



AGENDA

**PRESCOTT CITY COUNCIL
STUDY SESSION
Tuesday, March 1, 2016
1:00 PM**

**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 **Study Session 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**

◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Oberg

Mayor Pro Tem Lamerson

Councilman Blair

Councilman Lazzell

Councilwoman Orr

Councilman Sischka

Councilwoman Wilcox

I. DISCUSSION ITEMS

A. Presentation of proposed building, fire, and planning fee adjustments

B. Conceptual designs for the Marina Street, Carleton Street, Alarcon Street, and Bashford Courts Parking Lot improvements

C. Presentation on the implementation of a City business license

D. Legislative Update

E. Requests for information re the March 1, 2016, Voting Meeting agenda items

II. 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.

Dana R. DeLong, CMC, City Clerk

MEETING DATE/TYPE: STUDY SESSION 3-1-16

DEPARTMENT: Community Development

AGENDA ITEM: Presentation of proposed building, fire, and planning fee adjustments

Approved By:

Date:

Director:	Guice, Tom	02/11/2016
City Attorney:	Paladini, Jon	02/17/2016
City Manager:	McConnell, Craig	02/22/2016

Item Summary

This item is to present recommendations for adjustments to various plan review, inspection, and project processing fees, and establishment of some new fees, in order to more reasonably recover the costs of these services.

The proposed adjustments and new fees were presented to local contractors for comments at a meeting held February 17, 2016. A synopsis of comments received will be provided during the presentation to Council.

Background

Building, Fire, and Planning fees have not been adjusted significantly since 2007. Some minor adjustments were made to subdivision fees in 2014, but those did not affect fees for other development services.

On November 10, 2015, Council approved guidance for General Fund reductions, revenue enhancements, and cost recovery. Following that guidance, Community Development and the Fire Department reviewed all fees charged by their divisions, and propose to adjust them to achieve a greater percent of recovery of the cost of providing the various reviews, inspections and project processing associated with development services. In addition to adjustments, some new fees are proposed for services that have not had fees established, and some new fees are proposed for new services that have not been provided in the past.

One example of a new service with an associated fee is the Life Safety and Certificate of Occupancy Inspection now required for congregate living homes. Because no fee specifically existed for that service, applicants have been charged a standard minimum fee that does not recover even a small fraction of the cost of the service provided.

Agenda Item: Presentation of proposed building, fire, and planning fee adjustments

Another example is establishment of a fee for Special Use Permits involving requests for exceptions to building or structure height restrictions. These types of Special Use Permits involve considerable time and effort to process because of the more extensive public notice required, and larger number of public requests for information.

Fee Setting Process

February 17, 2016	Presentation at contractors meeting
March 1, 2016	Presentation to Council
March 2, 2016	Notice of proposed fee changes posted to City website
March 16, 2016	Discussion at second contractors meeting
April 14, 2016	Planning and Zoning Commission meeting
May 3, 2016	Presentation of resolutions to Council to adopt fees

Attachments

None – proposed fees will be presented at the Council meeting

Recommended Action: Presentation for Council information, discussion, and direction.

MEETING DATE/TYPES: STUDY SESSION 3-1-16

DEPARTMENT: Public Works

AGENDA ITEM: Presentation of conceptual design for streetscape enhancements for Capital Improvement Projects

Approved By:

Date:

Director:	Hash, Henry	02/17/2016
City Attorney:	Paladini, Jon	02/17/2016
City Manager:	McConnell, Craig	02/23/2016

Item Summary

Many people in the community have expressed a desire to incorporate streetscape and traffic calming when our road CIP projects are being implemented. This presentation summarizes the streetscape improvements that are being considered as part of the Capital Improvement Program (CIP). The streetscape improvements include pedestrian safety, bicycle safety, traffic calming, beautification and stormwater quality enhancements that are being incorporated into CIP projects. The purpose of this update is to brief the City Council on the implementation of streetscape improvements prior to the public meetings on specific projects. As future CIP projects are developed, streetscape elements are being considered in the project design, whenever practical.

Recommended Action: Presentation for Council information and discussion – no formal action is being requested to be taken at this time.

MEETING DATE/TYPES: VOTING SESSION 3-1-16

DEPARTMENT: Finance

AGENDA ITEM: Presentation on the implementation of a City business license

Approved By:

Date:

Director:	Woodfill, Mark	02/24/2016
City Manager:	McConnell, Craig	02/25/2016

Item Summary

This presentation is a continuation of the February 2 presentation and will discuss the specific design of a proposed business license.

Recommended Action: Presentation for Council information, discussion, and direction.

MEETING DATE/TYPES: STUDY SESSION

3-1-16

DEPARTMENT: City Manager

AGENDA ITEM: Legislative Update

Approved By:

Date:

Deputy City Manager:	Zelms, Alison	02/22/2016
City Attorney:	Paladini, Jon	02/23/2016
City Manager:	McConnell, Craig	02/23/2016

Item Summary

This item is to discuss and determine the Council's support for or opposition to various bills relative to the previously adopted policy objectives guiding City activity pertaining to the 2016 State of Arizona Legislative Session.

March 1, 2016, is the 51st day of the Second Regular Session of the 52nd Legislature. The status information provided in this report is current as of February 22, 2016. To date, 1219 bills have been introduced; on-going review is being accomplished to identify potential impacts.

Attachments

1. Legislative Position Summary (February 22, 2016)

Recommended Action: Presentation for Council information, discussion, and direction.

Bill	Title	Summary	Recommendation
Prescott Legislative Agenda Item – State (or Local) Regulation of Community Residences for Drug and Alcohol Rehabilitation and Recovery			
HB2107	Substance Abuse Recovery Homes (Rep. Campbell)	Authorizes cities and counties to adopt health and safety standards and enforcement mechanisms for “structured sober living homes” including mandatory registration, supervision requirements, and qualifications of house manager	Support (Resolution of support approved February 2, 2016)
Prescott Legislative Agenda Item - Adequately Fund and Reform State Pension Plans			
SB 1428	PSPRS Modifications (Sen. Lesko)	Provides for provisions for Tier 3 PSPRS retirement system for new hires after July 1, 2017. Establishes a new COLA structure for existing members and retirees (subject to voter approval of Senate Concurrent Resolution (SCR) 1019)	Support
SB 1429	Public Retirement Systems; Special Election (Sen. Lesko)	Emergency measures that adds the PSPRS ballot question (SCR 1019) to the education finance special election scheduled for May 17, 2016	Support
SCR1019	Public Retirement System Benefits (Sen. Lesko)	Subject to voter approval, amends the pension clause of the Arizona Constitution to provide an exception for certain adjustments to the PSPRS system described in SB 1428	Support
HB 2512	Pension Contributions; Expenditure Limit Exemption (Rep. Coleman)	Allows for an employer to make an excess contribution to PSPRS excluded from the city’s expenditure limitation established by the state Constitution. If the City wanted to make an excess payment, it could do so and not have to cut other expenditure to accommodate the payment within the expenditure limit.	Support – This bill provides flexibility to the City in future as the remaining Pension reforms begin to stabilize and reduce future pension costs.
Prescott Legislative Agenda Item – Preserve Local Funding Authority/Oppose Preemption of Local Authority/Static, Decreasing General Fund Revenue			
HB2026	S/E Municipal Tax Exemption; Residential Use (Rep. Mitchell)	Amended – The amendment exempts any individual who owns three or fewer single family dwellings that retitled and assessed in the name of the individual, and are all within the same city, from residential rental tax. The rough estimate to revenue in Prescott from this amendment is \$420,000 annually, based on an estimate that 30% of rentals meet these criteria. The impact could be higher. The bill has an effective date of December 31, 2016.	Oppose – The impact is estimated between 30% to 100% of residential revenue, or between \$420,000 - \$1,370,000 in lost revenue
HB2267	Prime Contracting Classification; Repeal (Rep. Cobb)	Attempts to remedy current complex language that resulted from HB2111 (Tax Simplification). Eliminates current prime contracting TPT classification, replaces with manufactured building dealer classification, and requires state to levy new tax at a rate of 2%, and distribute to Cities based on proportionate share of the total value of building permits issued by all municipalities. Prescott receives approximately \$2.5 Million annually in construction sales tax (½ General Fund, ½ Streets Fund).	Oppose – The complexity of this bill and the system it would create appears to further complicate this tax category, and possibly reduce revenue to Prescott.

Bill	Title	Summary	Recommendation
Prescott Legislative Agenda Item – Preserve Local Funding Authority/Oppose Preemption of Local Authority			
HB2391	Municipalities; Water Rates; Requirements (Rep. Bowers)	Requires a cash flow analysis of costs and expenses to justify rate adjustments. Requires a rate, fee or service charge for new infrastructure or capital improvements to comply with terms of impact fee statutes. Prohibits use of municipal fee or charge to pay costs of acquiring a private utility.	Oppose – The impact fee statute language is confusing and unclear, and could hamper the City’s ability to assess appropriate, timely fees
SB 1487	State Law; Local Violations; Penalties (Rep. Biggs)	Any member of the Legislature may request that the Attorney General (AG) investigate any official action of City Council that allegedly violates state law or the state Constitution. If the AG concludes a violation, notice of 30 day remedy is provided or the State Treasury must withhold state shared revenues to the city and file a special action in Supreme Court with the City posting bond equal to the amount of the preceding six months’ shared revenue.	Oppose – The City depends on state shared revenue to provide services to its residents. State shared revenue represents 33% of the General Fund
SB1524	Regulatory Actions; Limitation (Sen. Smith)	A city cannot take any action that increases the regulatory burdens on a person unless there is a critical or urgent and it is not already addressed by legislation or self-regulation, or if the business provides goods or services directly to customers.	Oppose – This preempts local decision making and could impact regulation of sober living homes
HB2598	TPT; Municipalities; Customer Refund Claims (Rep. Olson)	Allows a customer to request a refund of Transaction Privilege (TPT) or Use Tax directly from a city if not satisfied by the vendor from which the purchase was made. TPT is owed by the vendor in Arizona, not the purchaser.	Oppose – There is no reliable way to implement this law which does not align with TPT rules and could impact local revenue
Prescott Legislative Agenda Item –Oppose Preemption of Local Authority			
SB1057	Crimes; Culpable Mental State; Requirement (Sen. Kavanaugh)	Specifies that for the commission of a misdemeanor classified by a city or town that does not have an expressly prescribed culpable mental state is “intentionally,” except a drug offense is “knowingly.” Requires an ordinance defining a strict liability offense to expressly prescribe that it is a strict liability offense. Exempts ordinances that involve traffic, building code, or food, health and safety code violations. Effective date of January 1, 2017.	Neutral – <i>amended to be prospective</i>
HB2517	Businesses; Professions; Regulation Restrictions (Rep. Peterson)	Limits municipalities, counties, and state agencies from adopting any regulation that applies to business except for purposes of public health, safety and welfare. Would require review of all existing City regulations, and to eliminate or modify any that do not meet this restriction, and then report to the Legislature. The bill also establishes a private right of action, allowing any person to sue the city if they believed they were not in compliance.	Oppose – complying with the bill would be costly and impact the City’s ability to properly regulate business, including sober living homes.

Bill	Title	Summary	Recommendation
HB2549	Public Construction Piping Materials; Prohibition (Rep. Leach)	Prohibits a public body from preferring one type of piping material over another for water, storm, or drainage projects funded in whole or in part with state funds unless sound engineering practice prefers the piping.	Oppose – <i>the bill removes local discretion of requiring specific piping type if deemed necessary</i>
HB2300	Firearms; Prohibited Governmental Activities (Rep. Kern)	A city or its employee is prohibited from knowingly and willingly enforcing any law regarding a personal firearm, unless court ordered. Prohibits the State Treasurer from transferring shared revenue in the fiscal year after a final determination that the city violated the prohibition. Allows a civil penalty against local officials.	Oppose – <i>the bill threatens local authority and revenue sources</i>
SB1266	Firearms; State Preemption; Penalties (Sen. Smith)	Allows civil penalties of up to \$50,000 against a city, personal actions against city officials, and civil action and damages if the City deemed to have an ordinance, tax, or rule violating statute regarding firearms	Oppose – <i>the bill threatens local authority and revenue sources</i>
SB1257	Misconduct Involving Weapons; Public Places (Sen. Kavanagh)	Allows guns in any public establishments unless the local government or agency adds security personnel and electronic weapons screening devices at each entrance to the establishment or event. Screening devices are approximately \$45,000 each and require two security officers to operate, approximately \$50,000 each annually.	Oppose – <i>the bill threatens local authority and could increase costs</i>
SB1523	Truth in Taxation; Levy Increases (Sen. Smith)	If a primary tax levy, exclusive of increases from the value of new construction, constitutes an increase over the preceding tax year's levy by 15% or more, the motion to levy the increased property taxes must be approved by a unanimous roll call vote. For Fiscal Year 2014, the City Council approved a tax levy that was \$410,000 higher than the prior year. The levy had not been increased beyond the value of new construction for many years.	Oppose – <i>the bill limits the City Council's ability to defer multiple years of tax adjustments and absorb the available, but unlevied increases in a single year (similar to</i>

Other Bills of Interest			
SB1042	Prescott Historical Society; Continuation (Sen. Kavanaugh)	Extends the Statutory Life of the Prescott Historical Society to July 1, 2024 which provides for the preservation, maintenance, and perpetuation of the Governor's Mansion and the Sharlot Hall Museum and grounds in Prescott. The Society receives funding through legislative appropriation. The FY 2016 and FY 2017 Proposed Executive Budget includes \$825,800 from the state General Fund.	Support – (Also support related State General Fund appropriation)
HB2666	Governor's Economic Opportunity Office; Consolidation (Rep. Fann)	Consolidates various statewide economic activities under the control of the Arizona Finance Authority, including the Water Infrastructure Finance Authority (WIFA). The bill doesn't currently indicate whether water providers, such as Prescott, who rely upon WIFA loans will be represented on the board.	Neutral – Work to assure that water providers are represented on the board to maintain WIFA programs
HB2583	Open Meetings; Audiovisual Recordings (Rep. Stevens)	This bill requires that all meetings of public bodies be audiovisual recorded, including executive sessions, and that the recordings be posted within 24 hours of the meeting.	Oppose – The City cannot meet this requirement without further investment in infrastructure
SB1516	Campaign Finance Amendments (Sen. Driggs)	The bill (44 pages) replaces the article of statute governing campaign contributions. Currently reviewing to determine impacts to City.	In Review
HB2024	S/E Immigration Laws; Attorney Fees (Rep. Finchem)	Prohibits the awarding of attorneys fees to the prevailing party if the prevailing party is a governmental entity in a case involving the enforcement of immigration law. In the case of a frivolous lawsuit, even if the city prevails, we would be unable to recover attorney's fees	Oppose – may result in unrecoverable costs to City in defending frivolous lawsuits

Bill	Title	Recommendation	Previous Council Direction	Status
HB 2107	Substance Abuse Recovery Homes (Rep. Campbell)	Support	Support 1/26/2016	Passed Rules 2/8/2016; Scheduled for House COW 2/24/2016
HB 2026	Municipal Tax Exemption; Residential Use (Rep. Mitchell)	Oppose	Oppose 1/26/2016	Failed at House COW on 2/18/2016 by a vote of 22-36 (Fann/Campbell NO)
HB 2267	Prime Contracting Classification; Repeal (Rep. Cobb)	Oppose	Oppose 1/26/2016	Failed to meet committee hearing deadline in House likely DEAD
HB 2391	Municipalities; Water Rates; Requirements (Rep. Bowers)	Oppose – <i>Neutral If amendments provided through stakeholder meetings with Cities and water providers are made</i>	Oppose 1/26/2016	Passed as Amended – 2/8/2016 House Energy & 2/16/2016 Caucus/COW
SB 1042	Prescott Historical Society; Continuation (Sen. Kavanaugh)	Support	Support 1/26/2016	Passed Senate 28-0 Scheduled for House Government & Higher Ed 2/25/2016
SB 1428	PSPRS Modifications (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0; Passed House 49-10; Signed by Governor 2/16/2016 (Pierce/Fann/Campbell –YES)
SB 1429	Public Retirement Systems; Special Election (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0; Passed House 49-10; Signed by Governor 2/16/2016 (Pierce/Fann/Campbell –YES)
SCR 1019	Public Retirement System Benefits (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0; Passed House 49-10; To Secretary of State (Pierce/Fann/Campbell –YES)
HB 2512	Pension Contributions; Expenditure Limit Exemption (Rep. Coleman)	Support	Support 2/2/2016	Passed House 39-18; Ready for Senate (Fann/Campbell YES)
SB 1057	Crimes; Culpable Mental State; Requirement (Sen. Kavanaugh)	Neutral – <i>Amended to be prospective for future laws enacted</i>	Neutral 2/9/2016	Passed Senate 10-10; Ready for House (Pierce YES)

Bill	Title	Recommendation	Previous Council Direction	Status
HB 2517	Businesses; Professions; Regulation Restrictions (Rep. Peterson)	Oppose	Oppose 2/2/2016	Passed House 33-24; Ready for Senate (Campbell NO)
SB 1487	State Law; Local Violations; Penalties (Rep. Biggs)	Oppose	Oppose 2/9/2016	Senate Rules Committee Hearing 2/22; Consent 2/24
SB 1524	Regulatory Actions; Limitation (Sen. Smith)	Oppose	Oppose 2/16/2016	Senate Rules Committee Hearing 2/22; Consent 2/24
HB 2598	TPT; Municipalities; Customer Refund Claims (Rep. Olson)	Oppose	Oppose 2/16/2016	Held in House Ways & Means 2/15/2016
HB 2549	Public Construction Piping Materials; Prohibition (Rep. Leach)	Oppose	Oppose 2/16/2016	Referred to House Government & Higher Ed
HB 2300	Firearms; Prohibited Governmental Activities (Rep. Kern)	Oppose	Oppose 2/16/2016	Scheduled for House Rules 2/22/16; House COW 2/24
SB 1266	Firearms; State Preemption; Penalties (Sen. Smith)	Oppose	Oppose 2/16/2016	Passed Senate 18-11; Ready for House (Pierce YES)
SB 1257	Misconduct Involving Weapons; Public Places (Sen. Kavanagh)	Oppose	Oppose 2/16/2016	Awaiting Senate COW Calendar
HB 2666	Governor's Economic Opportunity Office; Consolidation (Rep. Fann)	Neutral – Work to assure that water providers are represented on Board and WIFA programs remain viable	Neutral 2/16/2016	House Appropriations Committee Hearing Scheduled 2/24/2016
HB 2583	Open Meetings; Audiovisual Recordings (Rep. Stevens)	Oppose	Oppose 2/16/2016	House Rules 2/22/2016; House COW 2/24/2016
SB 1516	Campaign Finance Amendments (Sen. Driggs)	Reviewing to determine position, if any		Senate Caucus Scheduled 2/23/2016
SB 1523	Truth in Taxation; Levy Increases (Sen. Smith)	Oppose		Senate Caucus Scheduled 2/23/2016
HB 2024	S/E Immigration Laws; Attorney Fees (Rep. Finchem)	Oppose		House Caucus and House COW Scheduled 2/23/2016