CITY COUNCIL VOTING MEETING MEETING

VOTING MEETING MINUTES

TUESDAY, APRIL 13, 2021, 3:30 PM

201 S. Cortez Street
Prescott, AZ 86303
City Council Chambers

Greg Mengarelli, Mayor

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

MINUTES OF THE VOTING MEETING OF THE PRESCOTT CITY COUNCIL VOTING MEETING HELD ON APRIL 13, 2021, IN THE 201 S. CORTEZ STREET PRESCOTT, AZ 86303 CITY COUNCIL CHAMBERS.

1. **CALL TO ORDER**

   Mayor Mengarelli called the meeting to order at 3:54 p.m.

2. **INTRODUCTIONS / ANNOUNCEMENTS**

   Mayor Pro Tem Scholl commented on how wonderful it is to see everyone in person for the meeting and welcomed Prescott Unified School District Superintendent Joe Howard.

   Community Development Director Bryn Stotler announced that the City and Chamber are initiating the Prescott CARES Program through CDBG funding , and will have informational meetings on April 15th & 16th. Interested citizens can attend via Zoom or in person. There is $427,000 in funding available, and information is available on the Chamber website.

3. **INVOCATION**

   Dennis Baker with Mt. Vernon Church of Christ was not present

4. **PLEDGE OF ALLEGIANCE**

   Councilman Tenney

5. 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

6. PROCLAMATIONS

A. National Public Safety Telecommunicators Week: April 11th -April 17th
Councilman Sischka presented the Proclamation.

B. Earth Week 2021: April 17th - April 24th
Mayor Pro Tem Scholl presented the Proclamation.

C. Prescott Unified School District Excellence in Education Day: April 23rd
Councilman Tenney presented the Proclamation.

7. CONSENT AGENDA

Items listed on the Consent Agenda may be enacted by one motion and one vote. If discussion is required by members of the governing body, the item will be removed from the Consent Agenda and will be considered separately.

MOTION BY COUNCILMAN SISCHKA TO APPROVE CONSENT AGENDA ITEMS 7.A. THORUGH 7.G.; SECONDED BY MAYOR PRO TEM SCHOLL: PASSED [7 - 0].

A. Approval of Minutes from the March 16, 2021 Executive Session, the March 23, 2021 1 pm Executive Session, the March 23, 2021 2:30 pm Executive Session and the March 23, 2021 Voting Meeting.

B. Adoption of Resolution No. 2021-1772 Providing Notice of the August 3, 2021 Primary Election and the November 2, 2021 General Election.

C. Approval of City Contract No. 2021-141 for the Purchase of UAS (Unmanned Aerial Systems) Enhancement Systems for SWAT in the Amount of $39,552.05. Funding Available from Approved Grant Funds from Arizona Department of Homeland Security, the Fire Department Fund and RICO Funding.

D. Approval of WSA20-007 a Water Service Agreement Application with Chamberlain Development Prescott for APN 102-20-001G, a 12.2 Acre Parcel. Location: T15N.

R02W, Section 35, NW 1/4, NE 1/4, NE 1/4 at the Southwest Corner of Willow Creek Road and Warrior Way.

E. Approval of City Contract No. 2021-142 with Vicente Landscaping for Improvements to the Pioneer Park Pickleball Court in the Amount of $28,668.23. Funding is Available in the Recreation Services Fund.

F. Approval of City Contract No. 2021-150 with Precision Concrete Cutting for the FY21 Sidewalk Trip Hazard Elimination Project, in an Amount not to Exceed $50,000.00. Funding is Available in the Streets Fund.

G. Approval of City Contract Nos. 2021-122, 2021-123, 2021-124, 2021-127, 2021-128, 2021-130, 2021-131 and 2021-136 for Eight (8) OEM and Aftermarket Parts Replacement Contracts from Various State Agencies.

8. CONSENT ORDINANCE

MOTION BY MAYOR PRO TEM SCHOLL TO ADOPT CONSENT ORDINANCE ITEMS 8.A. THROUGH 8.C.; SECONDED BY COUNCILMAN SISCHKA: PASSED [7 – 0].

A. Adoption of Ordinance No. 2021-1750 Authorizing the Acceptance of a Public Sewer Easement Agreement from Granite Dells Estates II, LLC.

B. Adoption of Ordinance No. 2021-1751 Authorizing the Acceptance of a Public Utility Easement Agreement from 1212 Warrior Way, LLC.

C. Adoption of Ordinance No. 2021-1752 Authorizing the Acceptance of a Public Sewer Easement from Chamberlain Development Prescott LLC.

9. REGULAR AGENDA

A. Approval of City Contract No. 2021-157 With Heart & Soul Marketing in the Amount of $70,000 Annually for a Multimedia Marketing and Advertising Campaign. Funding is Available in General Fund.

Community Outreach Manager John Heiney provided a presentation to Council regarding the contract to support destination marketing, economic development, and tourism and introduced Heart & Soul Marketing CEO Brad Casper.

Mr. Casper addressed Council regarding the company which is headquartered in Phoenix and Prescott. They have full service capabilities and skills within the agency and they look forward to working with staff to evolve the Prescott Brand.

Timeline:
* April-May - interviews with key stakeholders and economic development professionals, establish short and long term goals, refine and develop brand umbrella campaign and conduct audience research and persona development
* June - finalize creative campaign, build integrated marketing plan with tactical content and paid digital media strategies, and deploy targeted media and content based on KPIs and audience targeting criteria
* July-September - review creative and media performance for optimizations, and update content and continue targeted media
* October-February - review creative & media performance optimizations, update content and continue targeted media, year in review of partnership and long terms goals.

Mr. Heiney commented on how excited he is to get started with this project.

MOTION BY COUNCILMAN TENNEY TO APPROVE ITEM 9.A.; SECONDED BY COUNCILMAN SISCHKA: PASSED [7 – 0].

B. Approval of City Contracts for the Intermediate Pump Station Off-Site Water Main Extension Phase I Project as Follows: 1) City Contract No. 2021-153 with Fann Contracting, Inc in the Amount of $696,969.69; and 2) City Contract No. 2021-154 with Lyon Engineering for Post Design Services in an Amount not to Exceed $91,615. Funding is Available in the Water Fund.

Utilities Manager Eric Bay provided a presentation to Council regarding the proposed contracts for the replacement of water main facilities. Approval of this will cover phase one of intermediate pump station project approximately 1 mile west of Willow Lake Rd. to help connect booster stations.

MOTION BY COUNCILMAN SISCHKA TO APPROVE CITY CONTRACT NO. 2021-153; SECONDED BY MAYOR PRO TEM SCHOLL: PASSED [7 – 0].

MOTION BY COUNCILMAN SISCHKA TO APPROVE CITY CONTRACT NO. 2021-154; SECONDED BY MAYOR PRO TEM SCHOLL: PASSED [7 – 0].

C. Approval of City Contract No. 2021-147 with Asphalt Paving & Supply, Inc., for the FY21 Pavement Reconstruction Project in the Amount of $879,379.79. Funding is Available in the Streets Fund.

Public Works Director Craig Dotseth provided a presentation to Council regarding the pavement reconstruction project which includes pulverization and blending into place on Acorn, Anderson, Estrella, Juanita Terrace, Hemlock, Mt View Lane, Seale Ave, Walker Street, Far View Lane, Westwood Drive. This process has been done on multiple streets in prior fiscal year projects. This is a green project because current on-site is being pulverized and improving the base with new asphalt over the top. Staff did work with contractor on warranty issues from a previous project and they will be providing cash return on previous project and will work with them to test materials to ensure they meet specifications prior to placement.

Chris Graff with Asphalt Paving & Supply addressed Council regarding working with the city on this project. They appreciate being able to work in their backyard.

Councilman Goode thanked staff for confirming that previous issues had been cured, and asked if a heavy monsoon season will have any impact on having to re-mill in the future.

Mr. Dotseth said these are all scheduled to be done prior to July 1 and the start of monsoon season.

MOTION BY COUNCILMAN BLAIR TO APPROVE ITEM 9.C.; SECONDED BY COUNCILMAN SISCHKA: PASSED [7 – 0].

D. Approval of City Contract No. 2021-148 with Asphalt Paving & Supply, Inc., for the FY21 Pavement Rehabilitation Project in the Amount of $2,096,096.96. Funding is Available in the Streets Fund.

Public Works Director Craig Dotseth provided a presentation to Council regarding milling and replacement of asphalt on city streets. Will have to follow grade to meet curb and gutter, prepare subgrade and mill out. Millings will come back to city yards to use. Dixon Drive, Paul Drive, Glenheather Circle, Mystic Canyon Drive, Douglas Avenue and Smoke Tree Lane (to complete the road) are all part of the project.

MOTION BY MAYOR PRO TEM SCHOLL TO APPROVE ITEM 9.D.; SECONDED BY COUNCILMAN BLAIR: PASSED [7 – 0].

E. Public Hearing and Adoption of Annexation & Rezoning Ordinances and General Plan Resolution for the Prescott Regional Wellness Center. Owner: Hojat Askari MD & Doyer, Inc.; APN: 106-02-009K; County Zoning: R1L-35 Residential.

**** Mayor Mengarelli recused himself from discussion on this item due to a potential conflict of interest*****

Community Planner Tammy Dewitt provided a presentation to Council regarding the property on Willow Creek Road. Current zoning is residential/single family and will come into the City under similar zoning through annexation, then will require rezoning through Ordinance to accommodate for intended use. This will allow for the medical complex and other uses associated with development, Planning & Zoning Commission unanimously recommended for approval.

Councilman Goode asked for a description of the development plan.

Developer Dr. Hojat Askari addressed Council stating this is part of expanding the future Banner Hospital in the area with rehabilitation and wellness center. Would also have food/beverage in the area as well as options for living for doctors and nurses working for the center. He doesn't want our citizens driving to other communities for care.

Councilman Blair thanked Dr. Askari for bringing this to our community.

MOTION BY COUNCILMAN BLAIR TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN TENNEY: PASSED [6 – 0].

MOTION BY COUNCILMAN BLAIR TO ADOPT ORDINANCE NO. 2021-1753; SECONDED BY COUNCILMAN SISCHKA: PASSED [6 – 0].

MOTION BY COUNCILMAN BLAIR TO ADOPT RESOLUTION NO. 2021-1770; SECONDED BY COUNCILMAN SISCHKA: PASSED [6 – 0].

MOTION BY COUNCILMAN BLAIR TO ADOPT ORDINANCE NO. 2021-1754; SECONDED BY COUNCILMAN SISCHKA: PASSED [6 – 0].

F. Adoption of Ordinance No. 2021-1755 and Resolution No. 2021-1771 Authorizing the Purchase of Certain Real Property at 201 N. Montezuma Street and Authorizing a 10-Year, 1.5% Internal Loan from the City's Investment Pool in the Amount of $10,000,000.

Mayor Mengarelli returned to the meeting.

Assistant to the City Manager Tyler Goodman introduced members from the Mayor's Commission on FOPU, Alex Vakula and Mike Fann to discuss the possible new site for City Hall.

Attorney Alex Vakula addressed Council regarding the Commission's findings over the past few years. Made up of nine community leaders in construction, business and real estate who support a vibrant downtown. Beginning in 2018, the Commission reviewed current city hall facility, efficiency and other location options. Recommendation was made in October 2019 to seek new city hall location as current one is in poor condition and should be kept within 3-4 blocks of the square where city services could be consolidated. Commission unanimously recommending to Council that the National Bank Building meets all of the recommendations they came up with a year ago.

Contractor Mike Fann addressed Council regarding the fact that the purchase price for this building is a fantastic deal and difficult to find in the downtown area.

Mr. Goodman continued the presentation regarding the building location, escrow and financing.

<u>Financing:</u>

* Project will be financed through an internal loan from city's pooled cash investments
* Internal loan is being established at $10 million to enable funding for up to $2,450,000 in needed

tenant improvement in addition to the $7,550,000 purchase price
* Loan will be for 10 years at an interest rate of $1.5% with debt service being paid by the General Fund and other city funds doing business out of the new city hall
* This type of financing will also allow the Council to pay off the debt as early as funds become available from the disposal of city properties and other sources

Building - 201 N Montezuma Street:
* Square Footage 30,600
* Approximately 9000 square feet unfinished/shell
* 1.25 acre lot with 93 parking spaces
* 2007 construction
* Well maintained
* Prime downtown location
* Existing lease's revenue
* Phased move-in

Improvements & Build-out:
* Most existing office space is appropriately sized and move-in ready
* Approximately 9,000 square feet of shell to be built out
* Parking lot will need pavement preservation and re-striping
* New Signage
* Information technology
* Total cost of improvements is anticipated not to exceed $1,500,000

Value of Existing City Assets:
* To build a new like sized building would be $11-12 million
* Selling the existing city hall property to the private sector has the potential to create ongoing sales tax revenue in a prime downtown location
* Will improve employee recruitment and retention
* Service delivery efficiency
* Council strategic goals

Mayor Mengarelli thanked staff for their presentation and added that he has spoken with the Vice President of National Bank and they will work with the city to have most of the first floor as well as one of the drive through lanes for our customers' convenience. The owner of this building saw the legacy of what they could do for the city and that is why we have this opportunity.

Councilman Tenney thanked the Commission for their work over the last several years.

Mayor Pro Tem Scholl thanked everyone for their work on this and commented on how excited she is for this and what a wonderful reflection it will be for how great our community is. She asked staff to address the expenses of maintaining this building.

Mr. Baynes said it has been at least $400,000 over the last several years and will continue to cost quite a bit.

Councilman Sischka commented that he never dreamed this would be a reality, to find a space that would accommodate city hall in downtown. He asked how long the process will be to make it "livable".

Mr. Baynes said he will bring in an architect to assess needs and work with staff to evaluate how the space can best be utilized, but it will likely a nine month process. Want to allow current tenants to work through their leases as well.

Councilman Blair asked about the bronze statue in front of city hall and the time capsule that will need to be considered as well and added those are important things to consider.

Mr. Lamar confirmed.

Councilmember Rusing stated that we do need a new building, she sees it as a civic center and should be in the heart of our downtown. This is a rare opportunity, and she wants to invite the public to participate in this process through the close of escrow in 60 days.

Councilman Goode commented that he has observed the discussions of the Mayor's Commission and how frustrating it was to know what needs to be done but how difficult it would be to meet those needs. He wants to ensure that the public understands that the internal loan is intended to be paid off as quickly as possible, city assets will be sold and used toward paying down the internal loan. This needs to be done, city hall is continuing to deteriorate.

Mr. Lamar commented that it has always been staff's intent to take all assets from land sales to pay off the loan and that can certainly be part of the motion.

Councilman Blair suggested that Mayor's Commission evaluates the value of all the city's various properties and what can be disposed of.

Mayor Mengarelli concurred and said that the loan will be paid off as quickly as possible.

MOTION BY COUNCILMAN SISCHKA TO ADOPT ORDINANCE NO. 2021-1755; SECONDED BY MAYOR PRO TEM SCHOLL: PASSED [7 – 0].

MOTION BY MAYOR MENGARELLI TO ADOPT RESOLUTION NO. 2021-1771 WITH THE ADDITION THAT ALL PROCEEDS FROM CITY PROPERTIES WILL GO TOWARDS PAYOFF OF THE LOAN AS QUICKLY AS POSSIBLE; SECONDED BY COUNCILMAN SISCHKA: PASSED [7 – 0].

G. Legislative Update.

Assistant to the City Manager Tyler Goodman provided a presentation to Council regarding the ongoing legislative session. He said that the budget is proposing a $1.5 billion income tax cut by creating a 2.5% flat tax bracket, phased in over three years. Has not made it to the Senate as of yet though.

Councilmember Rusing asked if there was an individual legislature behind this.

Mr. Goodman said it is a republican caucus moving it forward.

Councilman Goode asked about HB2152 and the costs of imaging redaction required. Is it moving forward?

Mr. Goodman said it is moving but the focus is on the budget at this point.

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

10. ADJOURNMENT

Quote: "Liberty may be endangered by the abuse of liberty, but also by the abuse of power" - James Madison

There being no further business to discuss, Mayor Mengarelli adjourned the meeting at 5:27 p.m.

for

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 Voting Meeting of the City Council Voting Meeting of the City of Prescott, Arizona held on April 13, 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
SE

CITY OF PRESCOTT
REGNAT POPULUS
INCORPORATED FEBRUARY 27, 1883
YAVAPAI COUNTY, TERRITORY OF ARIZONA

Sarah M. Siep, City Clerk