



CITY COUNCIL WORKSHOP MEETING

WORKSHOP MEETING MINUTES

FRIDAY, APRIL 9, 2021, 9:00 AM

Hilton Garden Inn
300 N Montezuma Street
Prescott, AZ 86303

Greg Mengarelli, Mayor

Alexa Scholl, Mayor Pro Tem

Steve Blair, Councilman

Phil Goode, Councilman

Cathey Rusing, Councilmember

Steve Sischka, Councilman

Clark Tenney, Councilman

MINUTES OF THE WORKSHOP MEETING OF THE PRESCOTT CITY COUNCIL WORKSHOP MEETING HELD ON APRIL 9, 2021, IN THE HILTON GARDEN INN 300 N MONTEZUMA STREET PRESCOTT, AZ 86303.

1. CALL TO ORDER

Mayor Mengarelli called the meeting to order at 9:03 a.m.

2. ROLL CALL

Greg Mengarelli	Mayor
Alexa Scholl	Mayor Pro Tem
Steve Blair	Councilman
Phil Goode	Councilman
Cathey Rusing	Councilmember
Steve Sischka	Councilman
Clark Tenney	Councilman

3. DISCUSSION

A. Discussion and Consideration of the City Council Strategic Plan.

Mayor Mengarelli thanked the Hilton Garden Inn for hosting the meeting and Lobbyist Barry Aarons for joining Council and staff for the discussion. These are normally done in January/February but weren't able to because of COVID so he is happy to have everyone together to discuss.

Mr. Aarons addressed Council and stated that this is his 51st Session at the legislature. It has been difficult because of some of the restrictions placed on them by the pandemic. The Senate has been fully closed to in-person hearing and presentations have to be done virtually and there have been some

technological issues, House has allowed some in person hearings. He introduced two new associates who have been assisting Aarons Consulting during the session.

Mr. Aarons added that the Tourism Marketing bill has gone through a variety of iterations during the session, however there were some issues with the opt outs for hotels and therefore it did not move forward. He does plan to work through the summer and see about redoing the bill. Were able to stop the short term rental bill and plan to continue to work toward a bill that will enable the cities to control the ordinances. About 4 weeks away from sine die.

Mayor Mengarelli asked where the legislature is at with the budget.

Mr. Aarons said that it is unclear whether the additional proposed tax bills will pass or not and right now the budget process is fluid. The House seems to be a bit further ahead than the Senate.

Councilman Sischka asked if Mr. Aarons could address what a strike all bill is.

Mr. Aarons responded that a strike all bill is a bill that won't be used anymore and all of the new text is inserted so it can move through the chambers again. Legislators must have the Speaker's permission to use a striker. Additionally, on occasion a striker will sometimes come up when there are technical corrections bills for a bill.

Council has been doing the strategic plan for four years, and Prescott is one of the few cities that maintains its strategic plan as an ongoing process.

Vision - to be the premier community in the Southwest Mission - we will embrace our unique past, maximize our current opportunities, and be a catalyst for our future prosperity.

The layout of the Strategic Plan is to begin with goals, then the objectives to reach those goals and strategies/tactics for the objectives. It is important to take constituent issues into consideration but the purpose of strategic planning is to take a focus on long term goals for the community and work on that.

Goals

1. Stabilize the General Fund
2. Economic Development
3. Quality of Life
4. Service Oriented Culture

* Stabilize the General Fund - continue supporting the market compensation plan, and provide adequate and stable funding and flexibility to maintain a balanced budget as required by the Charter

- Objectives: 1. continue to stabilize the general fund with strategy consider hiring a grant writer for the city to apply for and obtain greater grant funding; 2. retire the PSPRS unfunded liability based

on FY17/18 actuarial, administrative and financial assumptions as soon as possible with strategies using the dedicated sales tax of .75% and seeking state assistance; 3. monitor legislative action with strategies make impact fees adjustments, revenue/expense flexibility, continue to monitor compliance of sales tax remittance from vacation rental websites and online remote sellers and further assess the Section 115 Trust option for pension costs

Finance Director Mark Woodfill addressed the PSPRS Unfunded Liability which is now at nearly 70% funded and should have it paid off by Dec. 2025 which is 1.5-2 years earlier than planned when Prop443 was approved.

Mr. Aarons suggested a few items based on Council feedback to the City Manager's Office be added to the objectives for this goal including: CARES/Recovery act funding and the importance of looking at cooperative engagement to accomplish objectives and give more flexibility.

Mr. Lamar said that he thinks this is a wonderful idea because it allows a focus on specific infrastructure.

Mayor Mengarelli echoed Mr. Lamar's comments and added that being able to take a closer look at things like sewer/water that have been a focus will be helpful.

Councilman Goode commented that it is important to be proactive and prepared to have eligible infrastructure proposals thought out in advance so that when clarification on what funds can be used on everyone can be ready to go.

Councilmember Rusing added that there is competition between urban and rural areas and the dollars don't get spread equally so it is important to make sure the funds are spread out to the rural areas.

Councilman Sischka stated that it seems the Governor knows more of what he doesn't want than what with regard to how funds should be used.

Mr. Aarons said he doesn't believe that is the case, but added that there is a lot to focus on and the city could be better recognized if they work collaboratively with other agencies to be seen as a larger entity. Figuring out what the priorities are will allow management and lobbyists to work toward obtaining those funds for the projects that their community needs and expanding local partnerships is the key.

Councilman Blair commented that water management should be done collectively in order to bring us into safe yield and this is a prime example of working together and how it would positively impact infrastructure opportunities.

Councilman Sischka reiterated that Prescott is part of the AMA and isn't exclusively the AMA and so regional priority should be safe yield so would that work as a driver for some of the funds that are available.

Councilman Blair said that there are problems with regionalism because County has no water authority or control. It is important for Prescott to take the leadership role for the County and work with the Department of Water Resources on accomplishing goals.

City Attorney Jon Paladini reiterated that making these changes is codifying something that many communities are already doing. Very involved with the League attorneys and being on an Amicus committee to determine how we will be involved in the way that things are impacting other municipalities. This is a good add to the objectives because it is stating something that is happening but not a lot of people know about.

Councilman Sischka said that that work at a staff level has to come up to the political level so something can be done about it and urgency from the higher level will drive things forward.

Mr. Lamar added that staff gets mixed signals about what the Council wants to happen regionally, and it would be helpful if that is clarified. Also, while it is good to get regional partners involved, none of them want the city to be the leader in water provision beyond our city limits so that complicates things as well.

Councilman Blair concurred and said that leadership changes which also impacts things.

Mayor Mengarelli said that it is key to start with influence and attempting to partner where we can. With regard to funding partner in order to show more leadership at the state level.

Councilmember Rusing said that Prescott is already a leader with our conservation program and bringing in other communities under this umbrella which would be important for the region.

* Economic Development - providing an environment to enable prosperity and job/career creation. Drivers include tourism, medical, government, education, growth, aviation/aerospace, supply chain industries, high-tech and cyber security

- Objectives: 1. take better advantage of community assets with strategies maximize revenues at existing city-owned/operated locations (airport, golf course, etc) by seeing reasonable market rate for leases and services, explore strategies with academic and trade institutions to build future workforce capabilities, and encourage business and industry partnerships with local colleges and universities to encourage innovation and student retention for employment including creation of the center for the future; and tactic ensure Aviation's continued presence and location in Prescott as well as the associated supply-chain; 2. utilize a regionalization approach to support necessary airport and airpark growth and development with strategies seeking federal/state/Arizona Commerce Authority financial support for current and future airport development, encourage private development at the airport and surrounding areas, work with neighboring jurisdictions to seek compatible land uses and reduce non-compatible encroachment around the airport, support future commercial air service growth and airport safety; and 3. continue to monitor a moderate, healthy and sustainable rate of growth to act as a renewal of the city

and to support the local economy

* Quality of Life - create a community of well-being, a clean and safe city that provides superior essential services and enhances opportunities that allow for retention and attraction of people who want to live, learn, work and play in Prescott

- Objectives: 1. natural resource preservation and conservation through strategies to preserve the Arizona groundwater management act, supporting conservation measures to maximize water availability, acquisition of land for public ownership, conservation easements, clean water bodies, fire-wise communities, forest health; 2. highly-rated city services through strategies considering traffic flow/traffic management, studying public transit opportunities through political subdivision coalitions and continuing to work with State Legislature to restore HURF money; 3. cultural and recreational experiences like the Hilton Garden Project, Granite Creek Corridor, ECHO Commission and Opportunity Zones; and 4. further promote well-being and enhance our vibrant community through creating a commission on well-being.

Mr. Aarons commented that adding a visitor focus and industry to the strategy related to community assets would be beneficial.

Councilman Blair commented that the goal of Council should be to focus on what will be most beneficial for the community and rise above the public perception.

Councilman Sischka stated that he feels things like the Center for The Future is maximizing opportunities for Prescott, and wording “maximizing revenues” is the wrong way to state what the objective really is. Everyone wants to look to the future.

Councilman Tenney echoed Councilman Sischka’s comments. Council doesn't want to limit themselves to things that are revenue generating only but rather things that explicitly maximize the community's quality of life.

Mr. Aarons said that changing the word "revenues" to "economic opportunity" would be an appropriate changed based on Council comments and that the addition of “reasonable and appropriate market rate” on the first bullet of Section 1 Strategies would be appropriate as well.

Councilman Goode concurred, an appropriate use of government is to give the private sector the opportunities and then use those in a way that is financially beneficial in the future.

Mayor Pro Tem Scholl commented that she would like to add K-12 schools in strategy related to academic/trade institutions under this goal, it is important there is a focus in working with students to keep them here after they graduate.

Council consensus to add “Partnerships with K12 community, local colleges and universities...”

Mr. Aarons continued that adding water, sewer and other transportation infrastructure growth and development to the fourth bullet on strategies for Objective 2 for Goal 2 would be beneficial as well as ingress and egress at the airport which has been brought up by several Council members.

Councilman Goode said that he supports that wholeheartedly, this has not been effective in the past and will continue to be more problematic as the airport continues to grow. This is an opportunity for regional approach to reach larger goals.

Mr. Aarons concurred, need to sell the Airport as being regional much more and ingress/egress is important to doing that.

Councilman Sischka said that historically there has been a focus on the differences in communities rather than the commonalities and he would like to see that in Objective 2 of Goal 2. Council should be looking at what kind of commonalities we have and how those can be maximized within our regional efforts to gain the best for our entire region.

Mayor Pro Tem Scholl said that a regional partner we haven't discussed is the Tribe and while we have been working on that it hasn't historically been good and we need to make sure that is included in these goals.

Councilman Blair added that it is important to look at the commercial and industrial versus residential development around the airport.

Councilman Goode echoed Councilman Blair's comments, there must be buffer areas around the airport that are industrial/aeronautical focused and not residential.

Mr. Aarons said that as part of the Prescott General Plan should have zoning specifications for the areas around the airport.

Mr. Lamar said that zoning and utility set up surrounding the airport would aid in that goal.

Mr. Paladini added that it can be difficult because with zoning changes there can be issues with property value, so it is important to incentivize zone changes.

Mr. Aarons suggested that Council allow staff to come up with language for a strategy for that issue to have something that will accomplish what has been discussed. New bullet point under community asset strategies.

Mayor Pro Tem Scholl asked if there is a member from ADOT on the Prescott North Area Plan because our ingress and egress is limited at the airport due to the surrounding state highway.

Mr. Lamar said that ADOT has been invited and asked to be part of the discussions.

Councilman Goode said that this plays into a visitor focus versus a tourism focus and that is very important. Also considerations regarding what will want to make businesses relocate here is important as well.

Councilmember Rusing commented that an annexation is an invitation to negotiate between the city and the developer, city has the tools with the Charter/Prop400 to negotiate with the developer to protect the airport by having an industrial zone buffer. This wasn't done with the master plan for deep well ranch or in the general plan but that can be fixed.

Mr. Aarons responded that having a strategy in there along the lines of this would all fall under this category, seems to be migrating to a general Airport Plan.

Mr. Paladini said that we already have an Airport General Plan but it needs to be revisited.

Councilman Blair concurred.

Mr. Aarons said that adding in zoning, land use, utility and focus on airport area would be a good addition.

Mr. Lamar commented that a sustainable/moderate growth rate is something that is important to consider when looking at regionalism. Growth in western Yavapai County, and city's overall since 1990 is approximately 2.2% per year where the state has been at over 3.2%. This brings larger context to the struggle of moderating growth when surrounding areas are growing at rates that are exponentially higher. And this is a continuing trend, it is important for staff to know what Council believes is a reasonable rate of growth.

Councilman Blair commented that Prescott has been growing in the right way and finding a balance with infrastructure.

Councilman Tenney stated that he has heard in the community the Council is pro-growth but these figures show that isn't the case, we are well below our neighbors.

Mr. Lamar added that this runs on a parallel track to water and proves more so that we need to be a regional player.

Mr. Aarons said he has heard that Council wants to be a regional player because all of this impacts us.

Councilmember Rusing said that keeping up with our infrastructure and amenities needs to be maintained because it is impacted by our growth and plays a part in quality of life.

Mayor Mengarelli said that if we continue to manage water the best in the region it is best for us to

annex and manage water so we can continue that. Growth is happening around us and so when we can we should control how water is used to preserve our aquifer long term.

Councilman Sischka said that the way to keep up with infrastructure is through annexation and impact fees because we have to have a way to fund the infrastructure.

Councilmember Rusing commented that she recently found out Yavapai County is the 4th most populous county in the state and ahead of Coconino County.

Councilman Goode said that discussing growth doesn't matter if you don't have good planning because even 2.2% can be negatively impactful to the community at large. 1-2% that is planned can be managed in an effective manner rather than dealing with the impacts of growth after the fact.

Mayor Pro Tem Scholl commented that her struggle with growth is that Prescott isn't in a silo, the growth that happens around us impacts us so we have to include that growth into our plans. This is broader than what is happening in Prescott.

Mr. Aarons added that all of this also ties into recognizing commonalities in Prescott and surrounding communities, and making that part of the objectives will be critical to that.

Community Development Director Bryn Stotler commented that both Prescott Valley and Yavapai County have initiated updates to General Plans and Prescott is right behind them on that. Planning process is aligned throughout the communities.

Councilman Goode asked how growth in Yavapai County may impact the city's influence at the legislature and with the state because larger counties are given different priority.

Mr. Aarons responded that the county will meet new thresholds for representation, status of "small county" and judge selection just to name a few of the possible impacts.

Mr. Paladini commented that it is important that Council discuss Prescott's growth rate and whether there is a correlation to the fact that then growth will go elsewhere because it is coming anyway. The island concept of making it difficult to grow here is simply creating growth outside the city and then impacting the community.

Councilman Blair commented that putting in road expansions in the past has been laughed at, this shows there has been foresight and changes have occurred as we've grown and changed. They have happened and will continue to happen.

Mr. Aarons concurred and said that it is important to take into consideration what they want everything to look like 10 years from now, which is part of the planning process that is ensconced in this.

Mayor Pro Tem Scholl added that Council's recent decision to only allow ductile iron pipe will also have a beneficial impact on growth.

Mr. Aarons agreed and continue the discussion regarding the addition of a regional park strategy under goal three.

Councilman Tenney asked how many municipalities of our size (over 10,000) that don't have a municipal pool. We are the only one in our County that does not have one. Should be included under quality of life to investigate feasibility for offering that as an amenity as a tactic.

Councilman Blair said that when we are looking at developments Council should also be looking at private/public partnerships for obtaining the land to do something like that.

Mayor Pro Tem Scholl added that securing land in the Dells has long been a goal for the City, but it doesn't feel regional and feels there should be some buy in from the other communities on that.

Mayor Mengarelli said that on that note he has reached out to Chairman Brown regarding how the County can take part in the discussions regarding a Regional Park, a trail to Jerome, the possible Nature Center and the like. It is important for the County to be involved in that process and make these more regional.

Councilman Blair said working with our regional partners and taking small steps is important.

Mr. Aarons said having this as an objective in quality of life and economic development helps to provide direction to staff. Be careful that the General Plans have an element of flexibility in them because that can create problems.

Councilman Sischka said we can't artificially stop growth, but the key is what do things look like once we have grown.

Mr. Aarons added that a Councilmember suggested the opportunity to support vaccinating which could fall under the Quality of Life umbrella.

Council consensus to make the revisions and additions suggested.

* Service Oriented Culture - promote an accountable organizational culture of excellent, superior, solutions-driven service

- Objectives: 1. measurably promote excellent service delivery through strategies continuing customer services and other trainings, customer service feedback, performance measures from each department and shared vision culture among employees at all levels of departments; and 2. promote continuous process improvement through strategy fostering a culture that encourages employee moral and commitment

Councilman Sischka stated that he would like to change customer service to “customer experience and feedback”.

Councilman Tenney commented on the shift in facilities for city hall and how that might impact customer experience.

Mr. Lamar said one of the areas that has been a weak point is the building services because of where things are located, with multiple locations it can make things difficult and having them all in one building it will make things seamless. Being around one another consistently enhances collaboration between departments and that gives our citizens and customers a better product.

Mayor Mengarelli echoed Mr. Lamar’s comments and said this is the number one reason we would move facilities. There isn't a friendly easy-to-use facility and it causes problems for our citizens. Service delivery will be a lot better. We see our city as a jewel but our city hall doesn't say that and this will help with that.

Mr. Aarons responded that he could add a strategy regarding the implementation of the city facility colocation. At this point he feels he has what he needs to move forward with revising the plan based on Council comments and input today.

Mr. Lamar thanked staff and Council for their work on this and added that these discussions show that we have followed the plan and it is having a positive impact on our community.

Mayor Mengarelli echoed that and commented that looking at this annually is very helpful. He thanked staff for all of their work and everything they do for the city, it is gratifying to go through this list and see the things we are checking off.

This item was for discussion only, no formal action was taken.

4. ADJOURNMENT

There being no further business to discuss, Mayor Mengarelli adjourned the meeting at 11:33 a.m.



GREG MENGARELLI, Mayor

ATTEST:



SARAH M. SIEP, City Clerk

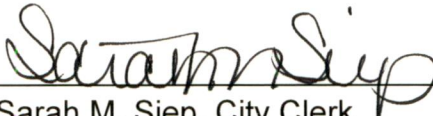
CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Workshop Meeting of the City Council Workshop Meeting of the City of Prescott, Arizona held on April 9, 2021. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 27 day of April, 2021.

AFFIX
CITY
SEAL




Sarah M. Siep, City Clerk