



AGENDA

**PRESCOTT CITY COUNCIL
STUDY SESSION
Tuesday, February 16, 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 re market-competitive employee compensation and implementation of new pay plan in Fiscal Year 2017 (Various Funds)
- B. Discussion of proposal to allocate \$51,000.00 of Parks Impact Fees to Kayla Mueller Helping Hands Park (Parks Development Impact Fee Fund)
- C. Legislative Update
- D. Requests for information re the February 16, 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/TYPES: STUDY SESSION 2-16-16

DEPARTMENT: Human Resources

AGENDA ITEM: Presentation re market-competitive employee compensation and implementation of a new pay plan in Fiscal Year 2017

FUNDING SOURCE(S): Various

Approved By:

Date:

Director:	Jacobsen, Mary	02/03/2016
City Attorney:	Paladini, Jon	02/03/2016
City Manager:	McConnell, Craig	02/05/2016

Item Summary

This item is to present a summary of the findings regarding compensation offered by the City, how it compares to the public sector market, and methodology for application of the results in FY 17 and subsequent fiscal years, to make and keep the City market-competitive. Market-competitive pay, enabling the City to offer careers, not just jobs, is crucial to assuring quality delivery of City services through retention of employees, and the skills, abilities and knowledge they bring.

Background

Since 2007, the City has experienced increasing difficulty both in recruiting candidates for open positions, as well as retaining skilled and tenured employees, due in large part to below-market pay and the inability to remain competitive with other public sector employers. The City last comprehensively updated compensation data in 2001. An independent classification and compensation market analysis approved by Council was completed in mid-FY 15.

Information for the classification & compensation study was gathered from surveys, questionnaires, employee focus groups and the private sector, analyzed, and applied to current City pay. The process included adjusting and consolidating job families, classes, modifying pay grades and resultant wages, while considering independent and departmental recommendations, industry standards and trends. A methodology was also developed to sustain market competitiveness after implementation, based on performance.

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

MARKET-COMPETITIVE COMPENSATION

IMPLEMENTATION OF PAY PLAN

Fiscal Year 17

Today's Topics



- Classification and Compensation Overview
- FY17 Implementation of Pay Plan
(Changes to benefits are not included today)
- Employee Pay After Implementation

Classification and Compensation Overview

- The last comprehensive classification and compensation study was completed in 2001; scheduled internal reviews and adjustments followed until 2007
- The new Council-approved classification and compensation study (2014) which was completed and presented in late Spring 2015

Classification and Compensation Overview

Why was the classification and compensation study necessary?

- To obtain market data to assess the competitiveness of City pay and benefits for the purposes of ...
 - Recruiting and retaining talented, high-performing employees
 - Providing regular performance-based adjustments using an established and competitive pay plan
 - Encouraging career growth at the City
 - Providing a longevity adjustment for valuable, long-term, topped out employees

Classification and Compensation Overview

□ Terms

- **Benchmark** – A job title/position whose job duties and pay are compared to a peer employer
- **Job Family** – A series of progressively higher, related jobs distinguished by levels of knowledge, skills and abilities
- **Market** – Midpoint of a position (typically reflects 6-7 years of experience)

□ Methodology

- Consultant analyzed and applied public and private sector data from peer surveys and questionnaires to the City's job families, pay grades, and wages
- Identified 60 benchmark positions out of 180 City titles (high % of turnover, hard to recruit)
- Data normed to July 1, 2015

□ Application of data

- Adjusted pay grades and pay ranges within current job families
- Applied adjustments effective July 1, 2016

Benchmark Example

- **Benchmark** – Library Assistant, Librarian, Library Manager
- **Job Family** has 6 positions
- **Market** data recommends pay grade adjustments for 6 out of 6 positions



Job Family	Current Pay Grade	Annual Minimum	Annual Midpoint	Annual Maximum	Proposed Pay Grade	Annual Minimum	Annual Midpoint	Annual Maximum
LEAD LIBRARIAN	65	45,281.60	55,140.80	64,979.20	70	51,230.40	62,379.20	71,739.20
LIBRARIAN	61	41,017.60	49,940.80	58,864.00	66	46,425.60	56,513.60	64,979.20
LIBRARY ASSISTANT	45	27,643.20	33,654.40	39,665.60	47	29,036.80	35,360.00	40,643.20
LIBRARY MANAGER	74	56,555.20	68,868.80	81,161.60	79	63,980.80	77,916.80	89,585.60
LIBRARY MNGR SUPPORT SVC	70	51,230.40	62,379.20	73,528.00	75	57,969.60	70,595.20	81,161.60
LIBRARY SPECIALIST	51	32,052.80	39,020.80	45,988.80	53	33,675.20	40,996.80	47,132.80

FY 17 Implementation

- **1st** Move employee to entry of market pay grade or if they make above entry, keep at current rate of pay
- **2nd** Determine hire date in current position
- **3rd** Apply 3% to employee base rate until midpoint is reached (market)

Implementation Example

□ Library Assistant

- Current pay grade 45 to 47
- Employee hired in position 07/01/2012
- Current hourly \$13.29
- Entry of pay grade 47 is \$13.96
- Apply 4 years of increases
 - Add 12% to \$13.96
- Employee's new rate of pay is \$15.64

Implementation	
Years	Increase
0	0.00%
1	3.00%
2	3.00%
3	3.00%
4	3.00%
5	3.00%
6	3.00%
7	1.50%
8	1.50%
9	1.50%
10	1.50%
11	1.50%
12	1.50%
13	1.50%
14	1.50%
15	1.50%

After Initial Implementation

- The annual adjustment plan reviewed each fiscal year
- Employees must meet standards in all areas of their evaluation before the increase in pay occurs; evaluation is on employee's anniversary date
 - If standards are not met, the review date will be extended
 - Increases will not be retroactive to anniversary date
- Year 1-6 will be a flat 3% rate
- Year 7+ (market) will be 0-3% merit
- Once employee reaches the max of the salary range
 - \$450 lump sum retention incentive (1X/year on anniversary date)

Annual Adjustment	
Years	Increase
0	0.00%
1	3.00%
2	3.00%
3	3.00%
4	3.00%
5	3.00%
6	3.00%
7	0-3%
8	0-3%
9	0-3%
10	0-3%
11	0-3%
12	0-3%
13	0-3%
14	0-3%
15	0-3%

Public Safety Specific - Fire

- Benchmarked Firefighter, Fire Captain, Fire Chief
- How will the adjustments impact a Firefighter's wages?
- Recommendation Firefighter Step Plan to Pay Grade 64
- The amounts below do not include FLSA overtime or 120 hours of holiday pay

Firefighter Step Plan	Entry	Midpoint	Maximum
Shift 2912 Hours (56 hour workweek)	13.31	16.20	19.41
	38,759	47,174	56,522
Firefighter Pay Grade 64	Entry	Midpoint	Maximum
Shift 2912 Hours (56 hour workweek)	15.17	18.21	21.24
	44,175	53,028	61,851

Public Safety Specific - Police

- Benchmark Positions – Police Officer, Police Sergeant, Police Lieutenant, Police Chief
- How will the adjustments impact a Police Officer's wages?
- Recommendation Police Officer Step Plan to Pay Grade 67

Police Officer Step Plan	Entry	Midpoint	Maximum
Police Officer	20.51	24.96	29.93
	42,661	51,917	62,254
Police Officer Pay Grade 67	Entry	Midpoint	Maximum
Police Officer	22.87	27.85	32.02
	47,570	57,928	66,602

Police – Local Comparison

□ Prescott Police Officer

- Recruit \$20.79 - 43,243
- Entry \$22.87 - 47,570
- Midpoint \$27.45 - 57,096
- Maximum \$32.02 - 66,602

□ Prescott Valley Police Officer

- Recruits \$20.50 – 42,640
- Entry \$21.53 – 44,782
- Maximum \$28.69 – 59,675

□ YPIT – did not provide data

Turnover and Training

Highest Areas of Turnover by Job Title	Turnover 2013 - 2016	Additional Annual Training Cost for Department Due to Turnover	Where are they going?
Police Officer	30 Officers (5 retirements)	\$111,863	YPIT, PV, NAU, Attorney General, Phoenix
Communications Specialist (Dispatch)	16 Dispatchers	\$57,185	Other states
Wastewater Treatment Plant Operators	16 Wastewater Operators (1 retirement)	\$48,343	Sedona, Phoenix

Market-Competitive Pay Implementation Cost

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Dispatch Partners</u>
Initial Implementation Cost Estimate				
Salary Change	\$1,103,469.17	\$679,910.40	\$1,783,379.57	\$ -
Benefits Cost	623,886.78	158,371.87	782,258.65	-
Total Cost	1,727,355.95	838,282.27	2,565,638.22	-
Cost Recovery	(105,289.58)	30,821.34	(74,468.25)	74,468.25
Net Cost of Implementation	<u>\$1,622,066.36</u>	<u>\$869,103.61</u>	<u>\$2,491,169.97</u>	<u>\$ 74,468.25</u>

FY17 Merit Adjustments

Salary Change	\$ 220,356.83	\$156,896.24	\$ 377,253.07	\$ -
Benefits Cost	95,932.04	35,883.06	131,815.10	-
Total	316,288.87	192,779.30	509,068.17	-
Cost Recovery	(55,843.69)	39,877.51	(15,966.18)	15,966.18
Net Cost of FY17 Merit Adjustment	<u>\$ 260,445.18</u>	<u>\$232,656.81</u>	<u>\$ 493,101.99</u>	<u>\$ 15,966.18</u>
Subsequent full years cost	\$ 465,344.71	\$296,142.39	\$ 761,487.10	\$ 20,498.99

	<u>Number of Employees</u>	<u>% of Employees</u>
Employees with no change in pay at initial implementation (7/1/2016)	124	26.6%
Employees at or over pay grade max		
Before implementation	46	9.9%
After initial implementation (7/1/2016)	26	5.6%
At end of FY17 (6/30/2017)	31	6.6%

FY17 Budget Process

2/03/16	FY16 Mid-Year Budget Review
2/16/16	Budget Workshop #1 Market-Competitive Pay to Assure Quality City Service Delivery
3/15/16	Budget Workshop #2 Models for Fire and EMS Service Delivery
4/5/16	Budget Workshop #3 Models for Police Service Delivery
5/12/16	Annual Council Budget Workshop Part 1 (General Fund, Tourism, Golf Course)
5/27/16	Annual Council Budget Workshop Part 2 (Streets, Utilities, Solid Waste, Airport)
6/7/16	Tentative Budget Adoption and Set Public Hearing
6/21/16	Budget Hearing and Council Consideration of Final Budget
7/5/16	Council Consideration of FY17 Property Tax Levy

Discussion



MEETING DATE/TYPES: STUDY SESSION 2-16-16

DEPARTMENT: City Manager

AGENDA ITEM: Discussion of proposal to allocate \$51,000.00 of Parks Impact Fees to Kayla Mueller Helping Hands Park

FUNDING SOURCE(S): Parks Development Impact Fee Fund

Approved By:

Date:

City Attorney: Jon M. Paladini	2/9/2016
City Manager: McConnell, Craig	2/10/2016

Item Summary

This item is for Council discussion regarding possible allocation of \$51,000.00 of Parks Impact Fees to assist in construction of Kayla Mueller Helping Hands Park.

Background

At the February 2, 2016, Voting Meeting, Gary Ballard, President of the Prescott Kiwanis, presented a conceptual site plan for the Kayla Mueller Helping Hands Park, a playground area at Pioneer Park. The Kiwanis have raised the funds necessary to construct the playground with the exception of a poured-in-place surface that is compliant with the American's with Disabilities Act (ADA) and offers low maintenance. The cost of this surface is estimated to be \$51,000.00, and a proposal has been made to use Development Impact Fees collected for parks as the funding source. Whether this project is eligible for use of Development Impact Fees has not yet been determined.

Financial Impact

The Parks Impact Fee Fund balance ending December 31, 2015, is \$728,536.00. No additional funds will be incoming to the Fund, since the fees are no longer being collected.

Recommended Action: Council-initiated item for discussion and direction.

MEETING DATE/TYPES: STUDY SESSION

2-16-16

DEPARTMENT: City Manager

AGENDA ITEM: Legislative Update

Approved By:

Date:

Deputy City Manager:	Zelms, Alison	2/8/2016
City Attorney:	Paladini, Jon	2/9/2016
City Manager:	McConnell, Craig	2/9/2016

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.

February 16, 2016, is the 37th day of the Second Regular Session of the 52nd Legislature. The status information provided with this report is current as of February 9, 2016. To date, 1219 bills have been introduced; on-going review is being accomplished to identify potential impacts.

Attachments

1. Legislative Position Summary (February 9, 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	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. <i>Support/Neutral – if significantly amended</i>

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.
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.	Oppose – The proposal requires changing the designation for each misdemeanor offense in city code to specifically require the offender to be of a culpable mental state rather than "knowingly" breaking the law <i>Support/Neutral if amended to be prospective</i>
HB 2517	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 could impact the City's ability to properly regulate business, including structured sober living homes
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)

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; Awaiting Caucus/Floor
HB 2026	Municipal Tax Exemption; Residential Use (Rep. Mitchell)	Oppose	Oppose 1/26/2016	Passed as Amended – 2/8/2016 House Ways & Means 5-4; Awaiting Rules
HB 2267	Prime Contracting Classification; Repeal (Rep. Cobb)	Oppose – <i>Consider change in position if significantly amended</i>	Oppose 1/26/2016	Awaiting Hearing in House Ways & Means
HB 2391	Municipalities; Water Rates; Requirements (Rep. Bowers)	Oppose - <i>Reviewing amendment to determine if change in position is warranted</i>	Oppose 1/26/2016	Passed as Amended – 2/8/2016 House Energy & Environment
SB 1042	Prescott Historical Society; Continuation (Sen. Kavanaugh)	Support	Support 1/26/2016	Passed Senate 28-0 Ready for House
SB 1428	PSPRS Modifications (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0 Ready for House
SB 1429	Public Retirement Systems; Special Election (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0 Ready for House
SCR 1019	Public Retirement System Benefits (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0 Ready for House
HB 2512	Pension Contributions; Expenditure Limit Exemption (Rep. Coleman)	Support	Support 2/2/2016	Passed as Amended - 2/4/2016 Government & Higher Education; Awaiting Rules
SB 1057	Crimes; Culpable Mental State; Requirement (Sen. Kavanaugh)	Oppose – <i>Amendment anticipated that could shift position to neutral by making the bill for prospectively adopted regulations</i>	Oppose 2/2/2016	Senate Government Hearing 2/10/2016
HB 2517	Businesses; Professions; Regulation Restrictions (Rep. Peterson)	Oppose	Oppose 2/2/2016	Passed House Rules 2/8/2016
SB 1487	State Law; Local Violations; Penalties (Rep. Biggs)	Oppose		Senate Government Hearing Scheduled 2/10/2016

Bill	Title	Summary	Recommendation
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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.	Oppose – The proposal requires changing the designation for each misdemeanor offense in city code to specifically require the offender to be of a culpable mental state rather than “knowingly” breaking the law Neutral – amended to be prospective

City of Prescott – Proposed Legislative Position Summary and Bill Descriptions

February 16, 2016

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. Review/Oppose – <i>Amended to specify laws related to corporations, partnerships, LLCs, and securities/investments</i>
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>

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

Council Direction on Recommended Positions

February 16, 2017

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; Awaiting Caucus/Floor
HB 2026	Municipal Tax Exemption; Residential Use (Rep. Mitchell)	Oppose	Oppose 1/26/2016	Passed as Amended – 2/8/2016 House Ways & Means 5-4; Caucus 2/16/2016
HB 2267	Prime Contracting Classification; Repeal (Rep. Cobb)	Oppose – <i>Consider change in position if significantly amended</i>	Oppose 1/26/2016	Held from 2/16/2016 Hearing in House Ways & Means
HB 2391	Municipalities; Water Rates; Requirements (Rep. Bowers)	Oppose - <i>Reviewing amendment to determine if change in position is warranted</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 Ready for House
SB 1428	PSPRS Modifications (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0; Passed House 49-10; Ready for Governor
SB 1429	Public Retirement Systems; Special Election (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0; Passed House 49-10; Ready for Governor
SCR 1019	Public Retirement System Benefits (Sen. Lesko)	Support	Support 2/2/2016	Passed Senate 28-0; Passed House 49-10; Ready for Governor
HB 2512	Pension Contributions; Expenditure Limit Exemption (Rep. Coleman)	Support	Support 2/2/2016	Passed as Amended - 2/4/2016 Government & Higher Education; Caucus 2/16/2016
SB 1057	Crimes; Culpable Mental State; Requirement (Sen. Kavanaugh)	Neutral – <i>Amended to be prospective for future laws enacted</i>	Oppose 2/2/2016	Passed as Amended - Senate Government Hearing; Caucus 2/16/2016
HB 2517	Businesses; Professions; Regulation Restrictions (Rep. Peterson)	Oppose – <i>Possible move to neutral Amended to specify laws related to corporations, partnerships, LLCs, and securities/investments</i>	Oppose 2/2/2016	Passed House COW as amended 2/11/2016
SB 1487	State Law; Local Violations; Penalties (Rep. Biggs)	Oppose	Oppose 2/9/2016	Senate Government Hearing Scheduled 2/17/2016
SB1524	Regulatory Actions; Limitation (Sen. Smith)	Oppose		Senate Government Hearing Scheduled 2/17/2016

Council Direction on Recommended Positions

February 16, 2017

Bill	Title	Recommendation	Previous Council Direction	Status
HB2598	TPT; Municipalities; Customer Refund Claims (Rep. Olson)	Oppose		Held in House Ways & Means 2/15/2016
HB2549	Public Construction Piping Materials; Prohibition (Rep. Leach)	Oppose		House Government & Higher Ed Committee Hearing Scheduled 2/18/2016
HB2300	Firearms; Prohibited Governmental Activities (Rep. Kern)	Oppose		House Judiciary Committee Hearing Scheduled 2/17/2016
SB1266	Firearms; State Preemption; Penalties (Sen. Smith)	Oppose		Senate COW approved 2/11/2016; awaits floor vote
SB1257	Misconduct Involving Weapons; Public Places (Sen. Kavanagh)	Oppose		Senate COW vote scheduled 2/16/2016
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		House Commerce Committee Hearing Scheduled 2/17/2016
HB2583	Open Meetings; Audiovisual Recordings (Rep. Stevens)	Oppose		House Government & Higher Ed Committee Hearing Scheduled 2/18/2016