cost is \$35,000, which is less than what we paid York.

COUNCILMAN ARNOLD MOVED TO APPROVE THE CLAIM SERVICES AGREEMENT WITH BERKLEY RISK ADMINISTRATORS COMPANY IN THE ANNUAL AMOUNT OF \$35,000.00 FOR ADMINISTRATION OF PRIOR WORKERS' COMPENSATION CLAIMS (CITY CONTRACT NO. 2013-192); SECONDED BY COUNCILMAN SCAMARDO; PASSED UNANIMOUSLY.

- J. Adoption of Resolution 4167-1329 declaring City Code Title II Chapter 2-1: Public Works Department, a public record; and Adoption of Ordinance No. 4856-1313, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE PRESCOTT CITY CODE BY AMENDING CITY CODE TITLE II, CHAPTER 2-1, BY ADOPTING THE PUBLIC RECORD DOCUMENTS GENERALLY ENTITLED "CITY CODE, TITLE II, CHAPTER 2-1, PUBLIC WORKS DEPARTMENT", "CITY OF PRESCOTT LOCAL LIMITS UPDATE" AND "CITY OF PRESCOTT CHAPTER 7 ENFORCEMENT RESPONSE PLAN" AND ADOPTING PENALTIES FOR VIOLATIONS THEREOF

Mark Nietupski, Public Works Director, presented. He noted that the referenced documents are available on the City website. We have been through a very extensive process over the past 14 months. He said the City Council authorized a contract with Arcadis for the implementation of a wastewater pretreatment program. The public process began in February with a number of stakeholder meetings. The program is to comply with regulations. He pointed out commercial users are not required to get a permit at this time, and that will come to Council in the future. This is only for industrial users, of which there are five in Prescott. The Code includes various sections. There are no fees associated with wastewater treatment at this time. The effective date will be 30 days after adoption.

Mr. Nietupski said this action today will put in place a wastewater pretreatment program to put the City into compliance.

Councilman Scamardo said this occurred because of a mandate from the Environmental Protection Agency and the Arizona Department of Environmental Quality.

Councilman Arnold said commercial businesses are not going to be impacted today, and the five industrial users may or may not be impacted by this. Staff will work with the five users to make that determination. Councilman Arnold reported that Council has had many executive sessions on this subject and have met with staff many times.

COUNCILMAN ARNOLD MOVED TO ADOPT RESOLUTION NO. 4167-1329; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

COUNCILMAN ARNOLD MOVED TO ADOPT ORDINANCE NO. 4856-1313; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

K. Approval of a Consent Order from the Arizona Department of Environmental Quality for Wastewater Pretreatment Program implementation.

Mark Nietupski, Public Works Director, presented. The City, with the Council's approval, will agree to implement a wastewater pretreatment program and insure that it is in compliance with its aquifer protection permits for operating wastewater treatment facilities.

The City did receive a notice of violation in relation to fluoride in the effluent at the airport plant. The consent order requires the City, within 365 days of the effective date, to ensure that a pretreatment plan is in place and the City discharged at the airport facility is in compliance with the permit limits for fluoride. Status reports are required every 30 days to report progress to ADEQ. There are no civil penalties associated with this Consent Order.

Councilman Arnold summed it up, saying this Council has made a commitment to protect the health and safety of the Prescott residents. He said this will improve the quality of service we provide the citizens of Prescott.

Cathy Swenson, Prescott resident, said she read an article that said the quality of the water being recharged into the aquifer exceeded the milligrams per liter by 5.4 milligrams. She asked if Pure Wafer was contributing to the fluoride and how much it will cost the City to fix the problem.

Mayor Kuykendall said Pure Wafer took over Excel and they came here through the Arizona Commerce Authority. He said that at that time, everything was in full compliance.

Mr. Nietupski said there is a Development Agreement with Excel, now Pure Wafer. They made it known that there would be fluoride discharged to the City system. The discharge has fluctuated over time. The pretreatment program will rectify that situation to ensure the effluent discharge from the airport is in compliance.

Ms. Swenson asked how we could allow any company to use so much water and allow it to go out of compliance.

Mayor Kuykendall said the Council has a responsibility and is trying to stay ahead of the problem. The Council is taking drastic action. The company is working with the City hand in hand.

Councilman Blair said Pure Wafer recharges approximately 95 percent of the water they use.

Councilman Lamerson said we saved water at the time through conservation efforts which may have lead to the saturation of the remaining water. Mr. McConnell said the City has continually scrutinized new uses of water, trying to discourage consumptive use of water. This company being discussed today, does use a lot of water but very little is consumed. The City actively manages its water resources. The Consent Order sets in place a framework for resolving water quality issues as relates to discharge.

Mayor Kuykendall said no company has been singled out by ADEQ as a problem. This is an ongoing process. Mr. Nietupski said the program would have been required, regardless of the fluoride issue.

COUNCILMAN LAMERSON MOVED TO APPROVE THE ADEQ CONSENT ORDER FOR WASTEWATER PRETREATMENT PROGRAM IMPLEMENTATION; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.

Mayor Kuykendall introduced Mr. and Mrs. Stonecipher. Mr. Stonecipher owner and operator of Guidance Aviation, was recognized as Small Business Man of the Year for the State of Arizona.

Mr. Stonecipher acknowledged the Council and said it is the community support that Guidance Aviation has received that makes the program work. He said they bring hundreds of families to the community. Small steps can be taken to help small businesses for the betterment of the community, he said.

L. Legislation.

Alison Zelms, Deputy City Manager, gave a brief legislative report.

III. ADJOURNMENT

There being no further business to be discussed, the Regular Voting Meeting of May 28, 2013, adjourned 4:36 P.M.

ATTEST:

MARLIN D. KUYKENDALL, Mayor

LYNN MULHALL, 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 28th day of May, 2013. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2013.

AFFIX
CITY SEAL

LYNN MULHALL, City Clerk

COUNCIL AGENDA MEMO – June 11, 2013
 PROCUREMENT ITEM FOR CONSENT AGENDA (\$10,000 - \$20,000)

DEPARTMENT: Tourism (Special Events)

AGENDA ITEM CAPTION: Approval of Contract with Party Professionals in the amount of \$18,796.50 for various rides and activities for the 4th of July Celebration (City of Prescott No. 2013-198)

Approved By:	Date:
Department Director: Don Prince	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-4-13

Good(s) or Service(s) to be Purchased	
Description of Item(s) Check if Prof. Services ___	Water slides, rides and various other entertainment activities as listed in the attached pricing list for the 4 th of July Celebration
Quantity	Services will be provided on the 4 th of July with set-up on the 3 rd and removal by 11:30pm on the 4 th
Necessity/Use	4 th of July Celebration at Pioneer Park

Summary of Written Quotes (exclusive of tax) or Professional Services Proposals			
		** See Note (1) below for professional services **	
x	Vendor (Name and Location)	Price	Delivery/Schedule
	1. Party Professionals	\$18,796.50	7/3/13 – 7/4/13
	2. Expectation Sports DBA Rock it Up	Did not quote for all these items	
	3. AZ Bounce	Did not quote for all these items	
	4. Freedom Station	Did not quote for all these items	

x = recommended award

Budget Information	General Fund
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Additional Comments: In addition to selections from the pricing list, Party Professionals will provide two (2) each generators free of charge.

Attachments	1. Party Professionals pricing
	2.
	3.

Party Professionals

					Total
Spin Cycle Ride					
Mindwinder	30wx30d	1500	160	375	2035
Up Roar	20x30	1000	160	375	1535
Pirate Ship	20x30	1000	320	375	1695
Swing Ride	25x25	500	160	375	1035
Orbitron	15x15	500	160		660
Spinning Berry	8x18	500	160	375	1035
Spinning Barrel	8x18	500	160	375	1035
Spinning Teddy	15x15	500	160	375	1035
Tumble Weed					0
Train Ride		840	160	375	1375
Zipline	200x20	2300	800	375	3475
FlyWire Mobile Zip Line					0
5 man rock wall	15x30	840	320	375	1535
Dolphin Ride	20x20	500	160		660
4 man Bungee Trampolines	40x40	1700	800		2500
Spinning Barrel	8x18	500	160	375	1035
Eliminator	30x30	700	160		860
Vortex	50x20	1200	160	375	1735
Mechanical Bull	20x30	750	160		910
Mechanical Surf Board	20x20	700	160		860
Little Kids Mechanical Bull	20x20	500	160		660
Kiddie Ferris Wheel					0
Kiddie Merry-Go-Round					0
Dry Inflatables					
Roswell Rocker		500	160		660
Zorbs - 4 ball		1000	320		1320
Jurassic Adventure		700	160		860
Cars Bounce/Slide		500	160		660
Mickey Bounce		200	160		360
VW Ball House		100	160		260
Extreme Slide Dry Slide 40 ft tall		900	320	375	1595
Little Animal Kingdom Bounce					0
2 Fun Slides		200	160		360
Castle Play land		150	160		310
Tweety Bounce		150	160		310
Little Builder Bounce					0
Spiderman Combo		200	160		360
Western Obstacle Course		600	160		760
Extreme Obstacle Course 125 ft long		1000	320		1320
Hamster Balls - Zorbs					0
Little Train Obstacle		300	160		460
Wet Slides					
20 foot wave slide		400	160		560
22' Roaring Water Slide		600	160		760
Triple water slide		600	160		760
20' Dolphin Water Slide					0

18 feet tall 55 feet long Water Slide	500	160	660
16' Shark Water Slide	500	160	660
33' Tidal Wave	700	160	860
24' Dual Water Slide	600	160	760
Extreme Slide JR	800	160	960
24' Giant Water Slide			0
100 ft long 40 ft tall water slide.	1300	640	1940
65 feet long x 27 feet tall Tropical Water	840	320	1160
65 feet long x 24 feet tall Kids Scrub	600	160	760

Sports Items

Basketball Challenge	250	160	410
QB Blitz	250	160	410
Football Toss is our QB Blitz			0
Golf Game	250	160	410
Western Shooting	450	160	610
Sneaker Basketball	100	160	260
Radar Baseball	250	160	410
3 Sports in One	250	160	410
Ladder Climb	250	160	410

Carnival Games

Plinko Toss	20		20
Monster Toss	20		20
End Zone	20		20
Can Knock Down	20		20
Ring Toss	20		20
Dart Throw	20		20
Prize Wheel	20		20
Alien Tooth Knock Down	20		20
Ring the Rhino	20		20
Tic-Tac-Toe	20		20
Shock Wave	20		20
Crazy Driver	20		20
Space Monster	20		20
High Striker (kiddie)	100		100
High Striker (adult)	200		200

Bull Ringer

48995

Cowboy Clown

20

20

3 of A Kind

20

20

Space Monster

20

20

1

20

20

* 10% OFF of order

COUNCIL AGENDA MEMO – June 11, 2013
 PROCUREMENT ITEM FOR CONSENT AGENDA (\$10,000 - \$20,000)

DEPARTMENT: Tourism (Special Events)

AGENDA ITEM CAPTION: Approval of Contract with Expectation Sports, LLC, DBA Rock it Up, in the amount of \$13,280.00 for various rides and activities for the 4th of July Celebration (City of Prescott No. 2013-199)

Approved By: _____ **Date:** _____

Department Director: Don Prince

City Manager: Craig McConnell *Craig McConnell* 6-4-13

Good(s) or Service(s) to be Purchased	
Description of Item(s) Check if Prof. Services ___	Zip Line rides and various other entertainment activities as listed in the attached quotation for the 4 th of July Celebration
Quantity	Services will be provided for the 4 th of July Celebration with set up on July 3 and removal by 11:30pm on July 4, 2013
Necessity/Use	4th of July Celebration at Pioneer Park

Summary of Written Quotes (exclusive of tax) or Professional Services Proposals

x	Vendor (Name and Location)	** See Note (1) below for professional services **	
		Price	Delivery/Schedule
	1. Expectation Sports, LLC, DBA Rock it Up	\$13,280.00	7/3/13 – 7/4/13
	2. Party Professionals	Did not quote for all these items	
	3. AZ Bounce	Did not quote for all these items	
	3. Freedom Station	Did not quote for all these items	

x = recommended award

Budget Information General Fund

Additional Comments:

Attachments	1. Expectation Sports, LLC, DBA Rock it Up, quotation
	2.
	3.

Rock It Up
 22230 N Black Canyon Hwy
 Glendale, AZ 85027

Estimate

Name/Address
City Of Prescott PO Box 2059 Prescott, AZ 86302

Date	Estimate No.	Project
05/03/13	33	

Item	Description	Quantity	Cost	Total
2 - EuroBungy-4	Four Bungee Trampoline jump stations-staffed, dimensions 40'x40', 110v 30amps needed		2,400.00	2,400.00T
Zip Line-double	Mobile Zip Line-2 zip line routes-staffed, dimensions 200'x25', 110v 10amps elect needed		2,700.00	2,700.00T
Combo Unit	4-Route Rock Climbing Wall & 2 Bungee Trampoline Unit-staffed, dimensions 25'x25' 110v, 20amps elect needed		2,350.00	2,350.00T
Spinning Berry	Spinning Berry, staffed-dimensions 10'x10' **\$700 if rented as a package with all other items**		845.00	845.00T
Orbitron	Orbitron-2 Person, staffed-dimensions 15'x15' **\$800 if rented as package with other items listed**need 20amp		949.00	949.00T
Mechanical Bull	Mechanical Bull, staffed-dimensions 15'x15', **\$850 if rented as a package with other items listed**2 20amp		995.00	995.00T
Mechanical Surfboard	Mechanical Surfboard, staffed-dimensions 15'x15', **\$850 if rented as package with other items listed 2 20amp		995.00	995.00T
Spin Cycle	Spin Cycle, staffed-dimensions 10'x10' **\$800 if rented as package with above items**		945.00	945.00T
	Prescott, AZ July 4, 2013, 11:30am-9pm City of Phx Rental Tax		9.30%	1,132.65
				12,150.00
			Total	\$13,311.65

tax 1,130.00
 = 13,280.00

COUNCIL AGENDA MEMO – June 11, 2013
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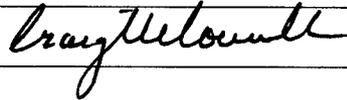
DEPARTMENT: City Clerk

AGENDA ITEM: Public Hearing and consideration of a liquor license application from Ann Louise Woodruff, owner and applicant for Biga for a Series 12 Restaurant license, located at 623 Miller Valley Road

Approved By:	Date:
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Department Head: Lynn Mulhall	
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City Manager: Craig McConnell	
--------------------------------------	--



	5-22-13
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A Liquor License Application, City No. 13-218, State No.12133550, has been received from Ann Louise Woodruff, applicant for Biga, for a Series 12 Restaurant license, for **Biga** located at 623 Miller Valley Road.

The application has cleared Planning and Zoning, as well as the Police Department.

The application and license fee have been paid; the property was posted and there have been no statements of opposition.

The public hearing will be held at the Regular Council Meeting of Tuesday, June 11, 2013. 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.12133550, for a Series 12, Restaurant, license, for Biga located at 623 Miller Valley Road.</p>
--

COUNCIL AGENDA MEMO – June 11, 2013

DEPARTMENT:	Community Development
AGENDA ITEM:	Public Hearing for request to annex portions of APNs 102-05-032C, 102-05-324L, 102-04-010A, and 102-04-010B (ANX13-001; Owner: James Deep Well Ranches #1)

Approved By:		Date:	
Department Head:	Tom Guice		
Finance Director:	Mark Woodfill		
City Manager:	Craig McConnell 		6-3-13

Item Summary

This is a City-initiated annexation and rezoning of 247 ± acres, located west of the Prescott Municipal Airport (Attachment 1). The property is bounded on the south by Pioneer Parkway, on the east by State Route 89, and for a distance on the west by Willow Creek Road. It is currently vacant and zoned in the County for single-family uses. Rezoning to a mix of multi-family residential (Multi-Family High), commercial (Business Regional), and industrial (Industrial Light) zoning districts is also proposed, and will be considered at the time that the Ordinance to approve the annexation is brought back to Council (Attachment 2).

The purpose of this request is to initiate annexation prior to development to assure that infrastructure improvements will be made to City standards. It is also timely given the plans to improve and widen State Route 89 and realign Willow Creek Road. Although a conceptual master plan has been developed for the property, no specific development is proposed at this time.

Background

The long-term planning processes required to initiate this annexation began in 2008, and involved changes to the General Plan, the Airport Specific Area Plan, and the Airport Master Plan.

The General Plan was adopted in 2003, and is the guide for land use and related decisions in the City. The Plan specifically recognizes the Prescott Municipal Airport for its importance in regional economic development and encourages airport area growth (General Plan Chapters 3.3.1, 3.3.10, 6.2, and 7.6). At the time the plan was written, areas east of the airport were targeted as potential areas for growth, and have since been annexed and plans for development are underway (Granite Dells Estates).

In 2008 there was recognition of potential development beyond what was planned to the east of the airport, and the General Plan was amended to establish appropriate land uses for the areas west and north of the airport (Attachment 2). By including these areas in the General Plan Land Use Map, it was possible for the City to begin planning for infrastructure in those areas. After adoption of the amendment, the City completed

AGENDA ITEM: Public Hearing for request to annex portions of APNs 102-05-032C, 102-05-324L, 102-04-010A, and 102-04-010B (ANX13-001; Owner: James Deep Well Ranches #1)

detailed water, sewer, and transportation master plans for this area, in conjunction with Deep Well Ranches and the Arizona State Land Department.

The Airport Master Plan was also updated in 2009 to better reflect new FAA design standards related to airport impacts. The map associated with the Master Plan designates Airport Impact Zones, which restrict residential uses in the areas most likely to be affected by airport noise and approach and departure zones (Attachment 3). In consideration of the updated Master Plan, the City recently completed a Runway Safety project that effectively moved the main runway toward the northeast, away from the subject property. The City is currently updating the Airport Specific Area Plan to reflect the aforementioned changes to both the General Plan and Airport Master Plan.

In 2009 a Procedural Pre-Annexation Agreement was signed by the City and James Deep Well Ranches, which set forth mutual understandings for future annexations, north and west of the airport (Resolution No. 3996-1026). The Agreement required the City to initiate annexations and jointly submit rezoning requests. It also addressed water and settled the obligation of the City to provide water based on the 1967 grant of an easement for the City's current water transmission pipeline. Because the water obligation exists, it is a benefit to the City to annex to assure that the infrastructure is built to City standards, and the City is able to provide a sewer system to accept the wastewater needed for aquifer recharge purposes.

City Services and Financial Impacts

The existing Utilities Master Plans will guide water and sewer infrastructure development for the area. Water is available to the property from the City's Assured Water Supply portfolio based on the requirements set forth in the Pre-Annexation Agreement. Transportation-related decisions will be made in accordance with the Airport Area Transportation Plan. All related improvements will be built to City standards. An independent cost-benefit analysis will be presented at the Public Hearing by Sarah Murley of Applied Economics.

Planning and Zoning Commission Recommendation

The City Annexation Policy (Resolution No. 2739) describes factors to be considered, including impacts to services, ability to provide services, revenue generated, costs incurred by the City, and potential uses of the property. Annexation priorities identify property with potential commercial or industrial uses, and property located in relationship to long-term goals of the City.

This item was brought before the Planning and Zoning Commission on May 9 and May 30, 2013. Four people spoke in opposition to the rezoning request, noting concerns regarding the proposed industrial uses in proximity to the Antelope Hills and Pinon Oaks neighborhoods. One letter (Attachment 4) and several phone calls were also received. The Commission unanimously recommended approval of the annexation. The rezoning

AGENDA ITEM: Public Hearing for request to annex portions of APNs 102-05-032C, 102-05-324L, 102-04-010A, and 102-04-010B (ANX13-001; Owner: James Deep Well Ranches #1)

was also recommended for approval on the basis that the Industrial Light zoning district is in direct conformance with the General Plan and the Airport Specific Area Plan, which restricts residential uses in proximity of the airport for airport protection, aviation safety, and economic growth.

Next Steps

A blank petition to be signed by the owners of real and personal property within the proposed annexation area has been filed with the Yavapai County Recorder's office. Signatures may be obtained beginning on June 15, 2013, at the conclusion of the 30-day waiting period after filing. At such time as the owners of one-half or more in value of the property and more than one-half of the persons owning the property (A.R.S. 9-471.A.4) have signed the petition in favor of the annexation, the Ordinance to approve the annexation will be brought back to Council for consideration.

Once the Ordinance to approve the annexation has been approved and the City has adopted the zoning classification required by State statutes, a rezoning may be heard and voted on. Consideration of these items will likely occur on June 25, 2013.

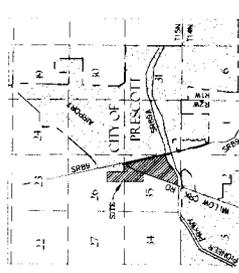
Attachments

- Annexation map and legal descriptions
- Rezoning map
- Airport Impact Zones and Noise Contours map
- Letter

Recommended Action: **MOVE** to close the Public Hearing for Annexation Request No. ANX13-001.

PLAT OF
ANNEXATION
 TO THE
CITY OF PRESCOTT
 PORTIONS OF SECS. 26 & 35, T15N, R2W
 G&SRB&M, YAVAPAI COUNTY, ARIZONA

VICINITY MAP

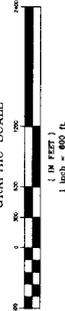


NO SCALE

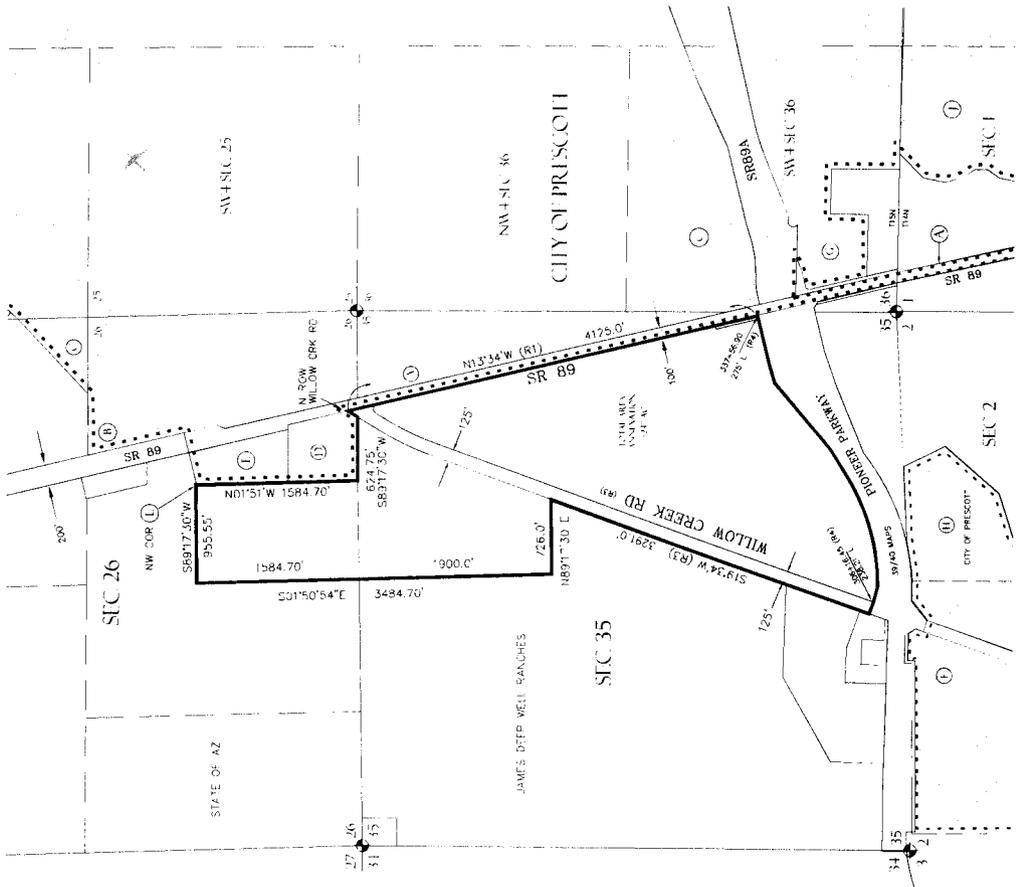
REFERENCES USED TO PREPARE THIS PLAT

- (1) AMENDED BY ORDINANCE 504-1-17 BK 5 PG 146 MAPS
- (2) APACHE HILLS SUBDIVISION BK 10 MAPS PG 38
- (3) ANNEKED BY ORDINANCE 542 BK 7 PG 44 MAPS
- (4) ANNEKED BY ORDINANCE 628 BK 9 PG 70 MAPS
- (5) ANTELOPE WILGATE SUBDIVISION BK 14 PG 70 MAPS
- (6) ANNEKED BY ORDINANCE 1123 BK 18 PG 100 MAPS
- (7) VILLAS AT THE RIVER SUBDIVISION BK 49 PG 85 MAPS
- (8) PEARL CREEK SUBDIVISION BK 28 BK 35 PG 69 MAPS
- (9) ANNEKED BY ORDINANCE 4039 BK 41 PG 82 MAPS
- (10) ANNEKED BY ORDINANCE 4195 BK 42 PG 70 MAPS
- (11) ANNEKED BY ORDINANCE 4521 BK 57 PG 47 MAPS
- (12) ANNEKED BY ORDINANCE 4554 BK 58 PG 58 MAPS
- (13) SR 89 400' RIGHT-OF-WAY MAP C-13-1-49 (1993)
- (14) SR 89A ADD'l RIGHT-OF-WAY MAP S-356-723
- (15) WILLOW CREEK ROAD RIGHT-OF-WAY BK 9 MAPS PG 56, YCRD
- (16) SR 2871 OFFICIAL RECORDS, PG 351, YCRD
- (17) PIONEER PARKWAY RIGHT-OF-WAY BK 39 MAPS PG 40, YCRD
- (18) SR 3614 OFFICIAL RECORDS, PG 527, YCRD

GRAPHIC SCALE



File and Record of request at
 CITY OF PRESCOTT
 AD 201-
 of _____ of _____
 Book _____ MAPS & PLATS
 Page _____
 Records of Yavapai County, Arizona
 LESLIE M. HOFFMAN
 County Recorder
 Name _____
 Number _____



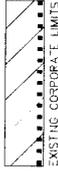
APPROVAL

APPROVED UNDER ORDINANCE NO. _____
 PASSED AND ADOPTED BY THE MAYOR AND CITY
 COUNCIL OF THE CITY OF PRESCOTT ARIZONA
 ON THIS _____ DAY OF _____ 20____

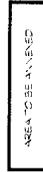
MAYOR _____

CITY CLERK _____

CITY ENGINEER _____



EXISTING CORPORATE LIMITS



AREA TO BE ANNEXED

52'-32" DEGREE TOTAL

THIS PLAT WAS PREPARED BY ME DURING THE MONTH
 OF MARCH 2013 BASED ON RECORD INFORMATION,
 AND IS REPRESENTED ACCURATELY TO THE BEST OF MY
 KNOWLEDGE AND BELIEF.



DUANE FARNAS RLS 27737

DUANE FARNAS RLS
 111 W. WASHINGTON
 PHOENIX, ARIZONA 85007

PROPERTY DESCRIPTION
WEST AIRPORT ANNEXATION

March 25, 2013

All that portion of Sections 26 and 35, Township 15 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at a point on the Northerly right-of-way line of Pioneer Parkway as found in Book 39 of Maps, Page 40, Yavapai County Recorder's Office (YCRO) where said right-of-way line intersects the Easterly right-of-way line of the 125 foot wide Willow Creek Road as found in Book 9 of Maps, Page 56 and further described in Book 2671 Official Records, Page 951, YCRO. Said point of intersection is 238.21 feet left of the centerline of Pioneer Parkway at Engineer's Station 306+16.45;

Thence Easterly along the Northerly right-of-way line of said Pioneer Parkway to the point of intersection with the Westerly right-of-way line of a 100 foot wide SR 89 as shown on Arizona Department of Transportation right-of-way map C-13-T-49, said point of intersection is 275 feet left of the centerline of Pioneer Parkway at Engineer's Station 337+56.90 and is also a point on the Westerly boundary line of that property annexed into the City of Prescott by Ordinance No. 504 $\frac{1}{2}$ as found in Book 5 of Maps, Page 145 YCRO;

Thence Northwesterly along the Westerly right-of-way line of SR 89 to a point on the Southerly line of above said Section 26;

Thence continuing Northwesterly along said Westerly right-of-way line to the point of Intersection with the Northwesterly right-of-way line of above said Willow Creek Road, said point also on the Southeasterly boundary line of that property annexed into the City of Prescott by Ordinance No. 1103 as found in Book 18 of Maps, Page 100, YCRO;



expires 3/31/15

Continued...

PROPERTY DESCRIPTION
WEST AIRPORT ANNEXATION

March 25, 2013

Thence Southwesterly along the Northwesterly right-of-way line of Willow Creek Road to the intersection with the South line of Section 26;

Thence South $89^{\circ}17'30''$ West 624.75 feet along the South line of Section 26 to the Southwest corner of Antelope Village Subdivision according to the plat of record found in Book 14 of Maps, Page 70, YCRO, and is the Southwest corner of that property annexed by above said Ordinance No. 1103;

Thence North $01^{\circ}51'$ West 1584.70 feet along the Westerly line of said Antelope Village Subdivision and the extension thereof to the Northwest corner of the Villas at the Ridge Subdivision according to the plat found in Book 45 of Maps, Page 85, YCRO, said point also being the Northwest corner of that property annexed into the City of Prescott by Ordinance No. 1106 as shown in Book 19 of Maps, Page 3, YCRO;

Thence South $89^{\circ}17'30''$ West 955.55 feet along a line running parallel with the South line of Section 26;

Thence South $01^{\circ}51'$ East 1584.70 feet along a line running parallel with the West line of above said Antelope Village Subdivision to a point on the South line of Section 26 also known as the North line of Section 35;

Thence continuing South $01^{\circ}51'$ East 1900.0 feet to a point;

Thence North $89^{\circ}17'30''$ East 726.0 feet more or less along a line parallel with the North line of Section 35 to the point of intersection with the Westerly right-of-way line of above said Willow Creek Road;

Thence Southwesterly along the Westerly right of way of Willow Creek Road to a point which lays 125.0 feet Northwesterly of, and at right angles to the point of beginning on the Northerly right-of-way line of Pioneer Parkway;

Thence Southeasterly 125.0 feet perpendicular to the Westerly right-of-way line of Willow Creek Road to THE POINT OF BEGINNING.

Containing 247 acres more or less.

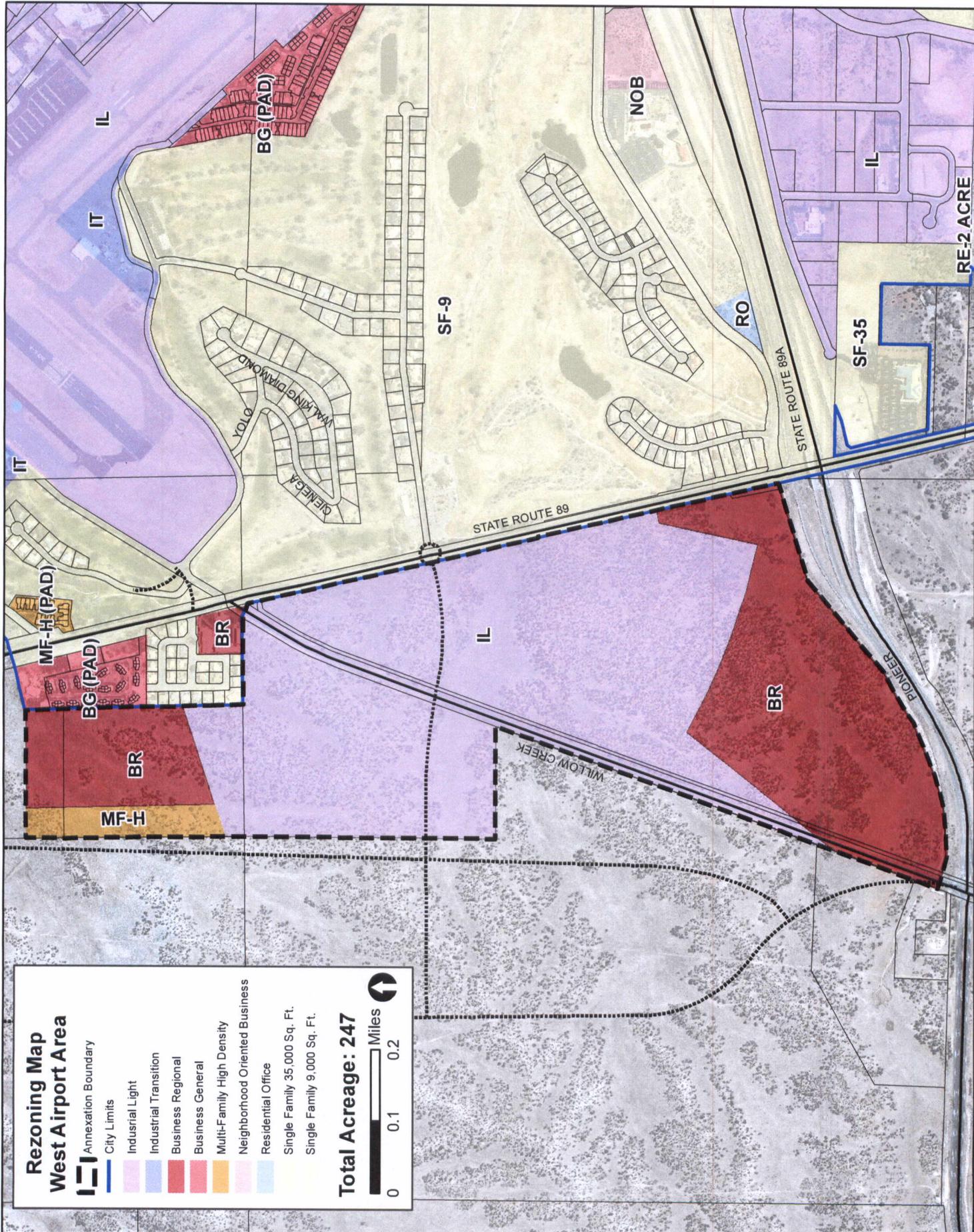
Rezoning Map West Airport Area

Legend

-  Annexation Boundary
-  City Limits
-  Industrial Light
-  Industrial Transition
-  Business Regional
-  Business General
-  Multi-Family High Density
-  Neighborhood Oriented Business
-  Residential Office
-  Single Family 35,000 Sq. Ft.
-  Single Family 9,000 Sq. Ft.

Total Acreage: 247

 0 0.1 0.2 Miles 



USES IMPACTED BY CHANGE TO TRANSITIONAL INDUSTRIAL FROM LIGHT INDUSTRIAL

SPECIFIC USE		I T	I L	Use Standards		
Permitted In Industrial Light					Section Percentage Of Overall Uses (result rounded down to 5% from actual value 5.464%)	Non Impacted & Permitted to Conditional or Special Use (result rounded up to 79% from actual value 78.689%)
?	Utilities, Major	S	P	2.4.53		
?	Chemical-based Manufacturing	C	P	--		
?	Fabrication of Materials	C	P	--		
?	Machine Shops, Heavy Equipment, Mass Production	C	P	--		
?	Meat Packing	C	P	--		
?	Metal Casting/Fabrication/Foundries	C	P	--		
?	Taxidermy Facilities	C	P	--		
?	Warehousing and Distribution	C	P	--		
?	Agricultural Production	C	P	2.4.2		
?	Stables, Barns & Corrals, Private	C	P	2.5.12		
Special or Conditional In Industrial Light NOT Permitted In Industrial Transitional					Section Percentage Of Overall Uses (result rounded down to 5% from actual value 5.464%)	All Permitted, Conditional or Special Uses to NOT Approved (result rounded up to 10% from actual value 9.836%)
?	Electrical Generation Plants		S	2.4.21		
?	Amusement Parks		C	2.4.6		
?	Racetracks, Motor Vehicle		S	2.4.40		
?	Batch Plants, Asphalt and Concrete		S	2.4.11		
?	Hazardous Waste Facilities		S	2.4.26		
?	Incinerators		S	--		
?	Junkyards		S	2.4.27		
?	Landfills		S	--		
?	Mining and Extractive Uses		S	2.4.32		
?	Auctions, Livestock		C	2.4.8		
Permitted In Industrial Light NOT Permitted In Industrial Transitional					Section Percentage Of Overall Uses (result rounded down to 4% from actual value 4.372%)	10%
?	Adult Bookstores and Entertainment		P	2.4.1		
?	Boat Building, Repair		P	--		
?	Contractor Storage Yard		P	2.4.35		
?	Lumber Mills		P	--		
?	Outdoor Production or Storage		P	2.4.35		
?	Petroleum/Chemical Production		P	2.4.37		
?	Recycling Collection Facilities		P	2.4.43		
?	Commercial Stables		P	--		

***If you have any concerns about what is permitted
by the Light Industrial zone,
PLEASE attend the public hearing on May 30th***

**Public Hearing on Thursday, May 30, 2013 at 9:00AM
City Council Chambers at 201 S. Cortez Street, Prescott, Arizona**

LEGEND

- P Permitted Use (No further approvals must meet Building Code & Use Standards. Public notice & input NOT required)
- C Conditional Use Permit (Requires Public Notification, Public Meeting & Planning & Zoning or Community Developer Director action)
- S Special Use Permit (Requires Public Notification, Public Meeting & City Council Action)
- IT Industrial Transitional (moderate-intensity business and light-industrial district that provides a transitional zone between adjacent residential)
- IL Industrial Light (includes: manufacturing, wholesaling, warehousing, distribution, research and development, and large-scale commercial services)

*All percentage calculations above are based on the total number of possible Specific Uses IL & IT (183 Uses).

USES IMPACTED BY CHANGE TO TRANSITIONAL INDUSTRIAL FROM LIGHT INDUSTRIAL

SPECIFIC USE		I T	I L	Use Standards
NOT Permitted In Industrial Light Permitted In Industrial Transitional				
?	Multi-family Dwellings (Apartments & MF Condos)	P		2.4.33
?	Bed and Breakfasts	P		2.4.12
?	Boarding Houses	P		--
?	Casitas, Cabins, or Cottages	P		2.4.14
?	Foster Group Home (6 - 10 children)	P		2.4.17
?	Foster Homes (≤5 children)	P		2.4.17
?	Fraternities or Sororities	P		2.4.17
?	Group Homes (≤8 persons)	P		2.4.25
?	Transitional Housing	P		2.4.45
?	Hospitals & Trauma Centers	P		--
?	Medical Clinics & Offices	P		--
?	Museums	P		--
?	Funeral Homes	P		--
?	Recreational Vehicle (RV), Motorhomes and Similar Storage	P		2.5.9

Section Percentage
*(result rounded up to 8%
from actual value 7.650%)*

8%

LEGEND

- P Permitted Use (No further approvals must meet Building Code & Use Standards. Public notice & input NOT required)
- C Conditional Use Permit (Requires Public Notification, Public Meeting & Planning & Zoning or Community Developer Director action)
- S Special Use Permit (Requires Public Notification, Public Meeting & City Council Action)
- IT Industrial Transitional (moderate-intensity business and light-industrial district that provides a transitional zone between adjacent residential)
- IL Industrial Light (includes: manufacturing, wholesaling, warehousing, distribution, research and development, and large-scale commercial services)

*All percentage calculations above are based on the total number of possible Specific Uses IL & IT (183 Uses).

The City of Prescott Land Development Code is located at:
www.cityofprescott.net/_d/lcd.pdf
 If you have any questions about the public hearing process please contact
 Ruth Hennings, Community Planner, City of Prescott at either her email:
ruth.hennings@prescott-az.gov
 or by Phone 928-777-1319.

Public Hearing on Thursday, May 30, 2013 at 9:00AM
City Council Chambers at 201 S. Cortez Street, Prescott, Arizona

* The information contained above is based on a reasonable review of the Prescott Land Development Code and, while believed to be accurate, no guarantee and/or warranty as to accuracy is implied. Individuals are encouraged to review, for themselves, the Prescott Land Development Code at the above referenced internet location for complete documentation.



City of Prescott

Airport Specific
Area Plan

Appendix H

Impact Zones & Noise Contours

- Prescott City Limits
- Prescott Valley City Limits
- Roads

Airport Impact Zones

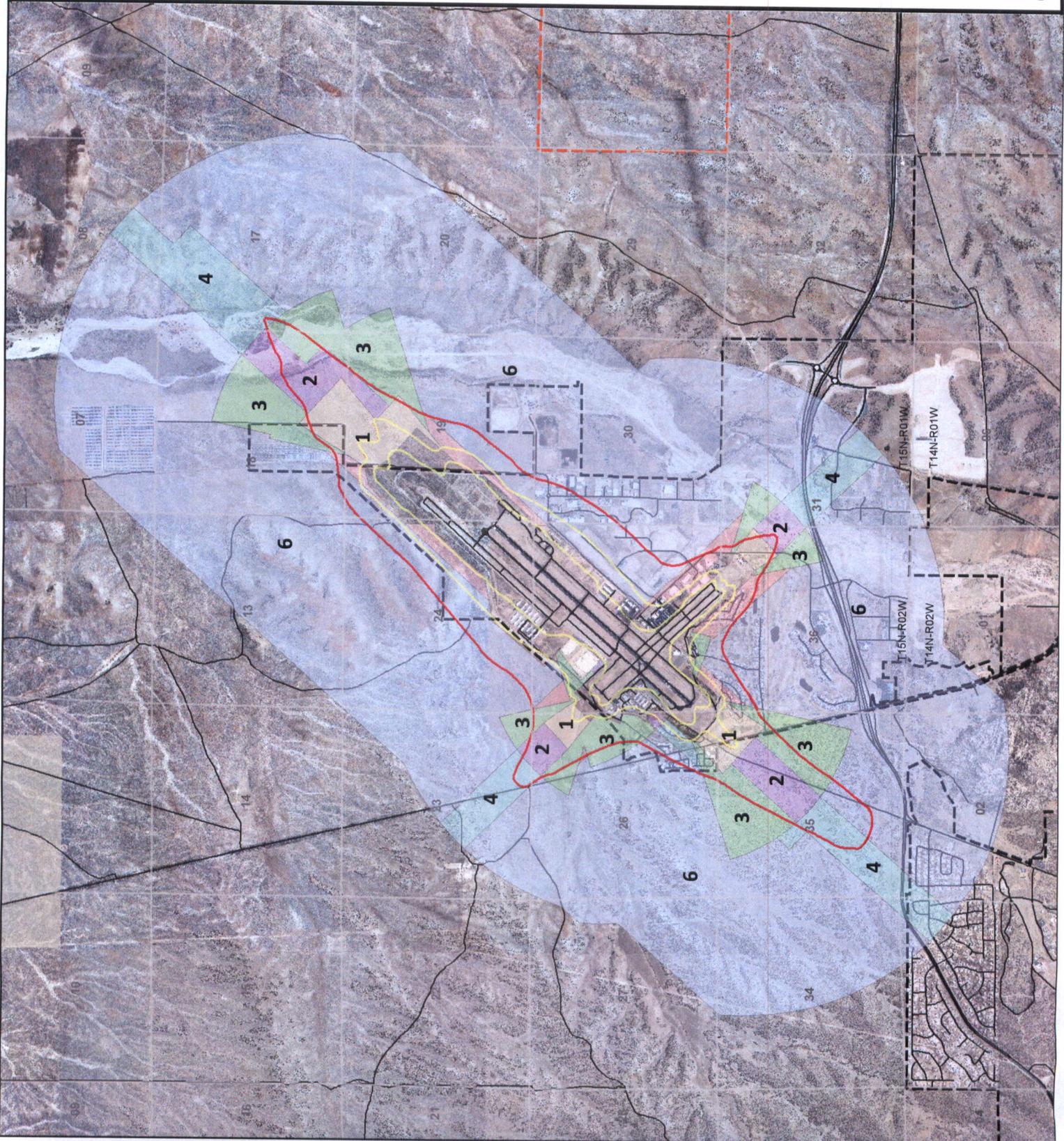
- 1
- 2
- 3
- 4
- 5
- 6

Airport Noise Overlay

- 60 - 64 LDN
- 65 - 69 LDN



CAUTION
MAP IS BASED ON IMPRECISE
SOURCE DATA. SUBJECT TO
CORRECTION. NOT FOR
REFERENCE ONLY.



Hennings,Ruth

From: chuck.queen [chuck.queen@me.com]
Sent: Monday, May 27, 2013 3:35 PM
To: Hennings,Ruth
Subject: My Final Review of Change to Transitional from Light Industrial
Attachments: Uses Impacted.pdf; ATT00001.htm

Follow Up Flag: Follow up
Flag Status: Flagged

Ruth,

Would appreciate it if you would be able to get this into the packet for the public hearing. I know it is short notice and I apologize for that. I will have enough copies at the meeting should you not have enough time to include it.

I would definitely appreciate your courtesy cursory review (not looking for any kind of formal review just a quick once over) of it and if there are any fatal flaws in my logic please let me know. If you have suggestions or thoughts those would be welcome also, just send me an e-mail as I tend to check it often

I started out with the thought that the whole area should be Business Regional but then upon reflection, and our discussions, truly believe that the best use of the land would be in the Industrial Transitional rather than the Light Industrial,

Hope your holiday weekend went very well and see you on Thursday.

Chuck



**FISCAL IMPACTS OF
THE WEST AIRPORT TRIANGLE
ANNEXATION AREA
ON THE CITY OF PRESCOTT**

MAY 2013

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EXECUTIVE SUMMARY

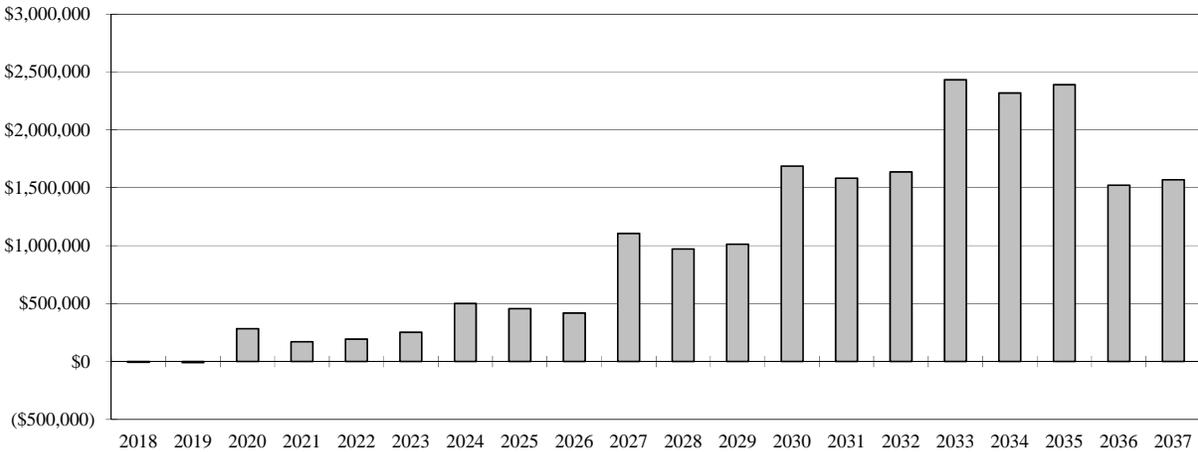
This analysis demonstrates the potential socioeconomic and fiscal impacts of the proposed West Airport Triangle Annexation Area on the City of Prescott. The annexation includes a 247 acre undeveloped area that is located just west of the airport area on the west side of State Route 89 north of Pioneer Parkway. Future development plans may include a youth sports complex in Phase I complemented by a mix of commercial and industrial uses in Phase II.

The fiscal impacts include the General Fund, Water Fund, Wastewater Fund, Transient Occupancy Tax Fund, and the Streets Fund. The analysis covers a 25 year period from 2013 to 2037, during which about 98 percent of the land would be developed. A detailed cost benefit analysis is required by the City of Prescott for all annexations greater than 250 acres; however the same approach is being applied to this annexation of lesser size.

The proposed land uses for the annexation area includes 62 acres of community retail, 62 acres of general industrial, 15 acres of hotel; 104 acres of sports facilities and dorms, and 4 acres of open space. Development is expected to begin by 2020 with the first phase of the youth sports complex and the hotel that are projected to build out in six years. The retail and industrial space in Phase II would begin to develop in 2027 and continue through 2037.

Overall, for the funds included in this analysis, the annexation would have a combined positive net present value impact of \$8.8 million over the 25 year period. The General Fund, Water and Wastewater Operating Funds, Transient Occupancy Tax Fund and Streets Fund all have positive net present value impacts individually over the 25 year period. However, the Streets Fund shows negative annual impacts from 2018 through 2022 when new streets are added for maintenance but there is no sales tax revenue to offset those costs. The Streets Fund is also negative after 2035 when the dedicated Streets Sales Tax sunsets.

FIGURE 1
ANNUAL NET FISCAL IMPACTS*
BASELINE SCENARIO
WEST AIRPORT TRIANGLE ANNEXATION AREA



*Impacts include General Fund, Water, Wastewater, Transient Occupancy and Streets Funds.

1.0 INTRODUCTION

This analysis demonstrates the potential socioeconomic and fiscal impacts of the West Airport Triangle Annexation on the City of Prescott. The annexation would include a total of 247 gross acres located west of the airport area on the west side of State Route 89 north of Pioneer Parkway in Yavapai County. The proposed annexation will include a mix of nonresidential and recreational uses with 62 acres of community retail, 62 acres of industrial, 15 acres of hotel, 104 acres of sports facilities and dormitories and 4 acres of open space. Projected development in the area could increase the current amount of employment in the city by about 1,600.

The impact analysis for the West Airport Triangle Annexation covers a 25 year time period from 2013 through 2037. Development is projected to begin in 2020 and continue through the remainder of the 25 year period. Phase I with the Youth Sports Complex and hotel is projected to develop between 2020 and 2025. Phase II is projected to begin in 2027 with industrial development continuing through 2037. Assumptions regarding phasing and absorption were developed by Applied Economics and the City of Prescott.

The information and observations contained in this report are based on our present knowledge of the components of development, and of the current socioeconomic and fiscal conditions of the affected areas. Projections made in this report are based on hypothetical assumptions and current public finance policies. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to determine the fiscal impact of the proposed annexation. All dollar figures should be interpreted as order of magnitude estimates only. In no way will Applied Economics be held responsible or have any liability or be subject to damages as a result of this analysis. This report may be used only for the purposes that it was intended.

1.1 General Approach

The impact assessment includes revenues and expenditures associated with new development in the annexation area. The analysis includes operating impacts only. All projected capital costs associated with water and wastewater improvements and streets would be paid by the developer. The operating funds that would be impacted by this annexation include the General Fund, Water and Wastewater Operating Funds, Transient Occupancy Tax and the Streets Fund. All data is shown in constant dollars based on an annual inflation rate of 2 percent.

The basic approach for the analysis is to determine the level and character of existing and future development (measured in non-residential square footage, employment, road miles, etc.), and then to model the revenues and expenditures likely to be associated with that development. Current and historical budgets for the city were reviewed to identify revenue and expenditure line items that would be impacted by the annexation. Once identified, each line item was analyzed to identify a socioeconomic factor that could be used to predict a corresponding impact for the annexation area. For example, road miles are a good indicator of the cost of street maintenance. Therefore, by knowing the number of new road miles in the annexation area at any point in time, one could estimate the related costs in the traffic and street maintenance departments. Many of the services provided by the city are utilized by both residents and businesses, thus population and employment are drivers for a number of revenue and expenditure items.

1.2 Report Organization

The balance of this report is divided into two sections. Section 2.0 details the methodology and assumptions used in calculating the development characteristics and the fiscal assumptions used to develop the model. Section 3.0 presents the results of the fiscal impact calculations for the annexation area on an annual basis over the 25 year analysis period. Detailed tables on the socioeconomic and fiscal impact results are included in the appendices following Section 3.0.

1.3 Non-Quantifiable Impacts

As with any proposed annexation or development project, the West Airport Triangle Annexation may include both favorable and contrary impacts that cannot be quantified in this fiscal analysis. This broader range of socioeconomic impacts that should be considered in the final review of this prospective annexation include quality of life, new job creation, additional shopping and recreational opportunities and synergy for additional development in the airport area. No specific aggravating factors have been identified at this time that are not already quantified in the analysis.

In terms of non-quantifiable benefits, this annexation with its proposed mix of nonresidential land uses would allow the city to protect the airport from residential encroachment, which is very important to the long term viability of commercial air service. This annexation area would also provide marketable industrial sites for economic development in Prescott, both in terms of expansion sites for existing businesses as well as sites for new businesses from outside of Prescott. Finally, the annexation would expand the range of sports facilities available in the region for tournaments, youth sports camps and other special events.

2.0 METHODOLOGY

This chapter describes the methodology and assumptions used in developing the fiscal impact model and the absorption projections.

2.1 Development Characteristics

The socioeconomic impacts of the annexation area can be described in terms of employment, square footage, assessed value, taxable sales, construction expenditures and street miles, based on assumptions about the development and the level of growth that could be expected to occur on an annual basis over the 25 year period. The absorption rates used in this analysis are based on information developed by Applied Economics and the City of Prescott.

A conceptual plan exists for the Youth Sports Complex but there are no specific plans for the remainder of the area. However, specific land use designations must be applied in order to accurately project the fiscal impacts. The land use mix shown in this analysis is based on input from the city as well as research performed by Applied Economics on similar sports facilities. The following sections briefly describe the other assumptions used to estimate each of the major characteristics of the proposed annexation.

Youth Sports Complex. Based on the conceptual plan and details of similar facilities in Arizona, the annexation area could include 94 acres of sports facilities plus 10 acres of dormitory space. This layout would include a 58,000 square foot indoor training facility, a small concession area, 8 outdoor soccer fields, 10 tennis courts, a basketball arena, and 8 softball fields. The dormitory space could house approximately 100 students. It is envisioned that the dormitory space would be used during the school year by resident athletes in training and during the summer for youth sports camps. The sports complex is expected to develop between 2020 and 2025 (Figure 2). The sports complex is modeled after the Grande Sports Academy in Casa Grande, but is slightly larger to better fit the acreage designated for this use.

The Youth Sports Complex would generate a small amount of taxable sales through concessions and field rentals. The concession area is assumed to be 2,500 square feet and would be open during weekend tournaments only for about 8 months per year. Based on taxable sales of \$300 per square foot, adjusted for the 18 percent of the time that the facility would be open, this would result in annual taxable sales of about \$131,500. In addition, there would be taxable revenues from field rentals. Based on all-day tournament rental rates of \$3,800 per day for 18 fields at Reach 11 in Phoenix, it is estimated that the 16 soccer and softball fields at the Youth Sports Complex could generate rental revenue of \$121,600 per year during the 8 month tournament season when the facility was not being used for sports camps.

Hotel Development. In order to support the tournaments and other events at the Youth Sports Complex, Phase I would include a 220 room hotel on 15 acres. The hotel has been sized to fit the capacity of the sports facilities. The hotel is projected to develop in 2024. It could support an estimated 100,000 square feet and 200 jobs. Assuming average room rates of \$125 per night and a 53 percent occupancy rate, based on current figures for Yavapai County from the Arizona Office of Tourism, the hotel could generate \$6.1 million per year in taxable sales. This would result in sales tax revenues to the General Fund as well as Transient Occupancy Tax Fund revenues. Assessed value associated with the hotel portion of the development is estimated at \$16.8 million by 2037.

Commercial Development. Phase II of the West Triangle Annexation would include 62 acres of commercial development. It is assumed that the commercial development would be 65 percent retail and 35 percent service (non-sales tax generating) uses. The commercial development is projected to begin in 2027 and build out by 2033. This area could support about 400,000 square feet and 400 jobs at build out (Figure 3). These employment estimates are based on the number of acres by land use, floor-area ratios (the ratio of building area to land area), occupancy rates and per employee square footage requirements (Figure 4). Assessed value associated with the commercial component of the development is estimated at \$65.6 million by 2037. The mix of retail versus non-retail uses in this annexation area is particularly significant to the fiscal impact. Retail development generates taxable sales which currently make up

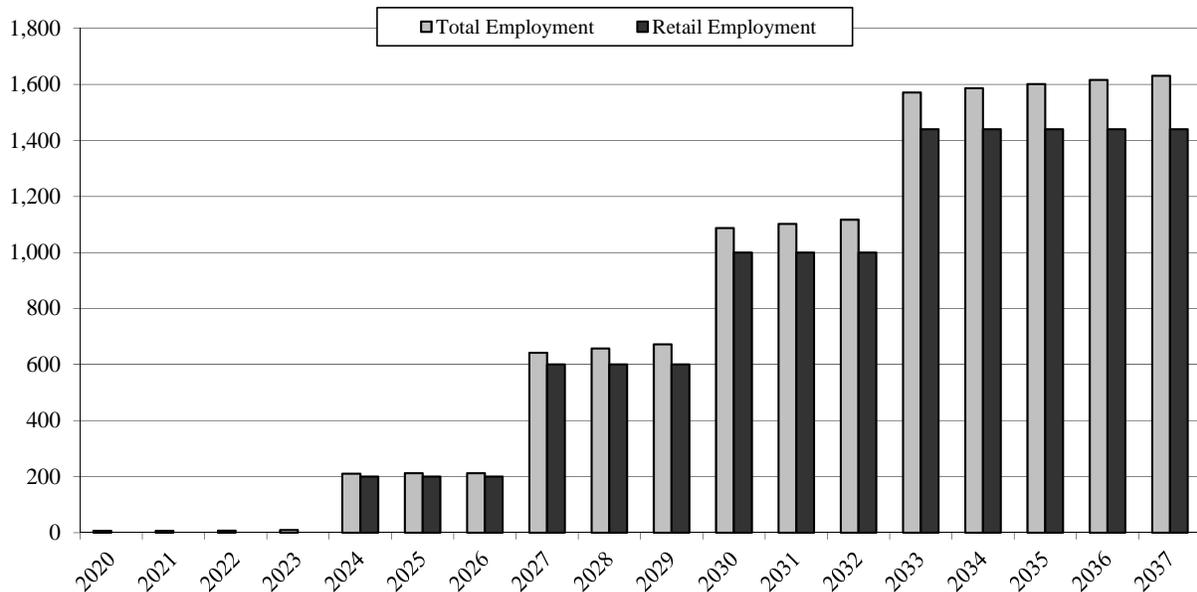
about 45 percent of total city General Fund revenues. The commercial development would create an estimated of \$116.7 million in taxable sales per year by 2037. In addition to supporting General Fund services, these taxable sales also help to fund streets operations.

Industrial Development. In addition to the Youth Sports Complex and other commercial development, the annexation area is expected to include about 62 acres of industrial uses (classified as general industrial). Industrial development is projected to begin in 2027 and continue through the end of the period in 2037. Industrial development generally has a much slower timeline than commercial development and there is a significant amount of other industrial land available in the airport area. The industrial part of the annexation area could support an estimated 288,000 square feet and 180 new jobs by 2037. Assessed value associated with the industrial portion of the development is estimated at \$38.9 million by 2037.

**FIGURE 2
ABSORPTION ASSUMPTIONS
WEST AIRPORT TRIANGLE**

Land Use	Total Acres	Cumulative Developed Acres																		
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
Youth Sports Complex																				
Sports Facilities	94.00	52.00	57.00	57.00	69.00	81.50	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	
Dorms (112 rooms)	10.00	0.00	0.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Hotel (220 rooms)	15.00	0.00	0.00	0.00	0.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	
Industrial																				
General Industrial	62.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	15.00	20.00	25.00	30.00	35.00	40.00	45.00	50.00	55.00	60.00	
Commercial																				
Community Retail	62.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	20.00	20.00	40.00	40.00	40.00	62.00	62.00	62.00	62.00	62.00	
Other																				
Open Space	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
Vacant-Developable	247.00	191.00	186.00	181.00	169.00	141.50	124.00	124.00	94.00	89.00	84.00	59.00	54.00	49.00	22.00	17.00	12.00	7.00	2.00	
Total New Lane Milk	0.00	5.00	5.00	5.00	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	

**FIGURE 3
CUMULATIVE EMPLOYMENT IMPACTS**



**FIGURE 4
DEVELOPMENT ASSUMPTIONS**

Land Use	Square Feet per Employee	Floor Area Ratio	Occupancy	Taxable Sales per Sq Ft	Retail Share	Construction Cost	Annual Lease	Percent Leased
Phase I - Youth Sports Complex						Per Sq Ft		
Sports Facilities	8000	0.02	100%	\$9.25	19%	\$231.00	\$34.74	4%
Dorms (112 rooms)	8000	0.04	100%	\$0.00	0%	\$119.00	\$2.80	100%
Hotel (220 rooms)	500	0.20	53%	\$0.00	0%	\$88.56	\$91.25	100%
Phase II								
Community Retail	300	0.20	93%	\$300.00	65%	\$74.00	\$13.00	100%
Industrial	1500	0.14	93%	\$0.00	0%	\$76.50	\$7.00	50%
Vacant						Value Per Acre		
All	0	na	na	na		\$109	na	na

Source: R.S. Means, Building Construction Cost Data, 2012; Loopnet.com (Lease Rate); Urban Land Institute, "Dollars and Cents of Shopping Centers," (Taxable Sales); Yavapai County Assessor, 2013 (Land Value).

Other Asssumptions

Inflation Rate for Revenues and Expenditures	2.00%
Effective Long Term Interest Rate	1.00%
Effective Long Term Borrowing Rate	5.00%
Net Present Value Rate	4.50%

Source: City of Prescott Finance Department, 2013.

2.2 Fiscal Assumptions

The fiscal model created to assess the impacts of the West Airport Triangle Annexation Area was based on current and historical budgets for the City of Prescott. Historical trends were analyzed for the 2008-09 fiscal year through the 2012-13 fiscal year. Revenue and expenditure line items in the General Fund, Water, Wastewater, Transient Occupancy and Streets Funds were included since these funds will be most impacted by the annexation. The Solid Waste Fund is also noted in the city's cost benefit analysis guidelines; however, this fund is not impacted by the types of land uses proposed for the West Triangle Annexation.

In order to create the model, several years of historical budget information and socioeconomic data were collected. Various drivers were tested for each of the revenue and expenditure items in the model. In this way, consistent rates were developed that could be applied to the socioeconomic data for the proposed annexation area. In many cases an average of rates over the past several years was used. However, some revenue and expenditure items increased at rates that were less consistent over time, or experienced permanent increases or decreases due to operational or other changes. In these cases, rates from more current budget years were used to accurately reflect current conditions.

Many of the revenue and expenditure line items are driven by population, or by "service population", which includes both population and employment. This is because many of the services provided by the City, as well as the various types of revenues that local governments depend on, are proportional to the number of people living and working there. In some cases, population may be weighted more heavily than employment since some services are used proportionally more by residents. Although there is no population associated with this annexation, current citywide population and employment are used as a basis for developing the rates that can then be applied to projected employment in the annexation area.

Major line items that are not driven by population or employment include property tax which is a function of assessed value; sales tax which is a function of retail square footage, retail share, sales per square foot,

lease rates per square foot and occupancy rates; and a variety of building and planning permits and service charges that are a function of annual construction costs. On the expenditure side, community development is a function of annual construction value and population. Street operations are a function of the number of street lane miles added. Human resources, insurance, budget and finance and administrative services are a function of city staff size.

Water sales, wastewater usage charges, connection fees and meter reading revenues as well as wastewater treatment plant and wastewater treatment expenditures are based on the number of connections and level of water usage. In order to estimate the projected number of connections in the annexation area, citywide data on the number of water and wastewater connections by customer class was collected from the 2008 Water and Wastewater Rate and Impact Fee Study. For nonresidential customers, the number of connections was compared to current employment in the city to estimate the rate of nonresidential connections per employee. This rate was then applied to employment in the annexation area to estimate the number of nonresidential water and wastewater connections. Additionally, information on water use and wastewater generation per gross square foot and per acre from the 2013 Carollo North Airport Area Water and Wastewater Master Plan was used to estimate water and wastewater service charges for the annexation area. Production, distribution and alternative water charges in the Water Operating Fund are based on a share of costs per account by customer class.

The Transient Occupancy Tax Fund includes taxes on hotel room rentals at a rate of 2 percent. There are also audit penalties and interest that are modeled as a percent of occupancy tax revenues. Expenditures in this fund include tourism promotion expenditures that are approximately equal to tax revenues since these revenues are restricted for this purpose.

The model also incorporates assumptions about future inflation. All revenues and expenditures are inflated at a rate of 2 percent annually including property tax and sales tax revenues. The inflation rate was provided by the City Finance Director. If there is a positive cumulative net impact, interest will accrue in each fund at a rate of 1 percent per year times the cumulative net impact. Conversely, if there is a negative cumulative net impact, finance charges will accrue at a rate of 5 percent per year.

In addition to the budget data, the fiscal analysis also includes capital improvements schedules (Figure 5). Based on Table 1.1 in the North Airport Area Water and Wastewater Master Plan and input from the City Public Works Director, annual expenditures for required capital improvements related to street, water and wastewater were calculated. The city is not obligated to fund any on-site or off-site street or utility improvements; however the city may facilitate infrastructure financing through various means in the future to enable development. The estimated water, wastewater, and street capital costs shown in Figure 5 are the developer's responsibility *and are not included in the fiscal impact*. However, the new street miles are included in the calculations of street maintenance expenditures.

The final item to be considered is land dedication for right of way and other infrastructure, the value of which has not been included in this analysis. The value of this land is not available to offset costs to the City associated with the annexation; hence it has not been included in the analysis.

**FIGURE 5
CAPITAL IMPROVEMENT SCHEDULES**

<u>Fund/Project</u>	<u>Total</u>	<u>2018</u>	<u>2023</u>	<u>2028</u>	<u>2033</u>	<u>Developer's Share*</u>
Water System Impact						
Water Line Extension	\$2,227,000	\$0	\$759,000	\$1,468,000	\$0	100%
Wastewater Impact						
Sewer Line Extension	\$95,000	\$0	\$0	\$95,000	\$0	100%
Internal Street Improvements	\$7,218,588	\$5,877,679	\$1,340,909	\$0	\$0	100%
Willow Creek Road Interim (8,800')	\$5,877,679	\$5,877,679	\$0	\$0	\$0	100%
Perkins Drive West of SR89 (2000')	\$1,340,909	\$0	\$1,340,909	\$0	\$0	100%
New Lane Miles	6.13	5.00	1.13	0.00	0.00	
Annual Total Capital Improvements	\$9,540,588	\$5,877,679	\$2,099,909	\$1,563,000	\$0	100%

Source: City of Prescott Public Works; Carollo Engineers, Technical Memorandum No. 1 North Airport Area Water and Wastewater Master Plan, February 2013.

*Cost estimates shown in table represent developer's share.

3.0 *IMPACT RESULTS*

3.1 Fiscal Impact Results

This chapter describes the results of the fiscal impact analysis by fund. Overall, for the funds included in this analysis the West Airport Triangle Annexation would have a positive net present value impact of \$13.5 million over the 25 year period.¹ Detailed impact results are shown in the appendix.

The **General Fund** shows a positive impact throughout the modeling period, given the significant amount of retail development in the annexation area. The annual net impacts in 2013 to 2021 reflect the property taxes based on the current assessed value of the land. Development of Phase I begins in 2020 and impacts range from \$9,000 to \$108,000 from 2020 to 2026 (Figure 6). There are significant non-recurring construction sales tax revenues during this period. From 2027 forward, there are additional construction sales tax revenues that cause larger positive impacts in selected years. However, retail sales also increase annually through the remainder of the period as the commercial area develops and the hotel starts generating sales taxes. By 2037, annual sales tax revenues are about \$1.3 million, including retail and hotel sales. Sales taxes are by far the most significant source of revenues to the General Fund throughout the 25 year period. By comparison, General Fund property tax revenues account for only about \$71,000 per year by 2037, based on the City's share of property tax revenues from the approximately \$157.1 million in taxable assessed value generated by the annexation area. Note that a large amount of acreage is devoted to outdoor sports facilities that do not generate a significant amount of assessed value. Over the 25 year period, the West Airport Triangle Annexation Area would have a cumulative *net present value* impact of \$3.0 million in the General Fund.

¹ The net present value calculations use a discount rate of 2.0 percent.

FIGURE 6
SUMMARY OF ANNUAL NET IMPACTS BY FUND
WEST AIRPORT TRIANGLE ANNEXATION

Year	General Fund	Water Fund	Wastewater Fund	Streets Fund	Transient Occ Fund	Net Impact All Funds	Cum Impact All Funds
2013	\$9	\$0	\$0	\$0	\$0	\$9	\$9
2014	\$9	\$0	\$0	\$0	\$0	\$9	\$17
2015	\$9	\$0	\$0	\$0	\$0	\$9	\$26
2016	\$9	\$0	\$0	\$0	\$0	\$9	\$35
2017	\$9	\$0	\$0	\$0	\$0	\$9	\$44
2018	\$9	\$0	\$0	(\$7,095)	\$0	(\$7,086)	(\$7,042)
2019	\$10	\$0	\$0	(\$7,592)	\$0	(\$7,583)	(\$14,624)
2020	\$80,125	\$73,879	\$71,694	\$57,196	\$0	\$282,895	\$268,271
2021	\$8,892	\$81,551	\$80,719	(\$172)	\$0	\$170,989	\$439,260
2022	\$14,227	\$89,445	\$90,302	(\$108)	\$0	\$193,866	\$633,125
2023	\$26,648	\$107,360	\$110,552	\$7,504	\$0	\$252,064	\$885,190
2024	\$107,577	\$142,546	\$144,851	\$101,467	\$5,785	\$502,226	\$1,387,416
2025	\$57,110	\$162,825	\$175,228	\$55,854	\$6,030	\$457,046	\$1,844,462
2026	\$34,892	\$164,116	\$180,617	\$32,536	\$6,284	\$418,446	\$2,262,908
2027	\$345,525	\$200,969	\$216,938	\$336,450	\$6,550	\$1,106,432	\$3,369,340
2028	\$271,466	\$195,983	\$229,725	\$267,972	\$6,828	\$971,974	\$4,341,314
2029	\$285,162	\$203,418	\$244,747	\$272,808	\$7,117	\$1,013,252	\$5,354,566
2030	\$592,845	\$231,719	\$279,452	\$575,514	\$7,418	\$1,686,948	\$7,041,514
2031	\$534,686	\$225,996	\$295,094	\$520,002	\$7,733	\$1,583,511	\$8,625,025
2032	\$553,514	\$232,961	\$313,079	\$529,848	\$8,062	\$1,637,464	\$10,262,489
2033	\$918,624	\$261,785	\$355,871	\$887,494	\$8,404	\$2,432,177	\$12,694,666
2034	\$854,915	\$253,318	\$374,554	\$827,066	\$8,762	\$2,318,615	\$15,013,281
2035	\$882,314	\$259,636	\$395,969	\$843,023	\$9,135	\$2,390,077	\$17,403,358
2036	\$900,563	\$265,921	\$418,173	(\$72,186)	\$9,524	\$1,521,995	\$18,925,353
2037	\$919,125	\$272,171	\$441,188	(\$74,191)	\$9,931	\$1,568,223	\$20,493,576
Total	\$7,388,273	\$3,425,598	\$4,418,752	\$5,153,389	\$107,564	\$20,493,576	\$20,493,576
NPV	\$3,008,445	\$1,568,993	\$1,958,027	\$2,206,309	\$46,985	\$8,788,759	\$8,788,759

The **Water Fund** shows a moderate positive impact throughout the period. This fund includes water operations as well as alternative water. Water-related impact fees are not included in this fund. Water revenues were modeled based on the estimated number of connections, projected water use by land use and the current water fee schedule. However, the number of connections and usage levels could vary depending on the exact nature of future development in this area. Production and distribution expenditures are modeled based on average cost per nonresidential account. There were no specific capital improvements allocated to this fund. The net present value impact in the water fund over 25 years is \$1.6 million.

The **Wastewater Fund** is similar to the Water Fund in terms of the structure. User charges are based on projected water use by land use, adjusted downward by 20 percent to represent wastewater flow. Expenditures are based on the number of connections by type. There were no specific capital improvements allocated to this fund. The results for this fund show a modest positive result with a net present value impact over 25 year of \$2.0 million.

The **Streets Fund** shows a positive net present value impact over the 25 year period, although annual impacts are negative prior to 2023 and after 2035. New streets are projected between 2018 and 2023 however, there are no revenues prior to 2023 to offset the cost of street maintenance. The primary revenue source in the Streets Fund is a 3/4 percent sales tax that is scheduled to sunset in 2035.² The

² This dedicated sales tax will be reduced from the current rate of 1 percent to ¾ percent through 2035. It is assumed the tax will sunset at that time.

retail component of the proposed development could generate approximately \$913,000 per year in sales tax revenues to the Streets Fund by 2035. This money is intended to cover the cost of street improvement projects, of which there are none scheduled for the West Airport Triangle. The Streets Fund also includes Highway User Revenue Funds to be used for street maintenance that are distributed based on population, however none of these revenues are included for this nonresidential annexation. The development in the West Airport Triangle area would generate a small amount of street light fees to help offset the cost of street light maintenance. There would also be about 6.13 miles of new streets within the annexation area that would increase streets operations expenditures that are normally offset by HURF revenues, hence the negative annual impacts. The resulting net present value impact in the Streets Fund over the 25 year period is \$2.2 million.

The Transient Occupancy Tax Fund shows a positive net present value of \$74,000 over the 25 year period. This fund is intended to capture occupancy tax revenues generated by the hotel which are estimated at \$250,000 per year by 2037. These revenues are restricted for use in tourism promotion activities. Tourism expenditures in this fund are approximately equal to revenues in each year.

3.2 Summary

Over the long term, the West Airport Triangle Annexation would have a sizeable positive impact on the city, based on the assumptions used in this analysis. Since this area would be exclusively nonresidential, the on-going demands on city services are much less than for residential development. Additionally, the proposed development plan includes a fair amount of retail and hotel development that would generate enough sales tax revenue to create a positive impact in the General Fund, Transient Occupancy Tax Fund and the Streets Fund. The Water and Wastewater Operating Funds would also have modest positive impacts. The Streets Fund would yield a positive annual net impact during the period in which sales tax revenues are available but small negative impacts before and after that period. Over the long term, the mix of land uses in the proposed annexation area would be fiscally sustainable provided that a long term revenue source could be identified to cover the small increase in street maintenance costs.

APPENDICES

**APPENDIX A
SOCIOECONOMIC IMPACTS
WEST AIRPORT TRIANGLE**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Housing Units	-	-	-	-	-	-	-	-	-	-	-	-	-
Population	-	-	-	-	-	-	-	-	-	-	-	-	-
Employment (Non-Construction)	-	-	-	-	-	-	-	6	7	7	9	210	212
Retail Square Feet	0	0	0	0	0	0	0	0	0	0	0	100,000	100,000
Police Officers	0	0	0	0	0	0	0	0	0	0	0	0	0
City Full Time Equivalents	0	0	0	0	0	0	0	0	0	0	0	1	1
Taxable Sales (millions)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15	\$0.16	\$0.18	\$0.21	\$6.26	\$6.43
Taxable Construction (millions)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.58	\$0.84	\$0.86	\$2.10	\$9.39	\$3.19
Assessed Value (millions)	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$12.96	\$14.51	\$16.15	\$19.83
City Maintained Park Acres	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Maintained Road Lane Miles	0.0	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	6.1	6.1	6.1

Sources: Applied Economics, 2013.

Note: City FTE's are based on a rate of 0.00375 per (population * 2 + employment). This is equivalent to 75% of the citywide average rate over the past 3 years to account for the difference in marginal increases versus average increases in overall staffing based on growth. Police officers are based on a rate of 0.0006 per (population * 2 + employment). This is equivalent to the citywide average rate over the past 3 years.

**APPENDIX A
SOCIOECONOMIC IMPACTS
WEST AIRPORT TRIANGLE**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Housing Units	-	-	-	-	-	-	-	-	-	-	-	-
Population	-	-	-	-	-	-	-	-	-	-	-	-
Employment (Non-Construction)	212	642	657	672	1,087	1,102	1,117	1,571	1,586	1,601	1,616	1,631
Retail Square Feet	100,000	229,032	229,032	229,032	358,065	358,065	358,065	500,000	500,000	500,000	500,000	500,000
Police Officers	0	0	0	0	1	1	1	1	1	1	1	1
City FTEs	1	2	2	3	4	4	4	6	6	6	6	6
Taxable Sales (millions)	\$6.56	\$37.56	\$38.30	\$39.06	\$72.60	\$74.05	\$75.52	\$115.28	\$117.58	\$119.92	\$122.31	\$124.75
Taxable Construction (millions)	\$0.00	\$11.34	\$1.61	\$1.64	\$10.36	\$1.70	\$1.74	\$11.92	\$1.81	\$1.85	\$1.88	\$1.92
Assessed Value (millions)	\$37.14	\$43.19	\$44.05	\$68.29	\$72.89	\$77.70	\$101.84	\$107.49	\$113.40	\$143.00	\$149.90	\$157.10
City Maintained Park Acres	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Maintained Road Lane Miles	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1

Sources: Applied Economics, 2013.

**APPENDIX B
FISCAL IMPACT ASSUMPTIONS***

GENERAL FUND	Rate	Basis
REVENUES		
Local Taxes		
Property Tax	0.1978%	Net assessed value
Sales Tax	1.00%	taxable sales and rentals + 65% construction cost
Utility Franchises	\$26.869	service population (population + employment)
Licenses and Permits		
Building Permits & Plan Checks	\$0.0003	new construction
Animal Licenses	\$0.6670	population
Other Licenses	\$0.3790	service population
Intergovernmental Revenues		
State Sales Tax	\$83.620	population (updated in Census year only)
Urban Sharing	\$102.139	population (updated in Census year only)
Auto Lieu Tax	\$54.019	population
Library	18.18%	library expenditures
Charges for Services		
Animal Control	\$0.075	population
Plan Reviews, Inspections, Filing Fees	\$0.00022	new construction value
Fire Department Fees	\$0.00008	new construction value
Library and Recreation Fees	\$13.257	population
Fines and Forfeitures		
Animal Control Fines	\$0.125	population
Court Fines	\$0.768	service pop (pop*2) (25% of citywide rate)
Library Fines	\$1.154	population
Miscellaneous		
Interest	1.00%	previous years net impact
Other Revenues	na	not modeled
EXPENDITURES		
Mayor and Council	na	not modeled
City Clerk	\$0.790	service population (pop*2)
City Court	\$0.911	service pop (pop*3) (25% of citywide rate)
City Manager	\$1.165	service population (pop*2)
Public Communications/Comm Access	\$1.559	population
Legal	\$2.023	service population (pop*2)
Economic Enterprises	\$19.536	per new job
Insurance & Retirements	\$1,138.858	city FTE employees
Budget & Finance	\$827.563	city FTE employees
Community Development	\$0.00107	new construction value
	\$3.343	service population (pop*2)
Park Maintenance	\$1,181.579	park acres
Recreation & Library	\$81.767	population
Police	\$169,547.497	police officers
Fire	\$68.058	service population (pop*2)
Regional Communications	\$22.374	service population (pop*2)

**APPENDIX B
FISCAL IMPACT ASSUMPTIONS***

WATER FUND	Rate	Basis
REVENUES		
Water Sales	\$4.40 per thousand gallons plus \$19.70 per connection per month	usage (gallons) new connections
Connection Fees	\$318.480	previous years net impact
Interest	1.00%	service population
Misc	\$0.866	not impacted
Effluent Recharge Fee	\$0.000	water sales
Alternative Water Source Fees	12.49%	
EXPENDITURES		
Water Utility Billing	1.65%	water sales
Meter Reading	\$23.743	connections
Water Utilities Administration	49.56%	prod/dist expenditures
Water Production	50% * \$521.336	50% of cost per nonresidential account
Water Distribution	20% * \$521.336	20% of cost per nonresidential account
Alternative Water	30% * \$521.336	30% of cost per nonresidential account
Water Improvements	na	schedule
WASTEWATER FUND		
REVENUES		
User Charges	\$5.18 per gallon plus \$20.21 per connection per month	usage (gallons)
Interest	1.00%	previous years net impact
Plan Reviews and Inspection Fees	\$0.00001	new construction value
Wastewater Connections	\$33.789	new connections (new units)
EXPENDITURES		
Administration and Legal	101.67%	share of operating expenses
Wastewater Treatment Plant	\$109.79 * (330.02%*retail/service connections) + (132.33%*office connections)	weighted connections (share of volume/share of connections)
Wastewater Collection	\$82.42 * (330.02%*retail/service connections) + (132.33%*office connections)	weighted connections (share of volume/share of connections)
Wastewater Improvements	na	schedule

**APPENDIX B
FISCAL IMPACT ASSUMPTIONS***

STREETS FUND	Rate	Basis
REVENUES		
Highway User Revenue Funds	\$72.059	population
Street Light Fee	\$3.677	service population
Intergovernmental/Partnering	28.75%	highway user revenue funds
Engineering Inspection Fees	\$27.909	street centerline miles
Interest	1.00%	previous years net impact
Sales Tax	0.75%	taxable sales through 2035
Build America Bond Subsidy		not impacted
EXPENDITURES		
Streets Projects	na	schedule
Streets Operations	service pop+\$1313.23 per lane mile	service population (pop*2) and lane miles
Open Space Projects	\$12,046.583	publicly maintained open space acres
Transportation Services	\$22.832	population
Finance Cost	5.00%	previous year net impact

TRANSIENT OCCUPANCY TAX FUND	Rate	Basis
REVENUES		
Transient Occupancy Tax	2.00%	hotel room revenues
Audits, Penalties, Interest	\$0.003	TOT revenues
EXPENDITURES		
Tourism Promotion	96.47%	percent of TOT revenues

**Note that all rates are subject to 2 percent annual inflation.*

**APPENDIX C-1
ANNUAL FISCAL IMPACT
GENERAL FUND
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2013		2014		2015		2016
REVENUES	\$	9	\$	9	\$	9	9
Local Taxes							
Property Tax	\$	9	\$	9	\$	9	9
Sales Tax	\$	-	\$	-	\$	-	-
Utility Franchises	\$	-	\$	-	\$	-	-
Licenses and Permits							
Building Permits & Plan Checks	\$	-	\$	-	\$	-	-
Animal Licenses	\$	-	\$	-	\$	-	-
Other Licenses	\$	-	\$	-	\$	-	-
Intergovernmental Revenues							
State Sales Tax	\$	-	\$	-	\$	-	-
Urban Sharing	\$	-	\$	-	\$	-	-
Auto Lieu Tax	\$	-	\$	-	\$	-	-
Library	\$	-	\$	-	\$	-	-
Charges for Services							
Animal Control	\$	-	\$	-	\$	-	-
Plan Reviews, Inspections, Filing Fees	\$	-	\$	-	\$	-	-
Fire Department Fees	\$	-	\$	-	\$	-	-
Library and Recreation Fees	\$	-	\$	-	\$	-	-
Fines and Forfeitures							
Code Enforcement							
Animal Control Fines	\$	-	\$	-	\$	-	-
Court Fines	\$	-	\$	-	\$	-	-
Library Fines	\$	-	\$	-	\$	-	-
Miscellaneous							
Interest	\$	-	\$	0	\$	0	0
Other Revenues	\$	-	\$	-	\$	-	-
EXPENDITURES	\$	-	\$	-	\$	-	-
Mayor and Council	\$	-	\$	-	\$	-	-
City Clerk	\$	-	\$	-	\$	-	-
City Court	\$	-	\$	-	\$	-	-
City Manager	\$	-	\$	-	\$	-	-
Public Communications/Comm Access	\$	-	\$	-	\$	-	-
Legal	\$	-	\$	-	\$	-	-
Economic Enterprises	\$	-	\$	-	\$	-	-
Insurance & Retirements	\$	-	\$	-	\$	-	-
Budget & Finance	\$	-	\$	-	\$	-	-
Community Development	\$	-	\$	-	\$	-	-
Park Maintenance	\$	-	\$	-	\$	-	-
Recreation & Library	\$	-	\$	-	\$	-	-
Police	\$	-	\$	-	\$	-	-
Fire	\$	-	\$	-	\$	-	-
Regional Communications	\$	-	\$	-	\$	-	-
ANNUAL NET IMPACT	\$	9	\$	9	\$	9	9
as percent of revenue		100.0%		100.0%		100.0%	100.0%
25 year NPV :							\$3,008,445

Source: Applied Economics, 2013.

**APPENDIX C-1
ANNUAL FISCAL IMPACT
GENERAL FUND
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2017	2018	2019	2020	2021
REVENUES	\$ 9	\$ 9	\$ 10	\$ 95,868	\$ 11,929
Local Taxes					
Property Tax	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10
Sales Tax	\$ -	\$ -	\$ -	\$ 87,307	\$ 10,061
Utility Franchises	\$ -	\$ -	\$ -	\$ 192	\$ 215
Licenses and Permits					
Building Permits & Plan Checks	\$ -	\$ -	\$ -	\$ 3,959	\$ 396
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ -	\$ -	\$ -	\$ 3	\$ 3
Intergovernmental Revenues					
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services					
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ -	\$ -	\$ -	\$ 3,306	\$ 331
Fire Department Fees	\$ -	\$ -	\$ -	\$ 1,086	\$ 107
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures					
Code Enforcement					
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ -	\$ -	\$ -	\$ 5	\$ 6
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous					
Interest	\$ 0	\$ 0	\$ 0	\$ 0	\$ 801
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	\$ -	\$ -	\$ -	\$ 15,743	\$ 3,037
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ -	\$ -	\$ -	\$ 6	\$ 6
City Court	\$ -	\$ -	\$ -	\$ 7	\$ 7
City Manager	\$ -	\$ -	\$ -	\$ 8	\$ 9
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ 14	\$ 16
Economic Enterprises	\$ -	\$ -	\$ -	\$ 140	\$ 14
Insurance & Retirements	\$ -	\$ -	\$ -	\$ 31	\$ 34
Budget & Finance	\$ -	\$ -	\$ -	\$ 22	\$ 25
Community Development	\$ -	\$ -	\$ -	\$ 14,160	\$ 1,413
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ -	\$ -	\$ -	\$ 730	\$ 816
Fire	\$ -	\$ -	\$ -	\$ 486	\$ 544
Regional Communications	\$ -	\$ -	\$ -	\$ 139	\$ 153
ANNUAL NET IMPACT	\$ 9	\$ 9	\$ 10	\$ 80,125	\$ 8,892
as percent of revenue	100.0%	100.0%	100.0%	83.6%	74.5%
25 year NPV :					

Source: Applied Economics, 2013.

**APPENDIX C-1
ANNUAL FISCAL IMPACT
GENERAL FUND
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2022	2023	2024	2025	2026
REVENUES	\$ 17,469	\$ 32,347	\$ 181,262	\$ 117,248	\$ 90,727
Local Taxes					
Property Tax	\$ 5,893	\$ 6,600	\$ 7,344	\$ 9,020	\$ 16,893
Sales Tax	\$ 10,373	\$ 23,149	\$ 156,530	\$ 96,220	\$ 65,564
Utility Franchises	\$ 238	\$ 290	\$ 7,027	\$ 7,239	\$ 7,384
Licenses and Permits					
Building Permits & Plan Checks	\$ 412	\$ 1,029	\$ 4,689	\$ 1,624	\$ -
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ 3	\$ 4	\$ 99	\$ 102	\$ 104
Intergovernmental Revenues					
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services					
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ 344	\$ 859	\$ 3,916	\$ 1,356	\$ -
Fire Department Fees	\$ 109	\$ 266	\$ 1,189	\$ 404	\$ -
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures					
Code Enforcement					
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ 7	\$ 8	\$ 201	\$ 207	\$ 211
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous					
Interest	\$ 89	\$ 142	\$ 266	\$ 1,076	\$ 571
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	\$ 3,241	\$ 5,699	\$ 73,685	\$ 60,138	\$ 55,835
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ 7	\$ 9	\$ 207	\$ 213	\$ 217
City Court	\$ 8	\$ 10	\$ 238	\$ 246	\$ 250
City Manager	\$ 10	\$ 13	\$ 305	\$ 314	\$ 320
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 18	\$ 22	\$ 529	\$ 545	\$ 556
Economic Enterprises	\$ 14	\$ 34	\$ 4,895	\$ 52	\$ -
Insurance & Retirements	\$ 38	\$ 46	\$ 1,118	\$ 1,152	\$ 1,175
Budget & Finance	\$ 28	\$ 34	\$ 812	\$ 837	\$ 854
Community Development	\$ 1,444	\$ 3,498	\$ 16,344	\$ 6,153	\$ 919
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ 906	\$ 1,103	\$ 26,732	\$ 27,537	\$ 28,088
Fire	\$ 603	\$ 734	\$ 17,800	\$ 18,336	\$ 18,703
Regional Communications	\$ 166	\$ 198	\$ 4,706	\$ 4,753	\$ 4,753
ANNUAL NET IMPACT	\$ 14,227	\$ 26,648	\$ 107,577	\$ 57,110	\$ 34,892
as percent of revenue	81.4%	82.4%	59.3%	48.7%	38.5%
25 year NPV :					

Source: Applied Economics, 2013.

**APPENDIX C-1
ANNUAL FISCAL IMPACT
GENERAL FUND
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2027	2028	2029	2030	2031
REVENUES	\$ 545,152	\$ 449,152	\$ 468,499	\$ 920,299	\$ 844,912
Local Taxes					
Property Tax	\$ 19,644	\$ 20,037	\$ 31,066	\$ 33,159	\$ 35,349
Sales Tax	\$ 488,956	\$ 399,086	\$ 407,008	\$ 829,646	\$ 757,539
Utility Franchises	\$ 22,769	\$ 23,762	\$ 24,786	\$ 40,891	\$ 42,280
Licenses and Permits					
Building Permits & Plan Checks	\$ 6,009	\$ 868	\$ 903	\$ 5,827	\$ 978
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ 321	\$ 335	\$ 350	\$ 577	\$ 596
Intergovernmental Revenues					
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services					
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ 5,018	\$ 725	\$ 754	\$ 4,866	\$ 817
Fire Department Fees	\$ 1,435	\$ 203	\$ 207	\$ 1,312	\$ 216
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures					
Code Enforcement					
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ 651	\$ 680	\$ 709	\$ 1,169	\$ 1,209
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous					
Interest	\$ 349	\$ 3,455	\$ 2,715	\$ 2,852	\$ 5,928
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	\$ 199,627	\$ 177,686	\$ 183,337	\$ 327,454	\$ 310,227
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ 670	\$ 699	\$ 729	\$ 1,202	\$ 1,243
City Court	\$ 772	\$ 806	\$ 841	\$ 1,387	\$ 1,434
City Manager	\$ 987	\$ 1,031	\$ 1,075	\$ 1,773	\$ 1,834
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 1,714	\$ 1,789	\$ 1,866	\$ 3,078	\$ 3,183
Economic Enterprises	\$ 11,078	\$ 391	\$ 399	\$ 11,349	\$ 415
Insurance & Retirements	\$ 3,622	\$ 3,780	\$ 3,943	\$ 6,505	\$ 6,726
Budget & Finance	\$ 2,632	\$ 2,747	\$ 2,865	\$ 4,727	\$ 4,887
Community Development	\$ 21,512	\$ 5,602	\$ 5,783	\$ 22,157	\$ 8,068
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ 84,602	\$ 87,317	\$ 90,107	\$ 150,221	\$ 154,312
Fire	\$ 57,670	\$ 58,823	\$ 60,695	\$ 100,736	\$ 103,474
Regional Communications	\$ 14,369	\$ 14,702	\$ 15,035	\$ 24,317	\$ 24,650
ANNUAL NET IMPACT	\$ 345,525	\$ 271,466	\$ 285,162	\$ 592,845	\$ 534,686
as percent of revenue	63.4%	60.4%	60.9%	64.4%	63.3%
25 year NPV :					

Source: Applied Economics, 2013.

**APPENDIX C-1
ANNUAL FISCAL IMPACT
GENERAL FUND
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2032	2033	2034	2035	2036	2037
REVENUES	\$ 871,969	\$ 1,406,370	\$ 1,324,243	\$ 1,362,968	\$ 1,392,811	\$ 1,423,238
Local Taxes						
Property Tax	\$ 46,330	\$ 48,902	\$ 51,587	\$ 65,054	\$ 68,196	\$ 71,470
Sales Tax	\$ 772,630	\$ 1,271,948	\$ 1,193,856	\$ 1,217,673	\$ 1,241,966	\$ 1,266,745
Utility Franchises	\$ 43,708	\$ 62,745	\$ 64,605	\$ 66,516	\$ 68,476	\$ 70,489
Licenses and Permits						
Building Permits & Plan Checks	\$ 1,017	\$ 7,112	\$ 1,101	\$ 1,146	\$ 1,192	\$ 1,240
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ 617	\$ 885	\$ 911	\$ 938	\$ 966	\$ 994
Intergovernmental Revenues						
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services						
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ 850	\$ 5,940	\$ 920	\$ 957	\$ 995	\$ 1,036
Fire Department Fees	\$ 220	\$ 1,509	\$ 229	\$ 234	\$ 238	\$ 243
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures						
Code Enforcement						
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ 1,250	\$ 1,794	\$ 1,848	\$ 1,902	\$ 1,958	\$ 2,016
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous						
Interest	\$ 5,347	\$ 5,535	\$ 9,186	\$ 8,549	\$ 8,823	\$ 9,006
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	\$ 318,455	\$ 487,746	\$ 469,328	\$ 480,655	\$ 492,248	\$ 504,114
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ 1,285	\$ 1,845	\$ 1,900	\$ 1,956	\$ 2,014	\$ 2,073
City Court	\$ 1,483	\$ 2,128	\$ 2,191	\$ 2,256	\$ 2,323	\$ 2,391
City Manager	\$ 1,896	\$ 2,721	\$ 2,802	\$ 2,885	\$ 2,970	\$ 3,057
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 3,290	\$ 4,723	\$ 4,863	\$ 5,007	\$ 5,155	\$ 5,306
Economic Enterprises	\$ 423	\$ 13,205	\$ 441	\$ 449	\$ 458	\$ 468
Insurance & Retirements	\$ 6,953	\$ 9,981	\$ 10,277	\$ 10,581	\$ 10,893	\$ 11,213
Budget & Finance	\$ 5,053	\$ 7,253	\$ 7,468	\$ 7,689	\$ 7,916	\$ 8,148
Community Development	\$ 8,302	\$ 27,439	\$ 11,017	\$ 11,314	\$ 11,619	\$ 11,932
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ 158,506	\$ 229,632	\$ 235,377	\$ 241,260	\$ 247,285	\$ 253,453
Fire	\$ 106,281	\$ 153,657	\$ 157,497	\$ 161,430	\$ 165,457	\$ 169,580
Regional Communications	\$ 24,983	\$ 35,161	\$ 35,494	\$ 35,827	\$ 36,159	\$ 36,492
ANNUAL NET IMPACT	\$ 553,514	\$ 918,624	\$ 854,915	\$ 882,314	\$ 900,563	\$ 919,125
as percent of revenue	63.5%	65.3%	64.6%	64.7%	64.7%	64.6%
25 year NPV :						

Source: Applied Economics, 2013.

**APPENDIX C-2
ANNUAL FISCAL IMPACT
WEST AIRPORT TRIANGLE**

WATER FUND

Revenues/Expenditures		2013	2014	2015	2016	2017	2018	2019	2020	
REVENUES	\$	-	\$	-	\$	-	\$	-	\$	75,353
Water Sales	\$	-	\$	-	\$	-	\$	-	\$	66,835
Connection Fees	\$	-	\$	-	\$	-	\$	-	\$	163
Interest	\$	-	\$	-	\$	-	\$	-	\$	-
Misc	\$	-	\$	-	\$	-	\$	-	\$	6
Alternative Water Source Fees	\$	-	\$	-	\$	-	\$	-	\$	8,349
EXPENDITURES	\$	-	\$	-	\$	-	\$	-	\$	1,474
Water Utility Billing	\$	-	\$	-	\$	-	\$	-	\$	1,101
Meter Reading	\$	-	\$	-	\$	-	\$	-	\$	12
Water Utilities Administration	\$	-	\$	-	\$	-	\$	-	\$	119
Water Production	\$	-	\$	-	\$	-	\$	-	\$	134
Water Distribution	\$	-	\$	-	\$	-	\$	-	\$	54
Alternative Water	\$	-	\$	-	\$	-	\$	-	\$	54
Water Improvements	\$	-	\$	-	\$	-	\$	-	\$	-
ANNUAL NET IMPACT	\$	-	\$	-	\$	-	\$	-	\$	73,879
as percent of revenue		na	na	na	na	na	na	na	na	98.0%
25 year NPV :		\$1,568,993								

WASTEWATER FUND

Revenues/Expenditures		2013	2014	2015	2016	2017	2018	2019	2020	
REVENUES	\$	-	\$	-	\$	-	\$	-	\$	72,489
User Charges	\$	-	\$	-	\$	-	\$	-	\$	72,316
Interest	\$	-	\$	-	\$	-	\$	-	\$	-
Plan Reviews and Inspection Fees	\$	-	\$	-	\$	-	\$	-	\$	153
Wastewater Connections	\$	-	\$	-	\$	-	\$	-	\$	19
EXPENDITURES	\$	-	\$	-	\$	-	\$	-	\$	794
Administration and Legal	\$	-	\$	-	\$	-	\$	-	\$	213
Wastewater Treatment Plant	\$	-	\$	-	\$	-	\$	-	\$	335
Wastewater Collection	\$	-	\$	-	\$	-	\$	-	\$	246
Wastewater Improvements	\$	-	\$	-	\$	-	\$	-	\$	-
ANNUAL NET IMPACT	\$	-	\$	-	\$	-	\$	-	\$	71,694
as percent of revenue		na	na	na	na	na	na	na	na	98.9%
25 year NPV :		\$1,958,027								

**APPENDIX C-2
ANNUAL FISCAL IMPACT
WEST AIRPORT TRIANGLE**

STREETS FUND

Revenues/Expenditures	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,095)	\$ (14,688)
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 157	\$ 65,667
Highway User Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Light Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26
Intergovernmental/Partnering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Inspection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 157	\$ 160
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4% Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,480
EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,250	\$ 7,749	\$ 8,471
Streets Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Streets Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,250	\$ 7,395	\$ 7,736
Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355	\$ 734
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,095)	\$ (14,688)	\$ 42,509
ANNUAL NET IMPACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,095)	\$ (7,592)	\$ 57,196
25 year NPV :	\$2,206,309							

TRANSIENT OCCUPANCY TAX

Revenues/Expenditures	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transient Occupancy Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audits, Penalties, Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tourism	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ANNUAL NET IMPACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
as percent of revenue	na	na	na	na	na	na	na	na
25 year NPV :	\$46,985							

Source: Applied Economics, 2013.

**APPENDIX C-2
ANNUAL FISCAL IMPACT
WEST AIRPORT TRIANGLE**

STREETS FUND

Revenues/Expenditures	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Balance	\$ 42,509	\$ 42,337	\$ 42,229	\$ 49,733	\$ 151,201	\$ 207,055	\$ 239,591	\$ 576,041	\$ 844,013
REVENUES	\$ 7,738	\$ 7,979	\$ 17,610	\$ 118,572	\$ 73,372	\$ 50,405	\$ 370,059	\$ 302,797	\$ 308,883
Highway User Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Light Fee	\$ 29	\$ 33	\$ 40	\$ 962	\$ 991	\$ 1,011	\$ 3,116	\$ 3,252	\$ 3,392
Intergovernmental/Partnering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Inspection Fees	\$ 164	\$ 167	\$ 209	\$ 213	\$ 217	\$ 221	\$ 226	\$ 230	\$ 235
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4% Sales Tax	\$ 7,545	\$ 7,780	\$ 17,362	\$ 117,397	\$ 72,165	\$ 49,173	\$ 366,717	\$ 299,315	\$ 305,256
EXPENDITURES	\$ 7,910	\$ 8,088	\$ 10,106	\$ 17,104	\$ 17,518	\$ 17,869	\$ 33,609	\$ 34,824	\$ 36,075
Streets Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Streets Operations	\$ 7,910	\$ 8,088	\$ 10,106	\$ 17,104	\$ 17,518	\$ 17,869	\$ 33,609	\$ 34,824	\$ 36,075
Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 42,337	\$ 42,229	\$ 49,733	\$ 151,201	\$ 207,055	\$ 239,591	\$ 576,041	\$ 844,013	\$ 1,116,821
ANNUAL NET IMPACT	\$ (172)	\$ (108)	\$ 7,504	\$ 101,467	\$ 55,854	\$ 32,536	\$ 336,450	\$ 267,972	\$ 272,808
25 year NPV :									

TRANSIENT OCCUPANCY TAX

Revenues/Expenditures	2021	2022	2023	2024	2025	2026	2027	2028	2029
REVENUES	\$ -	\$ -	\$ -	\$ 150,042	\$ 156,115	\$ 162,433	\$ 169,007	\$ 175,848	\$ 182,965
Transient Occupancy Tax	\$ -	\$ -	\$ -	\$ 149,535	\$ 155,576	\$ 161,861	\$ 168,401	\$ 175,204	\$ 182,282
Audits, Penalties, Interest	\$ -	\$ -	\$ -	\$ 508	\$ 539	\$ 572	\$ 607	\$ 644	\$ 683
EXPENDITURES	\$ -	\$ -	\$ -	\$ 144,257	\$ 150,085	\$ 156,149	\$ 162,457	\$ 169,020	\$ 175,849
Tourism	\$ -	\$ -	\$ -	\$ 144,257	\$ 150,085	\$ 156,149	\$ 162,457	\$ 169,020	\$ 175,849
ANNUAL NET IMPACT	\$ -	\$ -	\$ -	\$ 5,785	\$ 6,030	\$ 6,284	\$ 6,550	\$ 6,828	\$ 7,117
as percent of revenue	na	na	na	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
25 year NPV :									

Source: Applied Economics, 2013.

**APPENDIX C-2
ANNUAL FISCAL IMPACT
WEST AIRPORT TRIANGLE**

STREETS FUND

Revenues/Expenditures	2030	2031	2032	2033	2034	2035	2036	2037
Beginning Balance	\$ 1,116,821	\$ 1,692,335	\$ 2,212,337	\$ 2,742,185	\$ 3,629,679	\$ 4,456,745	\$ 5,299,767	\$ 5,227,581
REVENUES	\$ 628,070	\$ 574,185	\$ 585,703	\$ 962,802	\$ 904,492	\$ 922,622	\$ 9,641	\$ 9,922
Highway User Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Light Fee	\$ 5,596	\$ 5,786	\$ 5,982	\$ 8,587	\$ 8,842	\$ 9,103	\$ 9,371	\$ 9,647
Intergovernmental/Partnering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Inspection Fees	\$ 240	\$ 244	\$ 249	\$ 254	\$ 259	\$ 264	\$ 270	\$ 275
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4% Sales Tax	\$ 622,234	\$ 568,154	\$ 579,473	\$ 953,961	\$ 895,392	\$ 913,254	\$ -	\$ -
EXPENDITURES	\$ 52,556	\$ 54,183	\$ 55,855	\$ 75,309	\$ 77,427	\$ 79,599	\$ 81,828	\$ 84,113
Streets Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Streets Operations	\$ 52,556	\$ 54,183	\$ 55,855	\$ 75,309	\$ 77,427	\$ 79,599	\$ 81,828	\$ 84,113
Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 1,692,335	\$ 2,212,337	\$ 2,742,185	\$ 3,629,679	\$ 4,456,745	\$ 5,299,767	\$ 5,227,581	\$ 5,153,389
ANNUAL NET IMPACT	\$ 575,514	\$ 520,002	\$ 529,848	\$ 887,494	\$ 827,066	\$ 843,023	\$ (72,186)	\$ (74,191)
25 year NPV :								

TRANSIENT OCCUPANCY TAX

Revenues/Expenditures	2030	2031	2032	2033	2034	2035	2036	2037
REVENUES	\$ 190,371	\$ 198,077	\$ 206,096	\$ 214,439	\$ 223,120	\$ 232,154	\$ 241,553	\$ 251,333
Transient Occupancy Tax	\$ 189,646	\$ 197,308	\$ 205,279	\$ 213,573	\$ 222,201	\$ 231,178	\$ 240,517	\$ 250,234
Audits, Penalties, Interest	\$ 725	\$ 769	\$ 816	\$ 866	\$ 919	\$ 976	\$ 1,035	\$ 1,099
EXPENDITURES	\$ 182,953	\$ 190,344	\$ 198,034	\$ 206,035	\$ 214,358	\$ 223,019	\$ 232,028	\$ 241,402
Tourism	\$ 182,953	\$ 190,344	\$ 198,034	\$ 206,035	\$ 214,358	\$ 223,019	\$ 232,028	\$ 241,402
ANNUAL NET IMPACT	\$ 7,418	\$ 7,733	\$ 8,062	\$ 8,404	\$ 8,762	\$ 9,135	\$ 9,524	\$ 9,931
as percent of revenue	3.9%	4.0%						
25 year NPV :								

Source: Applied Economics, 2013.

COUNCIL AGENDA MEMO – June 11, 2013
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DEPARTMENT:	Community Development
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AGENDA ITEM:	Adoption of Ordinance No. 4858-1315 for annexation of APN 107-14-057A (ANX12-001; Owners: Todd L. Metcalf and Dawn L. Nabors)
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Approved By:**Date:**

Department Head:	Tom Guice		
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Finance Director:	Mark Woodfill		
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City Manager:	Craig McConnell	<i>Craig McConnell</i>	6-4-13
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Item Summary

Property owners Metcalf and Nabors are requesting annexation of 0.38 acres of residential property located at 613 W. Maricopa Drive. There is one residence on the subject parcel, occupied by the property owners, and an accessory structure. No changes to the existing residential use are proposed. The purpose of the annexation is to resolve service and financial issues arising from ownership of properties in two political jurisdictions. Metcalf / Nabors own the subject property, in the unincorporated area of Yavapai County, and three adjacent properties which are in the City.

This item was brought before City Council for a Public Hearing on March 12, 2013. There are minimal impacts to City services.

Arizona Revised Statutes provide that a City may adopt an ordinance annexing property if petitions are received by owners of one-half or more in value of the property and more than one-half of the persons owning the property (A.R.S. 9-471.A.4). The City has received a signed petition from owners Todd L. Metcalf and Dawn L. Nabors, in favor of the annexation, meeting the statutory criteria.

Attachments - Ordinance No. 4858-1315
- Exhibit A

Recommended Action: MOVE to adopt Ordinance No. 4858-1315.

ORDINANCE NO. 4858-1315

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF PRESCOTT BY ANNEXING 0.38 ACRES OF RESIDENTIAL (R1L-10) ZONED LAND LYING AT 613 WEST MARICOPA DRIVE INTO THE CITY OF PRESCOTT AND ASSIGNING A ZONING CLASSIFICATION THERETO

RECITALS:

WHEREAS, a petition for annexation of 0.38 acres of residentially zoned land lying at 613 West Maricopa Drive, legally described herein as Exhibit "A", has been presented in writing to the Mayor and Council of the City of Prescott; and

WHEREAS, the City Council of the City of Prescott has held a public hearing regarding said annexation; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to annex certain property; and

WHEREAS, the requirements of ARS Section 9-471 have been complied with.

ENACTMENTS:

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

SECTION 1. THAT the real property located at 613 West Maricopa Drive and more particularly described in the attached Exhibit "A", consisting of 0.38 acres, shall be and is hereby annexed into the corporate limits of the City of Prescott.

SECTION 2. THAT the property described in Exhibit "A" shall be and is hereby assigned the Single Family 12 zoning designation.

SECTION 3. THAT a copy of this Ordinance, together with an accurate map of the property hereby annexed, shall be forthwith filed and recorded in the Office of the Yavapai County Recorder.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 11th day of June, 2013.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL, City Clerk

JON M. PALADINI, City Attorney

NEXUS SOUTHWEST, LLC
REGISTERED LAND SURVEYORS



212 S. Marina St. ♦ Prescott, Arizona 86303
Phone 928-778-5101 ♦ Fax 928-778-9321 ♦ info@nexus-sw.net

PROPERTY DESCRIPTION
Hassayampa Mountain Club Annexation

ALL of Lots 1, 2 and 3, Block "R", Plat "F", Hassayampa Mountain Club, as recorded in Book 3 of Maps and Plats, Page 83, on file in the office of the Yavapai County Recorder, Yavapai County, Arizona, more particularly described as follows:

BEGINNING at the Northwest corner of said Lot 1;

Thence, North 67°50'10" East, 71.31 feet to the most Northerly corner of said Lot 1;

Thence, South 82°01'51" East, 18.73 feet to the Northeast corner of said Lot 1;

Thence, South 30°20'34" East, 91.04 feet to the Southeast corner of said Lot 2 and the Northeast corner of said Lot 3;

Thence, South 14°28'47" West, 35.11 feet to an angle point in the East line of said Lot 3;

Thence, South 48°13'59" West, 63.78 feet to an angle point in the South line of said Lot 3;

Thence, North 83°20'03" West, 45.87 feet to an angle point in the South line of said Lot 3;

Thence, South 07°25'28" West, 7.65 feet to an angle point in the South line of said Lot 3;

Thence, North 31°56'44" West, 49.69 feet to an angle point in the West line of said Lot 2;

Thence, North 00°52'38" West, 90.85 feet to the **POINT OF BEGINNING**;

Containing 0.3553 acres, more or less.

12-17-12
ANNX-LGL

ANNEXATION PLAT TO THE CITY OF PRESCOTT

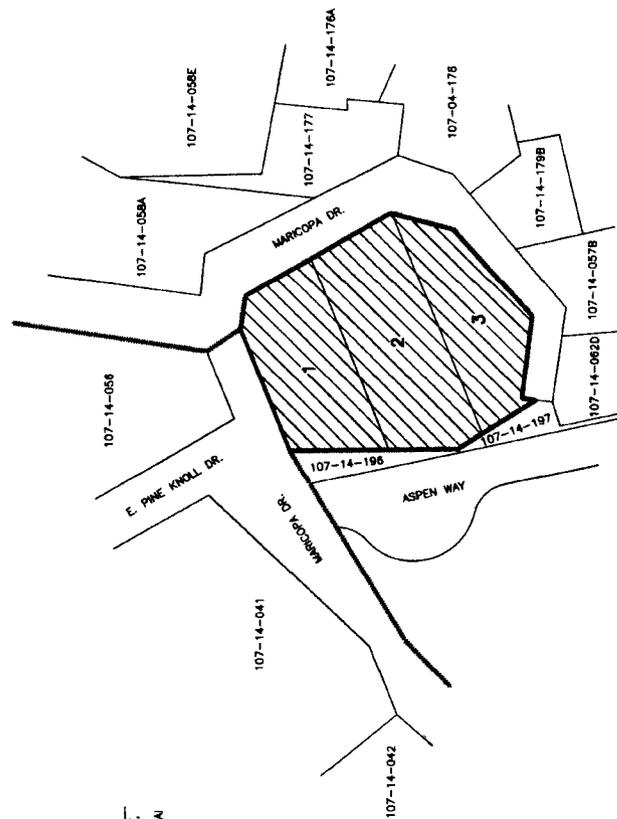
ASSESSOR'S PARCEL NO. 107-14-057A
LOCATED IN A PORTION OF SEC. 9, T13N-R2W,
G&RS&M, YAVAPI COUNTY, ARIZONA

CERTIFICATION
WE HEREBY CERTIFY THAT THIS IS AN ACCURATE PLAT OF THE
TERRITORY ANNEXED TO THE CITY OF PRESCOTT, A MUNICIPAL
CORPORATION, BY ORDINANCE NO. _____

MAYOR _____ DATE _____
CITY CLERK _____ DATE _____
CITY ENGINEER _____ DATE _____

LEGEND

————— CURRENT PRESCOTT CITY LIMITS
▨ AREA OF ANNEXATION



PROPERTY DESCRIPTION
ALL OF LOTS 1, 2 AND 3, BLOCK "B", PLAT "A",
AS RECORDED IN BOOK 3 OF MAPS AND PLATS,
PAGE 63, ON FILE IN THE OFFICE OF THE YAVAPI
COUNTY RECORDER.

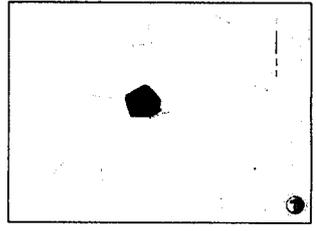


SURVEYOR'S STATEMENT

I, G. MICHAEL HAYWOOD, DO HEREBY CERTIFY THAT I AM A REGISTERED
LAND SURVEYOR IN THE STATE OF ARIZONA, THAT THIS PLAT WAS PRE-
PARED BY ME BASED SOLELY ON RECORDED DOCUMENTS AND DOES NOT
REPRESENT A FIELD SURVEY BY ME; THAT THIS PLAT IS TRUE AND
CORRECT TO THE BEST OF MY KNOWLEDGE.



G. MICHAEL HAYWOOD



Instrument No. _____	(RECORDED DATA)
Filed and recorded at the request of _____	
CITY OF PRESCOTT	
BY _____	A.D. 2012
BY _____	6' SCALE
BY _____	IMPRESARIO
BY _____	PAGE
Records of Yavapai County, Arizona	
LESLIE A. HOFFMAN	County Recorder
G&RS&M, YAVAPI COUNTY, ARIZONA	
FILE NO. 15-000	BOOK 3
PLAT NO. 63	PAGE 63
DATE RECORDED	11-13-12
SCALE	1" = 30'

COUNCIL AGENDA MEMO – June 11, 2013

DEPARTMENT: Field and Facilities Services

AGENDA ITEM: Approve purchase of four (4) HVAC units from Trane U.S., Inc., dba Trane, with fully integrated Trane Tracker building automation controls for the Prescott Police Station in the amount of \$22,608.99

Approved By:

Date:

Department Head: Stephanie Miller	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-3-13

Summary

Approval of this item will authorize the purchase of four (4) Trane heating, ventilation and air conditioning (HVAC) units with fully integrated Trane Tracker building automation controls for the Prescott Police Station. Cost of the units is \$22,608.99, and installation will be completed by Energy Savings Heating and Cooling, a company currently under contract with the City. A copy of the complete Trane proposal is available for review in the Facilities Office.

Background

There are 11 HVAC units on the roof of the Prescott Police Station. Within the past three years, seven of the units have been replaced with highly efficient "SEER 13" units equipped with Trane Tracker automated building control systems. The remaining four units, installed more than 22 years ago, are original to the building, incurring increased maintenance costs, and have diminished efficiencies due to their age.

The Facilities Management Division has identified through its Capital Improvement Program a number of facilities utilizing HVAC units which have reached the end of their service lives and require replacement due to unit age, increased maintenance costs, and reduced energy efficiency. The four units needed for the Police Station meet the criteria for replacement and were identified in the Fiscal Year 13 Capital Improvement Program budget.

Procurement

This procurement is sole source to maintain compatibility with existing systems. The City has received wholesale pricing from Trane for the purchase of the new units. A prior competitive bid process resulted in the installation of the current seven (7) Trane units with Trane building automation controls. Changing the unit type from Trane would require a retrofit of the new units to accommodate the Trane building automation controls, and result in a higher cost and unproductive operational complexities.

AGENDA ITEM: Approve purchase of four (4) HVAC units from Trane U.S., Inc., dba Trane, with fully integrated Trane Tracker building automation controls for the Prescott Police Station in the amount of \$22,608.99

Section 1-27-1.9 (H) of the City Procurement Code provides authorization for sole source purchases, "... without competition or solicitation when the purchasing agent, with the concurrence of the City Manager, determines in writing that there is only one source for the required supply, service or construction item."

Budget

The amount of \$40,000 has been budgeted in the Facilities Fund and is available for this project in FY 13.

Attachment - Sole source justification memo for Trane HVAC units

Recommended Action: **MOVE** to approve the purchase of four (4) HVAC units from Trane U.S., Inc., dba Trane, with fully integrated Trane Tracker building automation controls for the Prescott Police Station in the amount of \$22,608.99.



Request for Exception to the Competitive Procurement Process

Requester's Name	Division	Phone Number	Date
Mic Fenech	Facilities Management	777-1201	5/25/13
Type of Exception Sole Source <input type="checkbox"/> Time Restriction <input type="checkbox"/> Sole Acceptable Brand <input checked="" type="checkbox"/> Unusual Nature of Project of Service <input type="checkbox"/> Other (specify) <input type="checkbox"/>			
Description of Goods or Services to be Purchased 1. Purchase two (2) Trane model #YSC090F4RHA 7.5 ton packaged gas/electric units. 2. Purchase one (1) Trane model #YSC048E4RHA 4 ton packaged gas/electric unit. 3. Purchase one (1) Trane model #YSC060E4RHA 5 ton packaged gas/electric unit. Warranty is one year parts with five year compressor warranty. All to include DX cooling, gas heat, standard efficiency, minimum 13 SEER, convertible configuration, 460/60/3 with microprocessor controls, high gas heat, Lontalk ® communications interface, Economizer Dry Bulb 0-100% with Barometric Relief, factory installed.			
Details of Request There are 11 air conditioning units on the roof of the Prescott Police Station. To date, seven of the units have been replaced with Trane split units that have been integrated with Trane Tracker capabilities. The remaining four units that need to be replaced are more than 22 years old. We are specifying Trane as the brand because of the building automation system control that is compatible with these units. Changing unit type from Trane would require a retrofit of the existing seven units. We have contacted the closest Arizona distributor, and their pricing is the lowest offered to any of their retailers. A local contractor will be engaged to install the units.			
Financial Information Estimated Cost: \$22,608.99 Organization: 8156625 Object: 8930 Other Information: Project 13120. These units are budgeted in FY13.			
Vendor Information Vendor Name: Trane U.S., Inc. dba Trane Contact: Nancy Dall Phone: 480-333-2891 FAX: 928-253-3801 Address: 850 West Southern Avenue, Tempe, AZ 85282-4556 E-mail:			
Review and Approval			
Director: Stephanie Miller		Date: 5/25/13	
Deputy City Manager: Alison Zelms		Date:	
City Manager: <i>Frank Zelms</i>		Date: 6-3-13	

COUNCIL AGENDA MEMO – June 11, 2013
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DEPARTMENT: Airport

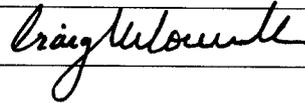
AGENDA ITEM: Discussion of Airport rates and fees proposed for Fiscal Year 2014
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Approved By:	Date:
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Department Head: Jeff Tripp	6-3-13
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Finance Director: Mark Woodfill	
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City Manager: Craig McConnell	
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6-3-13

Summary

Council consideration of adoption of Airport rates and fees is scheduled for the June 25, 2013, meeting. This June 11th item will provide an opportunity for preliminary discussion and public input.

Fundamental to the goal to operate and maintain the Airport on a self-sustaining basis, rental proceeds from City-owned tie-downs, hangars, and storage units are a major revenue source. Current and projected revenues and expenditures have been reviewed by the Airport within the FY 14 budget formulation process. As more fully described below, following that review, certain changes are being proposed for the upcoming fiscal year.

Proposed Rates and Fees

During the economic downturn a decision was made to defer any increases to Airport rates and fees. However, during the four-year period of deferral, costs to operate and maintain the airport have continued to rise. As the economy recovers, reasonable increases are necessary to help offset these costs.

Schedule "A" sets forth charges for transient aircraft parked overnight on City-operated parking ramps, commercial landing fees for aircraft weighing over 12,500 pounds (typically airline and air cargo operators), various operational and administrative fees, and fines and penalties.

Schedule "B" is a listing of charges for rental of City-owned and operated aircraft open tie-downs, aircraft covered shades, aircraft hangars, and non-aircraft storage units.

A five percent (5%) increase is proposed for open tie-downs, covered shades, and aircraft hangars. Pursuant to Resolution No. 3898-0866 adopted in 2008, Council approval is necessary. State requirements for posting a new or increase tax or fee further prescribe a 60-day posting (on the City's website) prior to approval. This timeframe will be satisfied for Council action on June 25, 2013. Notice has also been given to all Airport customers to provide an opportunity for review and comment. Based upon the comments received, several refinements have been made to the proposal.

Agenda Item: Discussion of Airport rates and fees proposed for Fiscal Year 2014

The City's standard aircraft storage rental agreement requires that, "Any increases shall take effect not less than thirty (30) days after adoption of each such resolution." Therefore, the effective date of the adjustments would be August 1, 2013.

Rates and Revenue

The five percent (5%) increase for the City-operated aircraft open tie-downs, shades, and hangars will generate approximately \$30,000 of additional revenue to be applied to the Airport operating expenses.

Review of the current rates for the non-aircraft storage units determined the average City charges for these storage units at the Airport to be \$0.1541/SF, and the average cost per square foot for the aircraft hangars \$0.2628/SF. The average price per square foot for commercial storage in the Tri-City Area is \$0.5207/SF. The City rate for FY 14 would increase the non-aircraft storage units to be the same as that for the proposed City hangar rate of \$0.2760/SF.

The largest percentage increase will be seen in the storage units, however, this increase is still well below the prevailing private sector charges. This adjustment will generate approximately \$19,000 of additional revenue to be applied to Airport operating expenses.

The total of projected revenue increase for FY 14 is $\$30,000 + 19,000 = \$49,000$.

Revisions to the rates and fees on Schedule A are minor, and no significant changes to estimated revenues are anticipated going forward.

- Attachments**
- Schedule A Description
 - Schedule A Rates & Fees
 - Schedule B Description
 - Schedule B Rates & Fees
 - Notice to Tenants (4/25/13)

Recommended Action: No formal action is proposed for the meeting of June 11, 2013. The revised rates and fees will be presented to Council again for adoption at the meeting of June 25, 2013.



Ernest A. Love Field
Prescott Municipal Airport
City of Prescott

6546 Crystal Lane Prescott, AZ 86301
Phone: (928) 777-1114 Fax: (928) 771-5861

Description of Rates and Fees

Schedule A

Transient Aircraft Overnight Fees - City Operated Ramps – Nightly fees for uncovered aircraft parking spaces on ramps not under contract with an airport tenant. Fees vary depending on the size of the aircraft and corresponding parking space size.

Commercial Landing Fee (aircraft over 12,500 lbs Max. Gross Landing Weight) – Per landing fee for those commercial aircraft being operated on a for profit basis landing at the airport with a maximum gross landing weight greater than 12,500 pounds. Examples include, but are not limited to airline and air cargo operations.

Re-Key Lock or Replacement of Lock Rate – Charge assessed when a city-operated hangar or storage unit tenant requests a change in the city key/lock. Typically this is completed prior to a new tenant taking possession of a space; therefore, this charge is applied when a tenant requests a change after moving into a space.

Replacement/Additional Key Rate – Charge assessed when a city hangar or storage unit tenant requests an additional key for the city-issued lock on their facility.

Airport Personnel Rate – In the case of unusual circumstances requiring the assistance of City staff, an hourly fee may be assessed, at the discretion of the Airport Manager, for the first half-hour and every quarter hour thereafter, and varies depending on whether regular or overtime labor rates apply. Fee is charged to help cover the costs of providing City staff services outside the scope of their regularly-assigned duties.

After Hours/Emergency Call Out Rate – In the case of unusual or emergency circumstances requiring the assistance of City staff, and requiring airport staff to report to the airport during off-shift time. Fee is charged to help cover the costs of providing City staff services outside the scope of their regularly-assigned duties. (2-hour minimum).

Fingerprinting Fee – Charge assessed when City staff fingerprints an individual for an aviation-related purpose to obtain a criminal history records check. Fee is charged to help cover the costs of providing City staff services, equipment and ancillary services.

Airport Driver Training Fee – Charge assessed when an individual goes through the airport provided (and FAA required) airfield driver movement area training and obtains an airport-issued badge to authorize driving privileges on the airport. Fee is charged to help cover the costs of City staff services, equipment and ancillary services.

Badge Replacement Fee – Charge assessed when a replacement Airport Driver Badge is re-issued or is not returned to the Airport. Fee is charged to help cover the costs of City staff services, ancillary services and supplies.

Non-Aeronautical Vehicle Storage Permit Fee – Charge assessed when an individual parks a vehicle or trailer, which is not an aircraft, in areas not under contract with an airport tenant.

Lease/License Document Transaction Fee – Charge applies, if not specified in the contract, when a City lease or license agreement tenant requests a change to the original lease or license agreement, including, but not limited to, an amendment, assignment or estoppels certificate. Fee helps to cover the administrative and legal costs to the City for implementing the change to the current agreement.

Storage Agreement Transfer Fee – Charge assessed when a city-operated hangar, storage room, or tie down tenant requests to be transferred to a different hangar, tie-down, or storage room space. Fee is charged to help cover the administrative costs of implementing the transfer. Transfer fee may be waived by the Airport Manager if transfer is involuntary.

Fuel Flowage Fee (FBO) – Charge assessed per gallon of fuel that is delivered to the Airport. Rate of assessment may depend upon fuel type – AvGas or Jet A. FBO indicates a business providing fuel services to the public, on the airport, with an agreement with the City to provide said services.

Fuel Flowage Fee (Non-FBO) -- Charge assessed per gallon of fuel that is delivered into an aircraft. Rate of assessment may depend upon fuel type – AvGas or Jet A. Non-FBO indicates an individual or organization that holds a Self-Fueling Permit issued by the Airport.

Self-Fueling Permit Review Fee – Monthly fee charged for City staff to review an individual/organizations' self-fueling permit and ensure compliance with the policy.

Self-Fueling Permit Application Fee – Charged when an individual/organization makes application to the City for a self-fueling permit. If application is for a limited term, application fee may be pro-rated or waived, at the discretion of the Airport Manager.

Runway or Taxiway Safety Area Incursion Fine - Potential fine assessed when a vehicle or pedestrian enters a runway or taxiway safety area, as described in FAA airport design standards and the Airport Certification Manual, without permission from air traffic control and/or the Airport Manager. Federal Aviation Regulation Part 139.329 requires that certificated airports limit access to the movement area and establish consequences for noncompliance. Certificated airports may be subject to enforcement action by the FAA for failure to comply with FAR Part 139.

Runway/Taxiway Incursion Fine – Potential fine assessed when a vehicle or pedestrian enters a runway or taxiway, as described in FAA airport design standards and the Airport Certification Manual, without permission from air traffic control and/or the Airport Manager. Federal Aviation Regulation Part 139.329 requires that certificated airports limit access to the movement area and establish consequences for noncompliance. Certificated airports may be subject to enforcement action by the FAA for failure to comply with FAR Part 139.



**Prescott Municipal Airport
Rates & Fees - Schedule 'A'
August 1, 2013 through June 30, 2014**

DESCRIPTION	Current Fees		New Fees	
	July 2012 - June 2013		1-Aug-13	Frequency
Transient Aircraft Overnight Parking Fees - City Operated Ramps				
Single Engine & Light Helicopters	\$ 25.00	per night	\$ 10.00	per night (including tax)
Twin Engine & Turbine Helicopters	\$ 30.00		\$ 20.00	per night (including tax)
Aircraft greater than 5,000 pounds	\$ 50.00		\$ 50.00	per night (including tax)
Commercial Landing Fee (Aircraft Over 12,500 lbs Max. Gross Landing Weight)	\$ 1.20	per landing	\$ 1.20	per 1,000 pounds (US) MGLW per landing
Operational Fees				
Re-Key Lock or Replacement of Lock	\$ 150.00	per lock	\$ 150.00	per lock
Replacement/Additional Hangar Key	\$ 25.00	per key	\$ 25.00	per key
Airport Personnel Rate	\$ 61.00	per hour	\$ 61.00	per hour
After Hours/Emergency Call Out Fee	\$ 122.00	per incident	\$ 122.00	per incident
Administrative Fees				
Fingerprinting Fee	\$ 44.00	per time	\$ 110.00	per time; Non-Refundable
Airport Driver Training Fee	\$ 20.00	per badge	\$ 25.00	per badge; Non-Refundable
Badge Replacement Fee	\$ 50.00	per badge	\$ 75.00	per badge; Non-Refundable
Non-Aeronautical Vehicle Storage Permit Fee	\$ 70.00	per month	\$ 50.00	per month
Lease/License Document Transaction Fee	\$ -		\$ 100.00	per transaction
Storage Agreement Transfer Fee	\$ -		\$ 50.00	per transaction
Fuel Flowage Fee - (FBO) Jet A	\$ 0.10	per gallon	\$ 0.10	per gallon
Fuel Flowage Fee - (FBO) AvGas	\$ 0.10	per gallon	\$ 0.10	per gallon
Fuel Flowage Fee - (Non-FBO) Jet A & AvGas	\$ 0.12	per gallon	\$ 0.12	per gallon
Self-Fueling Permit Review	\$ 50.00	per month	\$ 50.00	per month
Self-Fueling Permit Application Fee	\$1,500.00	per permit	\$1,500.00	per permit
Fines and Penalties				
Runway or Taxiway Safety Area Incursion	\$1,000.00	per incident	\$1,000.00	Up to (amount) per person per occurrence
Runway or Taxiway Incursion	\$2,500.00	per incident	\$2,500.00	

Description of Rates and Fees

Schedule B

Tie Down Rate (Nested) – Monthly rental fee for assigned, uncovered aircraft parking spaces on the ramps not under contract with an airport tenant. Fees vary depending on the configuration of the tie down.

Tie Down Rate (Pull Through) – Monthly rental fee for assigned, uncovered aircraft parking spaces on the ramps not under contract with an airport tenant. A higher monthly fee is charged because the pull-through spaces allow aircraft the benefit of not having to be pushed/pulled into the individual parking space.

Shade Hangar Rate – Monthly rental fee for assigned covered aircraft parking spaces operated by the City.

Hangar Rate – Monthly rental fee for T-hangars and Box/Executive hangars for the storage of aircraft. Fees vary depending on the size of the hangar.

Storage Unit Rate – Monthly rental fee for storage units located on the ends of most hangar rows. Fees vary depending on the size of the storage unit.

Regular Hangar Waiting List Application Deposit – Deposit for placement on the city hangar waiting list for a covered tie-down or standard “t-hangar”. Applicants who request to be removed from the waiting list receive a refund of \$100.

Large Hangar Waiting List Application Deposit – Deposit for placement on the city hangar waiting list for a “large” hangar to house an aircraft that will not fit into a 43-foot door opening or the tail or propeller exceeds 11 feet in height above the ground. Applicants who request to be removed from the waiting list receive a refund of \$400.



**Prescott Municipal Airport
Rates & Fees - Schedule 'B'**

August 1, 2013 through June 30, 2014

Storage Revenues		Sq Feet	Current Rate per SqFt	Current Monthly RATE since 7/1/2009	New rate per sq ft	Increase rate by	New monthly rate	New monthly rate INCLUDING tax (2%)
	Tie Down (Nested)	1010	0.0463	\$ 46.81	0.0487	\$ 2.34	49.15	50.13
	Tie Down (Pull Through)	1386	0.0637	\$ 88.30	0.0669	\$ 4.42	92.72	94.57
	Shade Hangar	1010	0.1064	\$ 107.45	0.1117	\$ 5.37	112.82	115.08
T	Hangar "A"	954	0.2628	\$ 250.75	0.2760	\$ 12.54	263.29	268.55
T	Hangar "B"	1195	0.2628	\$ 314.09	0.2760	\$ 15.70	329.79	336.39
T	Hangar "C"	985	0.2628	\$ 258.89	0.2760	\$ 12.94	271.83	277.27
T	Hangar "D"	1724	0.2521	\$ 434.68	0.2647	\$ 21.73	456.41	465.54
T	Hangar "F"	985	0.2628	\$ 258.89	0.2760	\$ 12.94	271.83	277.27
T	Hangar "G"	1127	0.2628	\$ 296.22	0.2760	\$ 14.81	311.03	317.25
T	Hangar "H"	1036	0.2628	\$ 272.30	0.2760	\$ 13.62	285.92	291.63
T	Hangar "I"	1036	0.2628	\$ 272.30	0.2760	\$ 13.62	285.92	291.63
T	Hangar "J"	1156	0.2628	\$ 303.84	0.2760	\$ 15.19	319.03	325.41
Box	Hangar "K"	2780	0.2521	\$ 700.93	0.2647	\$ 35.05	735.98	750.70
T	Hangar "L"	1156	0.2628	\$ 303.84	0.2760	\$ 15.19	319.03	325.41
T	Hangar "M"	1052	0.2628	\$ 276.50	0.2760	\$ 13.83	290.33	296.13
T	Hangar "N"	1052	0.2628	\$ 276.50	0.2760	\$ 13.83	290.33	296.13
T	Hangar "O"	1052	0.2628	\$ 276.50	0.2760	\$ 13.83	290.33	296.13
Exec	Hangar "P"	3900	0.3042	\$ 1,186.20	0.3194	\$ 59.31	1,245.51	1,270.42
STORAGE UNITS								
A	NORTH (EAST)	512	0.1683	\$ 86.17	0.2760	\$ 55.14	141.31	144.14
	SOUTH (WEST)	512	0.1683	\$ 86.17	0.2760	\$ 55.14	141.31	144.14
B	NORTH (EAST)	649	0.1574	\$ 102.13	0.2760	\$ 76.99	179.12	182.71
	SOUTH (WEST)	649	0.1574	\$ 102.13	0.2760	\$ 76.99	179.12	182.71
C	NORTH (EAST)	536	0.1608	\$ 86.17	0.2760	\$ 61.77	147.94	150.89
	SOUTH (WEST)	536	0.1608	\$ 86.17	0.2760	\$ 61.77	147.94	150.89
D		893	0.1453	\$ 129.79	0.2760	\$ 116.68	246.47	251.40
F	NORTH	434	0.1691	\$ 73.41	0.2760	\$ 46.37	119.78	122.18
	SOUTH	506	0.1703	\$ 86.17	0.2760	\$ 53.49	139.66	142.45
G	NORTH	490	0.1693	\$ 82.98	0.2760	\$ 52.26	135.24	137.94
	SOUTH	573	0.1634	\$ 93.62	0.2760	\$ 64.53	158.15	161.31
H	NORTH	536	0.1370	\$ 73.41	0.2760	\$ 74.53	147.94	150.89
	SOUTH	536	0.1608	\$ 86.17	0.2760	\$ 61.77	147.94	150.89
I	NORTH	536	0.1370	\$ 73.41	0.2760	\$ 74.53	147.94	150.89
	SOUTH	536	0.1608	\$ 86.17	0.2760	\$ 61.77	147.94	150.89
J	NORTH	583	0.1533	\$ 89.36	0.2760	\$ 71.55	160.91	164.13
	SOUTH	514	0.1490	\$ 76.60	0.2760	\$ 65.26	141.86	144.70
L	NORTH (WEST)	623	0.1230	\$ 76.60	0.2760	\$ 95.35	171.95	175.39
	SOUTH (EAST)	623	0.1434	\$ 89.36	0.2760	\$ 82.59	171.95	175.39
M	NORTH (WEST)	493	0.1467	\$ 72.34	0.2760	\$ 63.73	136.07	138.79
	SOUTH (EAST)	541	0.1593	\$ 86.17	0.2760	\$ 63.15	149.32	152.30
N	NORTH (WEST)	378	0.1520	\$ 57.45	0.2760	\$ 46.88	104.33	106.41
	SOUTH (EAST)	549	0.1570	\$ 86.17	0.2760	\$ 65.35	151.52	154.55
O	NORTH (WEST)	493	0.1467	\$ 72.34	0.2760	\$ 63.73	136.07	138.79
	SOUTH (EAST)	541	0.1593	\$ 86.17	0.2760	\$ 63.15	149.32	152.30
HANGAR WAITING LIST APPLICATION DEPOSIT								
REGULAR HANGAR LIST DEPOSIT							\$ 200.00	\$ 200.00
Regular Hangar Deposit Refundable Amount							\$ 100.00	\$ 100.00
LARGE HANGAR LIST DEPOSIT							\$ 500.00	\$ 500.00
Larger Hangar Deposit Refundable Amount							\$ 400.00	\$ 400.00



**Ernest A. Love Field
Prescott Municipal Airport
City of Prescott**

6546 Crystal Lane Prescott, AZ 86301
Phone: (928) 777-1114 Fax: (928) 771-5861

DATE: April 25, 2013

TO: City-Operated Hangar, Shade, Tie-down and Storage Unit Tenants
 Commercial Business Tenants
 Ground Lease Tenants

FROM: Jeffrey S. Tripp, A.A.E.
 Airport Manager

RE: **Rates and Fees Schedules A & B – Effective August 1, 2013**

Dear Airport Customers and Tenants,

The primary goal of the City of Prescott is to operate, develop and maintain the Airport at the highest possible levels of safety and security while operating the facility in a fiscally-responsible manner. It is our policy to provide you, our customers, with a quality facility and excellent customer service while striving to keep operating costs as low as possible.

Recognizing the economic downturn which has negatively impacted our customers the previous four fiscal years (July 1, 2009 through June 30, 2013) the City had purposefully not raised airport rates and fees. While this freeze in the rates & fees has resulted in the loss of potential revenue to help fund the airport operating budget, we nevertheless felt that it was the appropriate action to take during these difficult economic times.

The primary driver of the budget preparation is to maintain the same level of funding for the operating budget as the current fiscal year. As the Airport Manager, it is my responsibility to take a top-to-bottom review of the airport's finances, both the revenue side as well as the expenditure side, and prepare the annual budget based upon our anticipated operating costs and revenues.

With regards to the rental rates for the open tie-downs, hangars and covered tie-downs, staff is proposing to City Council that the rates be increased 5% from their current levels. A review of the current rental rates for the storage units shows an average price per square foot of \$0.1541 SF; the average cost per square foot for the hangars is \$0.2628 SF. Staff further researched what the private sector is charging for storage units in the tri-city area.

The average price per square foot for off-airport storage is \$0.5207 SF with a low of \$0.3350 SF and a high of \$0.6950 SF. It is staff's recommendation to raise the city storage units to be consistent with the (proposed) aircraft hangar rental rate of \$0.2760 SF. While the proposed rate adjustment to these units is large, this new rate will still be approximately half of the average price charged by the private sector.

State requirements for posting a new or increase tax or fee include a 60-day posting requirement on the City's website before it is approved or disapproved by Council. At the present time, it is anticipated that the Rates & Fees will be brought before City Council for approval on June 25th.

Because the Aircraft Storage Rental Agreement requires "Any increases shall take effect not less than thirty (30) days after adoption of each such resolution." the proposed rate increases will not take effect until August 1st if approved by Council.

The City will host two public meetings on the budget. The first meeting is a Council workshop at which time the various city departments will present their respective budgets to Council for their review. The acceptance of public comment at this workshop will be at the sole discretion of the Council. The second meeting will occur on June 25, 2013 at which time comments will be accepted by Council.

You may also provide direct feedback to the City/Airport at any time during the next two months through the attached comment form or please feel free to contact the Airport Administration office at 928-777-1114 to arrange for a meeting if you wish to discuss the proposed rates & fees with me directly.

As always, thank you for choosing to base your business and/or aircraft at Prescott Airport.

Sincerely,

Jeffrey S. Tripp

Jeffrey S. Tripp, A.A.E.
Airport Manager

Attachments:

Prescott Airport Rates and Fees SCHEDULE A
Prescott Airport Rates and Fees SCHEDULE B
Customer Comment Form



Ernest A. Love Field
Prescott Municipal Airport
City of Prescott

6546 Crystal Lane Prescott, AZ 86301
Phone: (928) 777-1114 Fax: (928) 771-5861

FY2014 Airport Rates & Fees
Comment Card

The primary goal of the City is to operate, develop and maintain the Airport at the highest possible levels of safety and security while operating the facility in a fiscally-responsible manner. It is our policy to provide you, our customers, with a quality facility and excellent customer service while striving to keep operating costs as low as possible.

As a valued customer, your input regarding the proposed rates & fees for the next fiscal year is important to the City of Prescott and the staff of the Airport.

CUSTOMER NAME (Optional): _____

Comments may be submitted to:

- | | |
|--|--|
| <p>1. Airport Administration Office
6546 Crystal Lane
Prescott, AZ 86301
E: airport.admin@prescott-az.gov
F: 928-771-5861</p> | <p>2. City Council/City Manager
City of Prescott
201 S. Cortez Street
Prescott, AZ 86302
E: patti.crouse@prescott-az.gov</p> |
|--|--|

COUNCIL AGENDA MEMO – June 11, 2013

DEPARTMENT: Police

AGENDA ITEM: Approval of purchase and installation of digital evidence management software from SHI Direct in the total amount of \$33,183.01 using State contract pricing

Approved By:

Date:

Department Head: Jerald Monahan, Chief of Police	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-4-13

Summary

This item is for purchase of digital evidence management software to update, better safeguard, and enhance the efficiency of the storage of evidence such as photos and interviews.

Background

Improving management of evidence which can be stored digitally was budgeted for the current fiscal year; funding is being carried over to next fiscal year (FY 14) for the procurement and minor alterations to the Property and Evidence Room to house the secure server on which it will run. The software will afford secure access, encrypted data transfer, indexing for searches, and detailed records of actions executed over the life of each case file.

City departments, including Police, use the OnBase Enterprise Content Management System for records management. Purchase of the digital evidence module which is available will enable seamless and secure integration of reports with the records incident management system and digital evidence linked to it.

The vendor the City has used for the OnBase System is SHI Direct, a state of Arizona contract holder (WSCA Contract ADSP011-007500).

Financial

The cost of the software is \$33,183.01, including \$2,557.25 in taxes. In FY 13 \$69,500 was budgeted for acquisition and the minor alterations described above. The amount of \$41,183.01 is being carried over to FY for both items. The software will be ordered after July 1, 2013.

The annual licensing charge for the software and updates is \$ 3,713.75.

Recommended Action: **MOVE** to approve the purchase of OnBase digital evidence management software from SHI Direct in the total amount of \$33,183.01 using State contract pricing.

COUNCIL AGENDA MEMO – June 11, 2013

DEPARTMENT: Police

AGENDA ITEM: Approval of Animal Sheltering Service Agreement with the Yavapai Humane Society in the annual amount of \$77,700.00 (City Contract No. 2013-194)

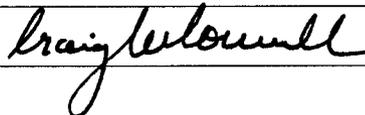
Approved By:

Date:

Department Head: Jerald Monahan, Chief of Police

Finance Director: Mark Woodfill

City Manager: Craig McConnell



6-5-13

Item Summary

The Prescott Police Department requests approval of the attached agreement with the Yavapai Humane Society for that organization to continue operating the Prescott impound facility for dogs and cats. The cost of this contract will be \$77,700.00 annually for three years beginning July 1, 2013, and expiring June 30, 2016.

Background

On June 30, 2011, the City entered into a contract with the Yavapai Humane Society (YHS) to run the City-owned animal impound facility. This initial contract was in the amount of \$59,334 per year. There were no increases during the two year term. The Yavapai Humane Society has offered a new contract for three years beginning July 1, 2013, and running through June 30, 2016. The cost of the contract will be \$77,700.00 per year for the duration. This fee is based on the 2012 number of City of Prescott animals impounded at 1,110. As discussed in their attached correspondence, YHS is proposing a uniform rate of \$70.00 per animal impound. This number is more consistent with the actual cost incurred by the organization. There are many benefits to the City by contracting for these services in lieu of operating the facility, including reduced personnel costs, needing an on-site veterinarian, and avoiding various indirect and overhead expenses.

Financial

The \$77,000.00 annual contract cost will be paid from the General Fund.

Attachments

- Animal Sheltering Service Agreement
- Correspondence from YHS

Recommended Action: MOVE to approve the Animal Sheltering Service Agreement with the Yavapai Humane Society (City Contract No. 2013-194).

EXHIBIT '1'

YAVAPAI HUMANE SOCIETY
CITY OF PRESCOTT
ANIMAL SHELTERING
SERVICE AGREEMENT (City of Prescott NO. 2013-194)

WHEREAS, Stray animals in the City of Prescott represent a public health, safety and welfare risk to the peace and quiet enjoyment of private property; and,

WHEREAS, Stray animals represent a public health, safety and welfare risk to the citizenry who may come into contact with them; and,

WHEREAS, The risk of physical contact with such stray animals include potential of spread of diseases like rabies; and,

WHEREAS, The City of Prescott (hereinafter referred to as "City") is authorized to control stray animals under A.R.S. Sections 9-499.04 and 9-240(16); and,

WHEREAS, The City is desirous of contracting animal shelter services in connection with the exercise of its animal control function; and,

WHEREAS, The Yavapai County Humane Society (hereinafter referred to as "YHS") has offered to provide personnel to operate City-owned facilities for animal shelter and animal control purposes; and,

WHEREAS, YHS has professional expertise in providing Animal Sheltering Services;

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS HEREIN CONTAINED, 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. YHS shall provide those services to the City as more particularly identified in the attached Exhibit "A" which is incorporated into this Agreement.

2. In addition to those services identified in the attached Exhibit "A", YHS shall also perform all subordinate tasks not specifically referenced in Exhibit "A", but necessary to the full and effective performance of the tasks specifically referenced. In the event of a discrepancy between this Agreement and Exhibit "A", this Agreement shall control.

3 YHS shall provide sufficient qualified personnel to perform any and all services as required herein; including, but not limited to preparation of reports, as reasonably requested by representatives of the City. YHS shall annually provide to the City all records kept from the prior fiscal year.

4. (A) The term of this agreement shall be from **July 1, 2013 to June 30, 2016**. All services identified in Paragraphs 1, 2, 3 and Exhibit "A" shall be completed to the satisfaction of the City. At the end of the three-year term, the Prescott City Council shall determine whether to renew the contract at the end of the three years with YHS, or request proposals or qualifications, or to go out for new professional services agreement with another entity.

(B) Notwithstanding the foregoing, this Agreement may be terminated by the City or YHS upon ninety (90) days written notice, with or without cause. If this Agreement is terminated, YHS shall be paid for services performed up to the date of termination.

5. To allow for the performance of the services to be provided, YHS shall be permitted to use the structure and premises known as Prescott Animal Control located at 1605 Sundog Ranch Rd. All structural repairs (including roof, electrical, plumbing, heating/cooling, landscaping, etc.) shall be the responsibility of the City. Any permanent upgrades to the facility made by YHS will become the property of the City at the end of contract period.

6. 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 the 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 contractor to any other party of the Agreement with respect to the subject matter of the Agreement. In the foregoing event, 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.

7. Any notices to be given by either party to the other must be in writing and personally delivered or mailed by prepaid postage and certified mail, at the following addresses:

City of Prescott
City Manager
201 S. Cortez St.
Prescott, AZ 86303

With copies to:

City of Prescott
Purchasing Manager
201 S. Cortez St.
Prescott, AZ 86303

Contractor:

Executive Director
Yavapai County Humane Society
1625 Sundog Ranch Rd.
Prescott, AZ 86301

8. It is expressly agreed and understood by and between the parties that YHS is an independent contractor, and as such YHS shall not become a City employee, and is not entitled to payment or compensation from the City or to any fringe benefits to which other City employees are entitled. As an independent contractor, YHS further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent contractor, YHS further agrees that it will conduct itself in a manner consistent with such status, and that it will neither hold itself out nor claim to be an officer or employee of the City by reason thereof, and that it will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

9. This Agreement is non-assignable by YHS.

10. (A) The City shall pay to YHS a total sum of **\$77,700** per year for the complete performance of all services specified in Sections 1, 2, 3 and Exhibit "A" of this Agreement. Payment shall be made in the amount of **\$6,475** per month.

(B) YHS shall bill the City and the City shall pay such billings within thirty (30) days of the date of their receipt.

(C) YHS will assess emergency medical cases during regular business hours; but, afterhours or when YHS determines an animal has medical needs beyond the scope of YHS, the City will transfer the animal to an appropriate veterinary hospital and the City will be financially responsible for the medical care of the animal.

(D) Pursuant to A.R.S. § 11-251.08 and 11-1022, any unlicensed, unaltered animal entering a YHS shelter shall not be released to its owner unless the owner pays a fifty dollar recovery fee, in addition to any fees or costs otherwise required. The \$50.00 recovery fee shall also apply to a dog or cat that is impounded as the result of biting any person. For all unlicensed, unaltered animals, YHS will provide the owner with a \$50 voucher which may be applied towards the spay/neuter surgery of the recovered animal at the YHS spay/neuter clinic.

(E) YHS shall retain \$2 for every City dog license sold and all boarding fees. YHS shall remit the balance of all City dog licenses sold and a \$15 impound fee collected by YHS from any owner of a stray animal impounded by the City.

(F) Payment of the total amount provided for under Section 10(A) shall not

relieve YHS of its obligation to complete the performance of all those services specified. Should the City request in writing additional services beyond that specified then YHS shall charge and City shall pay a mutually agreed to fee.

(G) Prior to the final payment to YHS, the City shall deduct therefrom any and all unpaid privilege, license and other taxes, fees and any and all other unpaid monies due the City from YHS, and shall apply to those monies to the appropriate account. YHS shall provide to the City any information necessary to determine the total amount(s) due.

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

12. This Agreement shall be construed under the laws of the State of Arizona.

13. This Agreement and Exhibit "A" represents the entire and integrated Agreement between the City and YHS and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and YHS. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

14. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

15. YHS shall, within ten (10) calendar days after the execution of the Agreement and before awarding any subcontract, furnish the City with a list of proposed subcontractors, and shall not employ any that the City may object to as incompetent or unfit.

16. YHS 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 to the fullest extent allowed by law as a result of YHS's negligent participation pursuant to this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the negligent acts or omissions of the undersigned or his/her agents. The City hereby agrees to indemnify and hold harmless YHS, its departments, divisions, employees and agents, from any and all claims,

liabilities, expenses or lawsuits to the fullest extent allowed by law as a result of the City's negligent participation pursuant to this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the negligent acts or omissions of the undersigned or his/her agents.

17. No oral order, objection, claim, or notice by any party to the other shall affect or

modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver, or modifications shall be introduced in any proceeding.

18. YHS shall obtain and maintain in effect during the term of, and until final acceptance of all work under, this Agreement, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by YHS. YHS's insurance shall be primary as respects the City, and any other insurance maintained by the City shall be excess and non-contributing with YHS's insurance.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.

MINIMUM SCOPE AND LIMITS OF INSURANCE -- YHS shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Policy shall included bodily injury, property damage, and broad form contractual liability.

- General Aggregate - \$2,000,000
- Products – Completed Operation Aggregate - \$1,000,000
- Personal and Advertising Injury - \$1,000,000
- Each Occurrence - \$1,000,000

The policy shall be endorsed to include the following additional insured language: “The City of Prescott shall be named as additional insured with respect to liability arising out of the activities performed by, or on behalf of YHS, including completed operations.”

2. Automobile Liability – Bodily injury and property damage for an owned, hired, and non-owned vehicles used in performance of this contract.

Combined Single Limits (CSL) - \$1,000,000

3. Worker's Compensation and Employer's Liability

Worker's Compensation - Statutory

Employer's Liability – Each Accident - \$100,000

Disease – Each Employee - \$100,000

Disease – Policy Limit - \$500,000

Policy shall contain a waiver of subrogation against the City of Prescott.

(A) YHS shall place Insurance with a current A.M. Best's rating of no less than A-VII, unless otherwise approved in writing by the City of Prescott. YHS shall place General

Liability, Automobile Liability, and Worker's Compensation insurance with an insurer admitted in the State in which operations are taking place.

(B) YHS shall furnish the City of Prescott with copies of the original endorsements affecting the coverage required by this specification. YHS shall also provide the City with certificates of insurance for all required coverage's. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City of Prescott shall approve all certificates/endorsements before the work (Agreement) commences.

(C) All insurance and bonds required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS Section 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

(D) Prior to commencing work under this Agreement, YHS shall provide the City with evidence that he/she is either a "self-insured employer" or a "carrier insured employer" for Workers' Compensation as required by A.R.S. 23-901 et seq., or that he/she employs no persons subject to the requirement for such coverage.

19. YHS shall make annual reports to City Council regarding activities performed under this contract.

20. YHS, with regard to the work performed by it after award and during its performance of this contract, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of subcontractors, including procurement of materials and leases of equipment. YHS will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Executive Order 99-4.

21. 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. YHS further agrees that this provision shall be contained in all subcontracts related to the project which is the

subject of this Agreement. The parties hereto further 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. YHS further agrees that this provision shall be contained in all subcontracts related to the project that is the subject of this Agreement.

22. YHS understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: YHS must also comply

with A.R.S. §34-301, "Employment of Aliens on Public Works Prohibited," and A.R.S. §34-302, as amended, "Residence Requirements for Employees." Under the provisions of A.R.S. §41-4401, YHS hereby warrants to the City that YHS and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

23. A breach of the Contractor Immigration Warranty shall constitute a material breach of this contract and shall subject YHS to penalties up to and including termination of this Contract at the sole discretion of the City.

The City retains the legal right to inspect the papers of YHS or any Subcontractor's employee who works on this Contract to ensure that YHS or Subcontractor is complying with the Contractor Immigration Warranty. YHS agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of YHS and any of its Subcontractors to ensure compliance with the Contractor Immigration Warranty. YHS agrees to assist the City in regard to any random verifications performed.

Neither YHS nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if YHS or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214 Subsection A.

The provisions of this Article must be included in any contract YHS enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

EXHIBIT 'A'

YHS will maintain and operate the City animal control shelter. YHS will pay the utility bills for operation of the building and provide daily routine maintenance to the building and the grounds.

YHS will receive and care for unwanted and stray animals from the Prescott community, including impound animals involved in bite cases, when necessary, and humanely euthanize animals not claimed or adopted, or as ordered by a court.

YHS agrees to provide appropriate care and housing (as defined by ARS 11-1021) for all stray dogs for a period of 72 hours (as defined by ARS 11-1013) unless reclaimed by its owners.

YHS agrees to provide confinement and quarantine (per ARS 11-1014) for any animal that has bitten.

YHS agrees to provide adequate space in the building for necessary biological testing, sampling, quarantine and autopsy.

YHS agrees to determine the most humane disposition for any animal not reclaimed by its owner and final disposition of all animals. City reserves a general right to appear without notice from time to time and inspect YHS's work in performance of duties under this agreement.

YHS agrees to collect all fees imposed by City ordinances including, but not limited to, license fees, impound fee, boarding fees for animals held at the shelter, and unaltered return fee. YHS shall remit said fees to the City on a monthly basis except that YHS shall retain all boarding fees and \$2 for each license sold. (This does not include any applicable impound fees paid directly to YHS).

YHS shall submit to both regular and random performance and financial audits by the City regarding this agreement. The City shall retain the right to inspect all records and to investigate any matter involving the care of animals or any other matter involving this agreement. YHS shall make available for City inspection at any reasonable times, all records relating to the services and obligations set forth in this agreement, including but not limited to records of, care provided, reports, financial data, fees, including receipts and disbursements and all other records of the documents within the scope of this agreement.

YHS will provide an annual report to the Prescott City Council.

YHS will keep and maintain records of all animals brought to the shelter and provide monthly reports to the City. Reports to include:

- The number of animals brought in by the City's Animal Control Officers.
- The description of the animal, by license number, if available;
- The name of Animal Control Officer;

- The Date of Admission and Date of Discharge;
- The disposition of the animal (i.e., euthanized, picked up by the owners, etc.);
- The redemption, license and rabies vaccination fees collected; and
- The number of animals brought in by the residents in the City.

The City of Prescott agrees to:

- Patrol and enforce all State and City ordinances;
- Deliver all stray dogs to the City-owned, YHS-managed facility;
- Be responsible for any after-hour emergency care for animals picked up by City Animal Control Officers. Normal hours of operation will be 8:00 a.m. to 5:00 p.m., Monday through Friday, exclusive of statutory holidays and those holidays honored by the City of Prescott; and
- Release any stray dog or cat not reclaimed by its owner within the stray hold time to YHS for final disposition.

Be responsible for all structural repairs (including roof, electrical, plumbing, heating/cooling, landscaping, etc.). Any permanent upgrades to the facility made by YHS will become the property of the City at the end of the contract.



Yavapai Humane Society

1625 Sundog Ranch Rd.
Prescott, AZ 86301
(928)445-2666
yavapaihumane.org

February 11, 2013

Lt. Timothy Fletcher
City of Prescott Police Department
201 S. Cortez
Prescott AZ 86303

RE: Contract Negotiation

Dear Lt. Fletcher:

In preparation of the upcoming animal control shelter service contract negotiations, I submit the following proposal. The City of Prescott has not incurred a fee increase in two years. That is a benefit of a two year contract not experienced by the other municipalities who saw an incremental increase each year. However, this does mean the City of Prescott will experience a larger percentage increase in 2013 in order to catch up with the actual cost of service provided.

This year I propose a simpler fee model. Instead of fully loading the fee with all the costs incurred by YHS and then heavily subsidizing that fee (as we have done in years past), I propose the following actual cost recovery model based solely on the animal control services provided.

YHS experienced a 21% increase in animal control costs in 2011 and a 15% increase in 2012. In addition, YHS subsidized the City for animal control services in 2011 and 2012 at about 30%. Going forward YHS proposes the City pay the actual average cost for services per animal determined by the number of impounds from the preceding year.

Using this model, the annual contract fee for the City in 2013 would be \$77,700. This is based on the number of animals impounded in 2012. All other terms of the existing contract would remain the same. If the three municipalities agree to these terms, YHS will agree to a two year contract.

Municipality	Current Contract	2012 Impounds	Contract Average	Proposed Fee/Animal	2013 Contract	Increase
City of Prescott	\$59,334	1,110	\$53.45	\$70	\$77,700	30%

I am providing this information early so we can avoid any last minute haggling and you are able to allocate these funds for this service in this year's budget in a timely fashion. Please feel free to contact me directly if you have any questions regarding this proposal.

Sincerely,


Edward A. Boks
Executive Director

Reinhardt, Andrew

From: Ed Boks [eboks@yavapaihumane.org]
Sent: Friday, March 15, 2013 8:10 AM
To: Reinhardt, Andrew
Cc: Monahan, Jerald; Fletcher, Tim; 'David Rhodes'; Bill Fessler - Prescott Valley; 'Valerie McBrady'; Gloria Hershman; 'Wayne Nelson'; 'Ed Boks'
Subject: FW: Contract - Additional Information
Attachments: 2013 Contract Fee Negotiation.docx
Importance: High

Andy, et al.

Here are YHS actual cost numbers for animal control sheltering services:

Cost to run the Lost & Found Pet Center (minus medical costs) =	\$188,176.
Plus 40% of YHS Medical staff costs devoted to Lost & Found Pet Center =	\$ 94,808*
SUBTOTAL =	\$282,984
Proposed Contract Amounts at \$70 per animal =	\$231,490
DIFFERENCE =	\$ 51,494
Lost & Found Fees collected and kept by YHS =	\$ 51,500.

**Actual cost is closer to 60% (or \$142,212 instead of the \$94,808, meaning this a YHS subsidized cost).*

The attached chart shows the number of animals brought in by each municipality in 2012 x \$70 per animal. The grand total is \$231,490 which when added to the fees kept by YHS brings the three municipalities significantly closer to balance.

However, YHS is still absorbing Lost & Found Pet Center supply and medicine costs (\$38,381) and additional veterinary costs (\$12,857), and many miscellaneous other Lost & Found costs. Which means YHS is still subsidizing animal control shelter services to the tune of about \$100,000 annually.

I wish we had room and time to negotiate further. Andy, you said you cannot afford this increase, but neither can YHS. Let us know Prescott's intentions as it affects everybody included on this e-mail.

Thanks,

Ed Boks
Executive Director
928-445-2666 Ext. 21

2nd Annual Walk for the Animals | April 20, 2013 | 5k or 1k Fundraising Walk
Register TODAY at www.yavapaihumane.org/walk

I'M WALKING WITH THE YHS TEAM! Donate to our goal at <http://www.yavapaihumane.org/team/staff>

Municipality	Current Contract	2012 Impounds	Contract Average	*Proposed Fee/Animal	2013 Contract	Increase
City of Prescott *	\$59,334	1,110	\$53.45	\$70	\$77,700	30.95%
Town of Prescott Valley	\$58,500	864	\$67.70	\$70	\$60,480	3.84%
Yavapai County	\$88,000	1,333	\$66.01	\$70	\$93,310	6%
Totals	\$205,834	3,307	\$62.38 Average	\$70	\$231,490	12.46%

* The purpose of this year's contract negotiations is to develop a consistent fee model for all three municipalities.

* City of Prescott has not seen a fee increase in two years, unlike Prescott Valley and Yavapai County who has experienced an incremental increase each year. That is the reason for the apparent inordinate increase for Prescott.

COUNCIL AGENDA MEMO – June 11, 2013	
DEPARTMENT: Budget and Finance	
AGENDA ITEM: Adoption of Resolution No. 4177-1339 approving transfers of certain Fiscal Year 2013 appropriations	

Approved By:	Date:
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	6-6-13

Summary

City Charter Article VI Section 10 requires Council approval of transfers of budget appropriations among departments. It is anticipated that the Airport Enterprise Fund and the Legal Department in the General Fund will exceed their budgeted appropriations for Fiscal Year 2013. The recommended action is neither a transfer of cash nor expenditure of additional monies, rather simply a movement of authorized expenditure capacity.

Background

Yearly, in June, the City adopts a budget setting a maximum expenditure amount (appropriation) for each of its departments. Subsequently, expenditures are made within these appropriation amounts using actual funding (monies) which are available, pursuant to procurement procedures set forth in the City Code.

During the current fiscal year the Airport Enterprise Fund received an additional, unanticipated grant for the Runway 21L-3R Safety Improvement Project which was not included in the budget. The appropriation increase needed for the Airport Enterprise Fund is \$1,500,000; this capacity is available in the Grants Special Revenue Fund since various prospective grants budgeted were not awarded to the City.

Discontinuation of the City's Self-Insurance Program in favor of the Arizona Municipal Risk Retention Pool involved position changes and other adjustments in the Legal Department. These adjustments necessitate a transfer of appropriation from the Self-Insurance Internal Service Fund to the Legal Department in the General Fund in the amount of \$100,000.

Resolution No. 4177-1339

This resolution will transfer unencumbered budget appropriations in the amount of \$1,500,000 from the Grants Special Revenue Fund to the Airport Enterprise Fund, and \$100,000 from the Self-Insurance Risk Fund to the Legal Department in the General Fund.

Recommended Action: MOVE to adopt Resolution No. 4177-1339.
--

RESOLUTION NO. 4177-1339

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, APPROVING THE TRANSFER OF UNENCUMBERED APPROPRIATIONS FROM THE GRANTS FUND TO THE AIRPORT FUND AND FROM THE SELF-INSURANCE FUND TO THE LEGAL DEPARTMENT IN THE GENERAL FUND.

RECITALS:

WHEREAS, Article VI, Section 10 of the Prescott City Charter allows the City Council to transfer appropriations among various City departments; and

WHEREAS, there are unencumbered appropriations allocated to the Grants Fund that were not expended during fiscal year 2012-13; and

WHEREAS, the budgeted amount for the Airport Fund will be insufficient to meet the fiscal needs for fiscal year 2012-13; and

WHEREAS, there are unencumbered appropriations allocated to the Self-Insurance Fund that were not expended during fiscal year 2012-13; and

WHEREAS, the budgeted amount for the Legal Department in the General Fund will be insufficient to meet the fiscal needs for fiscal year 2012-13.

ENACTMENTS:

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

SECTION 1. THAT, the Mayor and Staff are authorized to transfer from unencumbered funds allocated to the Grants Fund for fiscal year 2012-13 to the Airport Fund in the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00).

SECTION 2. THAT, the Mayor and Staff are authorized to transfer from unencumbered funds allocated to the Self-Insurance Fund for fiscal year 2012-13 to the Legal Department in the General Fund in the sum of One Hundred Thousand Dollars (\$100,000.00).

SECTION 3. THAT, the Mayor and Staff are hereby authorized and directed to execute any and all documents in order to effectuate the foregoing.

PASSED, APPROVED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, this 11th day of June, 2013.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL, City Clerk

JON M. PALADINI, City Attorney

COUNCIL AGENDA MEMO – June 11, 2013

DEPARTMENT: Budget and Finance

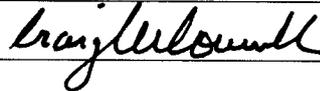
AGENDA ITEM: Resolution No. 4175-1337 adopting the Tentative Budget for Fiscal Year 2014 and setting the Public Hearing for the Final Budget, Expenditure Limitation, Tax Levy and Truth in Taxation for the City of Prescott

Approved By:

Date:

Finance Director: Mark Woodfill

City Manager: Craig McConnell



6-4-13

Workshops were held on May 21st and June 4th for presentation and discussion of the proposed budget.

The remaining steps in the FY 2014 budget process are as follows:

June 11	Adopt tentative budget	Set the public hearing date for: <ul style="list-style-type: none"> • Final budget • Expenditure limitation • Tax levy & Truth in Taxation (TNT) 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 25	Public Hearing	Public hearing on the budget, expenditure limitation, property tax levy and truth in taxation
June 25	Truth in Taxation Motion	A roll call vote on a motion to raise the primary property tax
June 25	Final adoption at Special Meeting	Sets the final budget for FY 14 Establishes the expenditure limitation for FY 14 Adopts the Capital Improvement Program Approves the City job roster Identifies unfunded capital items
July 9	Adoption of Tax Levy	

Attached is the resolution for adoption of the tentative budget, including related schedules. This resolution specifies the date of June 25, 2013, for the public hearing on the final budget, expenditure limitation, tax levy and Truth in Taxation; and sets forth the tentative FY 2014 budget.

Recommended Action: MOVE to adopt Resolution No. 4175-1337.

RESOLUTION NO. 4175-1337

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 2014, 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 2014. 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 25th day of June, 2013, 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 2014 for the City of Prescott. In compliance with sections 42-17104 and 42-17107, Arizona Revised Statutes, a Truth in Taxation hearing will be combined with the expenditures and tax levy hearing provided for in this paragraph. 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 9th day of July, 2013, 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 2014 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 11th day of June, 2013.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL, City Clerk

JON PALADINI, City Attorney

CITY OF PRESCOTT, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2014

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2013	ACTUAL EXPENDITURES/ EXPENSES** 2013	FUND BALANCE/ NET POSITION*** July 1, 2013**	PROPERTY TAX REVENUES 2014	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2014	OTHER FINANCING 2014		INTERFUND TRANSFERS 2014		TOTAL FINANCIAL RESOURCES AVAILABLE 2014	BUDGETED EXPENDITURES/ EXPENSES 2014
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 30,083,800	\$ 29,576,884	\$ 17,976,466	\$ 1,518,465	\$ 29,633,919	\$	\$	\$ 20,000	\$ 766,883	\$ 48,381,967	\$ 31,796,748
2. Special Revenue Funds	32,836,039	20,534,511	20,246,445		24,840,777			435,314	78,883	45,443,653	32,152,858
3. Debt Service Funds Available	2,969,610	1,968,611	350,974	187,200	389,534					927,708	565,734
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	2,969,610	1,968,611	350,974	187,200	389,534					927,708	565,734
6. Capital Projects Funds											
7. Permanent Funds											
8. Enterprise Funds Available	84,882,116	59,287,612	48,409,997		40,987,154	35,151,180		390,452		124,938,783	99,838,620
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	84,882,116	59,287,612	48,409,997		40,987,154	35,151,180		390,452		124,938,783	99,838,620
11. Internal Service Funds	9,287,731	7,553,387	4,305,886		6,163,913					10,469,799	8,769,651
12. TOTAL ALL FUNDS	\$ 160,059,296	\$ 118,921,005	\$ 91,289,768	\$ 1,705,665	\$ 102,015,297	\$ 35,151,180	\$	\$ 845,766	\$ 845,766	\$ 230,161,910	\$ 173,123,611

EXPENDITURE LIMITATION COMPARISON

	2013	2014
1. Budgeted expenditures/expenses	<u>\$ 160,059,296</u>	<u>\$ 173,123,611</u>
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	<u>160,059,296</u>	<u>173,123,611</u>
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	<u>\$ 160,059,296</u>	<u>\$ 173,123,611</u>
6. EEC or voter-approved alternative expenditure limitation	<u>\$</u>	<u>\$</u>

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 Position 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
Tax Levy and Tax Rate Information
Fiscal Year 2014

	2013	2014
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 1,472,037	\$ 1,518,465
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	\$ 1,095,856	\$ 1,518,465
B. Secondary property taxes	1,584,975	187,200
C. Total property tax levy amounts	\$ 2,680,831	\$ 1,705,665
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 1,077,257	
(2) Prior years' levies	18,599	
(3) Total primary property taxes	\$ 1,095,856	
B. Secondary property taxes		
(1) Current year's levy	\$ 1,561,142	
(2) Prior years' levies	23,833	
(3) Total secondary property taxes	\$ 1,584,975	
C. Total property taxes collected	\$ 2,680,831	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.1978	0.2741
(2) Secondary property tax rate	0.2854	0.0367
(3) Total city/town tax rate	0.4832	0.3108
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
Revenues Other Than Property Taxes
Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
GENERAL FUND			
Local taxes			
Privilege and Use Tax	\$ 12,625,000	\$ 13,190,000	\$ 13,520,000
Franchise Taxes	1,719,092	1,641,156	1,658,979
Licenses and permits	332,600	393,340	444,800
Intergovernmental			
State	9,471,571	9,471,571	9,960,938
Local Jurisdictions	2,189,619	2,085,032	2,099,794
Charges for services	1,399,458	1,398,345	1,226,058
Fines and forfeits	504,800	492,415	476,350
Interest on investments	263,250	133,350	133,250
In-lieu property taxes	67,000	67,000	67,000
Miscellaneous	23,750	1,049,175	46,750
Total General Fund	\$ 28,596,140	\$ 29,921,384	\$ 29,633,919
SPECIAL REVENUE FUNDS			
Streets and Open Space Funds			
Streets and Open Space Tax	\$ 12,076,486	\$ 12,796,500	\$ 13,153,000
Intergovernmental - State	2,808,792	2,808,792	2,810,513
Intergovernmental - County	960,000	196,721	1,897,491
Interest Earned	50,000	100,000	100,000
Miscellaneous	654,901	575,425	556,201
Total Streets and Open Space Funds	\$ 16,550,179	\$ 16,477,438	\$ 18,517,205
Transient Occupancy Tax			
Transient Occupancy Tax	\$ 557,684	\$ 583,000	\$ 600,000
Miscellaneous	1,500	1,500	1,500
Total Transient Occupancy Tax	\$ 559,184	\$ 584,500	\$ 601,500
Impact Fee Fund			
Impact Fees	\$ 306,120	\$ 383,051	\$ 382,650
Miscellaneous	61,058	57,959	57,259
Total Impact Fee Fund	\$ 367,178	\$ 441,010	\$ 439,909
Grant Funds			
Miscellaneous Grants	4,280,572	1,668,246	5,276,163
Total Grant Funds	\$ 4,280,572	\$ 1,668,246	\$ 5,276,163
Acker Trust			
Interest Earned	10,000	6,000	6,000
Total Acker Trust	\$ 10,000	\$ 6,000	\$ 6,000
Total Special Revenue Funds	\$ 21,767,113	\$ 19,177,194	\$ 24,840,777

* 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
Revenues Other Than Property Taxes
Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
DEBT SERVICE FUNDS			
Special Assessments	\$ 1,340,044	\$ 340,044	\$ 350,044
Interest Earned	52,591	56,591	39,490
Total Debt Service Funds	\$ 1,392,635	\$ 396,635	\$ 389,534
ENTERPRISE FUNDS			
Water	\$ 16,093,795	\$ 16,989,049	\$ 18,155,875
Wastewater	9,840,700	9,925,510	10,598,000
Solid Waste/Transfer Station	8,294,520	6,559,290	6,361,520
Golf Course	2,895,740	2,574,515	2,709,500
Airport	8,936,636	9,837,686	3,162,259
Total Enterprise Funds	\$ 46,061,391	\$ 45,886,050	\$ 40,987,154
INTERNAL SERVICE FUNDS			
Fleet Maintenance	\$ 1,941,000	\$ 2,013,393	\$ 1,946,000
Self-Insurance	2,257,978	2,196,850	1,395,414
Engineering	1,616,735	1,627,420	1,636,415
Facilities Maintenance	1,119,948	1,122,953	1,186,084
Total Internal Service Funds	\$ 6,935,661	\$ 6,960,616	\$ 6,163,913
TOTAL ALL FUNDS	\$ 104,752,940	\$ 102,341,879	\$ 102,015,297

* 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
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2014

<u>FUND</u>	<u>OTHER FINANCING</u> <u>2014</u>		<u>INTERFUND TRANSFERS</u> <u>2014</u>	
	<u>SOURCES</u>	<u><USES></u>	<u>IN</u>	<u><OUT></u>
GENERAL FUND				
Parking Garage	\$	\$	\$ 20,000	\$
Grants				766,883
Total General Fund	\$	\$	\$ 20,000	\$ 766,883
SPECIAL REVENUE FUNDS				
Streets and Open Space Funds	\$	\$	\$ 58,883	\$
Street Impact Fees				58,883
Transient Lodging Tax				20,000
Grants			376,431	
Total Special Revenue Funds	\$	\$	\$ 435,314	\$ 78,883
ENTERPRISE FUNDS				
Water	\$ 11,000,000	\$	\$	\$
Wastewater	24,151,180			
Airport			390,452	
Total Enterprise Funds	\$ 35,151,180	\$	\$ 390,452	\$
TOTAL ALL FUNDS	\$ 35,151,180	\$	\$ 845,766	\$ 845,766

CITY OF PRESCOTT, ARIZONA
Expenditures/Expenses by Fund
Fiscal Year 2014

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
GENERAL FUND				
City Council	\$ 39,104	\$	\$ 36,673	52,508
City Clerk	78,451		59,384	109,317
City Court	549,961		527,030	558,207
City Manager	697,175		695,824	681,299
Legal	246,865	100,000	331,899	373,999
Budget & Finance	561,948		502,000	407,690
Field & Facilities	138,381		105,757	187,879
Community Development	1,308,228		1,251,520	1,308,807
Parks & Recreation	3,056,449		3,040,293	3,026,679
Library	2,248,752		2,191,013	2,260,241
Police Department	12,445,791		12,231,531	13,218,663
Fire Department	7,222,605		7,213,884	8,276,837
Economic Enterprises	1,390,090		1,390,076	1,334,622
Total General Fund	\$ 29,983,800	\$ 100,000	\$ 29,576,884	\$ 31,796,748
SPECIAL REVENUE FUNDS				
Streets and Open Space	\$ 27,446,609	\$	\$ 17,842,914	\$ 24,497,428
Transient Occupancy Tax	611,905		541,026	819,552
Impact Fees	1,427,350		94,950	887,501
Grants	4,634,878	(1,500,000)	1,840,324	5,652,594
Trust Funds	215,297		215,297	295,783
Total Special Revenue Funds	\$ 34,336,039	\$ (1,500,000)	\$ 20,534,511	\$ 32,152,858
DEBT SERVICE FUNDS	\$ 2,969,610	\$	\$ 1,968,611	\$ 565,734
ENTERPRISE FUNDS				
Water	\$ 32,355,874	\$	\$ 19,244,147	\$ 47,678,230
Wastewater	30,119,790		21,472,456	37,193,226
Solid Waste/Transfer Station	8,944,146		5,237,562	8,528,658
Golf Course	2,841,390		2,781,584	2,887,860
Airport	9,120,916	1,500,000	10,551,863	3,550,646
Total Enterprise Funds	\$ 83,382,116	\$ 1,500,000	\$ 59,287,612	\$ 99,838,620
INTERNAL SERVICE FUNDS				
Fleet Maintenance	\$ 4,267,953	\$	\$ 2,799,370	\$ 4,378,693
Self-Insurance	2,243,329	(100,000)	2,026,850	1,375,414
Engineering	1,618,817		1,617,920	1,687,960
Facilities Maintenance	1,257,632		1,109,247	1,327,584
Total Internal Service Funds	\$ 9,387,731	\$ (100,000)	\$ 7,553,387	\$ 8,769,651
TOTAL ALL FUNDS	\$ 160,059,296	\$	\$ 118,921,005	\$ 173,123,611

* 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
Expenditures/Expenses by Department
Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
Public Works:				
Streets and Open Space	\$ 23,605,636	\$	\$ 14,422,229	\$ 20,751,379
Engineering	1,618,817		1,617,920	1,687,960
Water	32,355,874		19,244,147	47,678,230
Wastewater	30,119,790		21,472,456	37,193,226
Department Total	\$ 87,700,117	\$	\$ 56,756,752	\$ 107,310,795
Field & Facilities:				
Streets and Open Space	\$ 3,840,973	\$	\$ 3,420,685	\$ 3,746,049
Solid Waste/Transfer Station	8,944,146		5,237,562	8,528,658
General Fund	138,381		105,757	187,879
Fleet Maintenance	4,267,953		2,799,370	4,378,693
Facilities Maintenance	1,257,632		1,109,247	1,327,584
Department Total	\$ 18,449,085	\$	\$ 12,672,621	\$ 18,168,863
Airport and Economic Ent				
General Fund	\$ 1,390,090	\$	\$ 1,390,076	\$ 1,334,622
Airport	9,120,916	1,500,000	10,551,863	3,550,646
Department Total	\$ 10,511,006	\$ 1,500,000	\$ 11,941,939	\$ 4,885,268

* 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
Full-Time Employees and Personnel Compensation
Fiscal Year 2014

FUND	Full-Time Equivalent (FTE) 2014	Employee Salaries and Hourly Costs 2014	Retirement Costs 2014	Healthcare Costs 2014	Other Benefit Costs 2014	Total Estimated Personnel Compensation 2014
GENERAL FUND	333.00	\$ 19,243,931	\$ 4,539,132	\$ 2,479,309	\$ 1,651,152	= \$ 27,913,524
SPECIAL REVENUE FUNDS						
Streets and Open Space	38.90	\$ 1,909,435	\$ 215,149	\$ 306,533	\$ 266,973	= \$ 2,698,090
Transient Occupancy Tax	1.00	85,377	9,853	9,484	8,403	113,117
Grants	5.25	492,719	111,104	50,058	53,487	707,368
Trust	0.40	7,800			1,779	9,579
Total Special Revenue Funds	45.55	\$ 2,495,331	\$ 336,106	\$ 366,075	\$ 330,642	= \$ 3,528,154
DEBT SERVICE FUNDS						
Total Debt Service Funds	-	\$ -	\$ -	\$ -	\$ -	= \$ -
ENTERPRISE FUNDS						
Water	42.75	\$ 2,193,269	\$ 239,929	\$ 338,224	\$ 210,220	= \$ 2,981,642
Wastewater	35.30	1,813,318	206,676	292,232	189,059	2,501,285
Solid Waste/Transfer Station	29.10	1,209,451	136,327	224,960	153,952	1,724,690
Golf course	38.00	1,114,196	128,578	131,203	107,297	1,481,274
Airport	10.75	494,819	57,102	59,683	48,239	659,843
Total Enterprise Funds	155.90	\$ 6,825,053	\$ 768,612	\$ 1,046,302	\$ 708,767	= \$ 9,348,734
INTERNAL SERVICE FUNDS						
Fleet Maintenance	9.40	\$ 505,606	\$ 52,106	\$ 77,426	\$ 51,656	= \$ 686,794
Engineering	17.50	1,038,365	115,969	142,554	95,370	1,392,258
Facilities Maintenance	8.75	356,280	37,314	43,906	38,487	475,987
Total Internal Service Funds	35.65	\$ 1,900,251	\$ 205,389	\$ 263,886	\$ 185,513	= \$ 2,555,039
TOTAL ALL FUNDS A	570.10	\$ 30,464,566	\$ 5,849,239	\$ 4,155,572	\$ 2,876,074	= \$ 43,345,451

See Note

Note: Full-Time Equivalent (FTE) includes 508 FTE permanent employees and estimated 62.10 FTE temporary employees.

COUNCIL AGENDA MEMO – June 11, 2013
DEPARTMENT: Legal
AGENDA ITEM: Adoption of Resolution No. 4174-1336 approving an Intergovernmental Agreement with Yavapai County for Consolidated Court Operations

Approved By:	Date:
City Attorney: Jon M. Paladini	
City Manager: Craig McConnell <i>Craig McConnell</i>	<i>6-3-13</i>

Summary

This item is to approve an intergovernmental agreement (IGA) with Yavapai County for consolidated operation of the Prescott Municipal Court and County (Prescott) Justice Court. Effective July 1, 2013, the term is for five years plus up to five additional one-year renewals.

Background

Prescott City Charter, Article XI requires that the City establish a municipal court within the territorial limits of the City. The Charter also provides that the Prescott City Court has exclusive jurisdiction over violations of the City Code and concurrent jurisdiction with the Justice Court over state law violations that occur within the City. However, A.R.S. § 22-402 provides that a city or town may, in lieu of establishing or maintaining a separate municipal court, enter into an intergovernmental agreement with a county as authorized by A.R.S. §11-952 to provide the services of a municipal court, including the jurisdiction of all cases arising under the ordinances of the city or town, by use of a justice of the peace in whose jurisdiction the city or town is located. Yavapai County operates and maintains a Prescott Justice Court facility and employs staff to conduct certain County judicial operations. Adoption of Resolution No. 4174-1336 will enable consolidated court operations. Joint utilization of the Prescott Justice Court facility on a cost-shared basis will benefit both parties through cost reductions.

Financial

Costs to the City as set forth in the IGA include an annual base facilities fee of \$18,000, 40% of the Court Supervisor’s salary and benefits, and 50% the Bailiff’s salary and benefits. The County will reimburse the City for the County’s portion of the cost of finance and accounting services which the City will take as an adjustment of the overall fees in the amount of \$4,400 annually. The source of funding for the IGA is the General Fund.

- Attachments** - Resolution No. 4174-1336
 - IGA for Consolidated Court Operations

Recommended Action: MOVE to adopt Resolution No. 4174-1336.
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RESOLUTION NO. 4174-1336

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, TO APPROVE AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF PRESCOTT AND YAVAPAI COUNTY FOR CONSOLIDATED COURT OPERATIONS

RECITALS:

WHEREAS, the City of Prescott ("Prescott") has the authority pursuant to its Charter, A.R.S. §9-240 and §11-952 to enter into intergovernmental agreements ("IGA's") for purposes of carrying out its responsibilities and to provide for the joint exercise of any powers common to public entities; and

WHEREAS, Yavapai County operates and maintains a Prescott Justice Court facility and employs staff for the conduct of certain County judicial operations; and

WHEREAS, Prescott requires facilities and staff for its City Court operations; and

WHEREAS, it is in both governmental parties interests to enter into an agreement for joint utilization of facilities and staff required for their respective court operations, and such agreement will be in the best interests of the City.

ENACTMENTS:

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

Section 1. That Prescott hereby approves the IGA with Yavapai County for the joint use of facilities and staff for the operation of both entities respective court operations.

Section 2. THAT the Mayor and Staff are hereby authorized to execute the IGA between Prescott and Yavapai County and to take any and all steps deemed necessary to accomplish the above.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this ____ day of _____, 2013.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL
City Clerk

JON M. PALADINI
City Attorney

**CITY OF PRESCOTT/YAVAPAI COUNTY
INTERGOVERNMENTAL AGREEMENT**

CONSOLIDATED COURT OPERATIONS
CITY OF PRESCOTT No. 2013-204

THIS AGREEMENT, made this _____ day of _____, 2013, by and between YAVAPAI COUNTY, a political subdivision of the State of Arizona, hereinafter called "County", and the CITY OF PRESCOTT, a municipal corporation of the State of Arizona, hereinafter called "City".

RECITALS

WHEREAS, the County is authorized to enter into this Agreement pursuant to A.R.S. § 11-952 *et seq.*; and

WHEREAS, the City is authorized to enter into this Agreement pursuant to its Charter, Article I, Section 3, entitled, "Powers of City" and A.R.S. §11-952 *et seq.*; and

WHEREAS, the County operates and maintains a Prescott Justice Court facility and employs staff for the conduct of certain County judicial operations; and

WHEREAS, City requires facilities and staff for its City Court operations; and

WHEREAS, the Parties have determined that it is to their mutual benefit to enter into an agreement for joint utilization of facilities and staff required for their respective Court operations.

NOW THEREFORE, IT IS AGREED by and between the County and City as follows:

I. OCCUPANCY AND USE OF COURT FACILITIES

The County grants the City the right to use and occupy the Prescott Justice Court facilities for the use of the City Judge, court personnel, and for ancillary services. Employees of the City shall have the right of access to the described premises, which shall be in conjunction and coextensive with the use of the County and its employees. County agrees to furnish the City and its employees, licensees, and/or permittees during the term of this Agreement, or any extension hereof, proper heating, cooling, electricity, use of common corridors, lobbies, rooms, stairs, ingress and egress, and reasonable janitorial service. In the event the Prescott Justice of the Peace does not serve as the City Judge, this section will be renegotiated by the City and the County

II. COST REIMBURSEMENT

A. Reimbursement by City. During the initial term of this Agreement or renewals thereof, the City shall reimburse the County in the following amounts:

1. **Facilities' Fee.** A base Facilities' Fee of \$18,000 for the fiscal year commencing July 1, 2013 and ending on June 30, 2014. Thereafter, the Facilities' Fee shall be adjusted in accordance with Section II(C) of this Agreement as of July 1st of each successive fiscal year during the initial term of this

Agreement or renewals thereof.

2. **Court Supervisor Salary/Benefits.** Forty percent (40%) of the annual salary and benefits paid to the Consolidated Court Supervisor for each fiscal year during the initial term of this Agreement or renewals thereof.
3. **Bailiff Salary/Benefits.** Fifty percent (50%) of the annual salary and benefits paid to the Court Bailiff for each fiscal year during the initial term of this Agreement or renewals thereof.

B. Reimbursement by County. During the initial term of this Agreement, or renewals thereof, the County shall reimburse the City for the County's portion of the cost of finance and accounting services provided to the Consolidated Court by the City. The County's payment for finance and accounting services for the fiscal year commencing July 1, 2013 shall be \$4,400. Thereafter, the County's payment for finance and accounting services shall be adjusted in accordance with Section II(C) of this Agreement as of July 1st of each successive fiscal year during the initial term of this Agreement or renewals thereof.

C. Reimbursement Adjustments. The City's Facilities' Fee payments and the County's payment for finance and accounting services shall be subject to an annual adjustment based on the U.S. Department of Commerce, Bureau of Economic Analysis Implicit Price Deflators for Gross Domestic Product (Table 1.1.9) as the percentage increase from Quarter IV of the previous calendar year with the calendar year 2012 Quarter IV designated as the base year. However, in no event shall the City's obligation for the Facilities' Fee or the County's payment for finance or accounting services ever exceed an amount above five percent (5%) from the prior fiscal year's obligation.

III. SCHEDULE OF PAYMENTS

A. Payments by the City. Amounts owed by the City during the initial term of this Agreement, or renewals thereof, are payable in quarterly installments as follows:

1. **Facilities Fee:** 25% of the annual Facility Fee as calculated herein for the initial term or renewals thereof.
2. **Court Supervisor.** 40% of the salary and benefit costs paid by the County to the Court Supervisor during each quarter
3. **Court Bailiff.** 50% of the salary and benefits paid by the County to the Court Bailiff during each quarter.

B. Payments by the County. Amounts owed by the County for finance and accounting services during the initial term of this Agreement or renewals thereof are payable in quarterly installments of 25% as calculated herein.

C. Quarterly Payment Processing. On or before the 15th day of each quarter during the initial term of this Agreement, or renewals thereof, the County shall transmit to the City an itemized invoice for: (1) 40% of the salary and benefit costs paid by the County to the Court Supervisor for the prior quarter, (2) 50% of the salary and benefit costs paid by the County to the Court Bailiff for the prior quarter and (3) 25% of

the annual Facilities' Fee for the prior quarter. Upon receipt, the City shall issue payment to the County for the total amount of the itemized charges less 25% of the amount payable by the County for finance and accounting services for the prior quarter.

IV. INDEMNITY AND INSURANCE

- A. Indemnity.** Each Party as ("Indemnitor") agrees to indemnify, defend, and hold harmless, to the fullest extent permitted by law, the other Party as ("Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising due to the intentional and/or negligent acts or omissions of the Indemnitor's officers, employees or agents pursuant to this Agreement.
- B. Insurance.** The County shall obtain and maintain public entity liability insurance coverage with minimum annual policy limits of \$2,000,000 naming the City as an additional insured and shall, on or before the effective date of this Agreement provide the City with a certificate of insurance confirming the existence of the required coverage and the addition of the City as an additional insured. The City shall obtain and maintain public entity liability insurance coverage with minimal annual policy limits of Two Million Dollars (\$2,000,000.00) naming the County as additional insured and shall, on or before the effective date of this Agreement, provide the County with a certificate of insurance confirming the existence of the required coverage and the addition of the County as an additional insured.

V. SEVERABILITY

The invalidity of any provision of this Agreement as determined by a Court of competent jurisdiction, shall in no way effect the validity of any other provision hereof, so long as the original intent of the Parties is not defeated thereby.

VI. TERM AND RENEWAL

The Initial Term of this Agreement shall commence on July 1, 2013 and shall expire on June 30, 2018 unless earlier terminated as provided herein. Thereafter, this Agreement may be renewed for up to five (5) additional successive one- year renewal terms with a maximum effective term, including initial and renewal terms, not to exceed ten (ten) years.

VII. TERMINATION

Notwithstanding the expressed term of the agreement, either Party reserves the right to terminate this agreement with or without cause at any time, by providing to the other Party, in writing, notice of intent to terminate at least ninety (90) days prior to the specified date of termination.

VIII. NOTICES

Notices to be sent pursuant to this Agreement shall be personally delivered or mailed by prepaid postage and certified mail, to the following addresses:

City of Prescott
City Manager
P.O. Box 2059
Prescott AZ 86302

Yavapai County
County Administrator
1015 Fair St.
Prescott, AZ 86305

IX. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the Parties with respect to the subject matters hereof, and it may be amended, modified, or waived only by an instrument in writing signed by both Parties.

X. CONFLICT OF INTEREST

This Agreement is subject to cancellation pursuant to A.R.S. §38-511, the pertinent portions of which are incorporated by reference herein.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF PRESCOTT

YAVAPAI COUNTY

Marlin D. Kuykendall
Mayor

A.G. "Chip" Davis
Chairman, Board of Supervisors

ATTEST:

ATTEST:

Lynn Mulhall
City Clerk

Ana Wayman-Trujillo
Clerk of the Board

DETERMINATIONS OF COUNSEL

Pursuant to A.R.S. Section 11-952(D), the foregoing agreement has been reviewed by the undersigned attorney for the City of Prescott, who has determined that the agreement is in proper form and is within the powers and authority granted under the laws of this State to the City of Prescott.

Jon M. Paladini, City Attorney

Pursuant to A.R.S. Section 11-952(D), the foregoing agreement has been reviewed by the undersigned Deputy County Attorney, who has determined that the agreement is in proper form and is within the powers and authority granted under the laws of this State to the County of Yavapai.

Jack Fields, Chief Civil Deputy County Attorney