

PRESCOTT CITY COUNCIL
VOTING MEETING
TUESDAY, MARCH 14, 2017
PRESCOTT, ARIZONA

MINUTES OF THE VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MARCH 14, 2017, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

1. CALL TO ORDER

Mayor Oberg called the meeting to order at 3:00 p.m.

2. INTRODUCTIONS Mayor Pro Tem Lamerson recognized Ed Perry, and his grand daughter.

3. INVOCATION by Rabbi Adele Plotkin, Beit Torah

4. PLEDGE OF ALLEGIANCE by Mayor Oberg

5. ROLL CALL:

Present:

Absent/Excused:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

6. ANNOUNCEMENTS none

7. PRESENTATIONS

A. Update on the NAU Prescott Valley Campus, by Richard Heath

Richard Heath presented information on the NAU Prescott Valley Campus. He said the idea of this campus was to be affordable and to have flexibility with the classes. They wanted to continue to grow the campus.

8. CONSENT AGENDA

- A. Approval of minutes for the City Council meetings held on February 21, 2017, February 24, 2017, and February 28, 2017
- B. Award of City Contract No. 2017-264 to Henry & Horne LLP, for the Independent Financial Statement Audit for Fiscal Years 2017, 2018, and 2019, for the City and the Hassayampa Community Facilities Districts, in the amount of \$115,405.00 over the three year period
- C. Approval of City Contract No. 2017-270 with Kronos for Public Safety Software Upgrade in an amount not to exceed \$11,424.57, using Mohave County Arizona Contract No. 14L-KRON-1107 pricing
- D. Approval of City Contract No. 2017-271 with ESRI, Inc., for a three-year GIS Enterprise Licensing Agreement in an amount not to exceed \$38,500.00 per year, using State of Arizona Contract No. ADSPO15-097108 pricing
- E. Approval to perform night work at the Intersection of W. Willis Street and N. Cortez Street associated with the Willis and Cortez Streets Intersection Repair Project, Sunday through Thursday, 8:00 p.m. to 6:00 a.m. April through July 2017
- F. Approval to purchase a Hofmann Heavy Duty Alignment Machine from O'Reilly Auto Parts utilizing the National Cooperative Purchasing Alliance (NCPA) Contract No. 05-13 pricing, in the amount of \$53,416.41 (City Contract No. 2017-097)
- G. Approval of an Infrastructure Settlement Agreement (City Contract No. 2017-265) with Yavapai-Prescott Indian Tribe ("YPIT")
- H. Approval of RP16-009, Revision of Plat for "Touchmark at the Ranch PAD" to replace twenty-four (24) multi-family units in six (6) four-plex buildings with eleven (11) single-family lots, and plat a new twenty-six foot private road for access to the Grand Lodge. [Owner: Touchmark at the Ranch, LLC, 5150 SW Griffith Drive, Beaverton, Oregon 97005]
- I. Adoption of Resolution No. 4378-1587 establishing an Airport Advisory Committee as a Standing Committee

MAYOR PRO TEM LAMERSON MOVED TO APPROVE CONSENT AGENDA ITEMS 8.A. THROUGH 8.I.; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

9. LIQUOR LICENSE AGENDA

A. SPECIAL EVENTS

1. Approval of a Series 15 Special Event Liquor License Application for Yavapai Trails Association; Event Location: Manzanita Outfitters; Applicant: George S. Sheats; City Application No.: 17-008S; Date/Time of Event Liquor Sales: Saturday, April 15, 2017; 9:00 am to 7:00 pm
2. Approval of a Series 15 Special Event Liquor License Application for Prescott Area Celtic Society; Event Location: Watson Lake; Applicant: Andrew J. Hamilton; City Application No.: 17-007S; Date/Time of Event Liquor Sales: Saturday, May 13 and Sunday, May 14, 2017; 9:00 am to 6:00 pm
3. Approval of a Series 16W Fair/Festival Special Event Liquor License application for the Mountain Artist Guild-Arts and Craft Show and Wine Festival (eight applicants), located at 100 Block of South Cortez St.; Date/Time of Event Liquor Sales: Saturday, May 13, 2017, 11:00 a.m. to 5:00 p.m. and Sunday, May 14, 2017, 11:00 a.m. to 4:00 p.m.

Dana DeLong, City Clerk, announced that the applicant requested to have Item 9.A.3. continued to the Council meeting of April 11, 2017.

COUNCILMAN LAZZELL MOVED TO FORWARD SPECIAL EVENT LIQUOR LICENSE APPLICATIONS 9.A.1. AND 9.A.2. TO THE ARIZONA STATE LIQUOR BOARD WITH A RECOMMENDATION OF APPROVAL; SECONDED BY COUNCILWOMAN WILCOX; PASSED UNANIMOUSLY.

10. REGULAR AGENDA

A. Legislative Update

Tyler Goodman, Management Analyst, presented. He gave information on bills in the legislature. He said there was good news on a few bills that were no longer a concern,

HB 2179 Intergovernmental agreements
HB2521 Construction sales tax
HB2213 GPLET Reform SB1063 PSPRS; risk pool

Councilwoman Orr asked if the pooling was just for Tier 3, not Tier 1 and 2. Mr. Goodman said that was correct.

Mr. Goodman continued.

SB 1329 Fire flow requirements. He said it was a bad bill and they would be in opposition to the bill.

HB 2495 Consolidated election dates. This would require TPT elections to be held in even number years. It would take effect January 1st and onward, so it would not affect the current election cycle for the City of Prescott.

Councilwoman Orr asked if the League was talking a stand against it. Mr. Goodman said yes, but it was still moving.

HB2477 Civil forfeiture; report information; remedies. This would change the burden of proof in order to seize assets.

Councilwoman Wilcox asked for Prescott Police Chief Black's opinion on the bill.

Chief Black said this was not new, but it was progressing. Yavapai County Attorney Shelia Polk was representing them on this for the regional drug taskforce and they were entrusting her to represent the City and the county.

HB2410 and HB2161 Firefighter's work's comp; heart and cancer. Mr. Goodman said these dealt with heart disease, relate illness, and cancer issues; and the other bill covered quite a few illnesses if it were to pass.

Mayor Oberg said his problem with the bills was that, similar to the military, when you go to the VA you have to prove you held positions that were related and to show proof that was what caused the illness. The proposed bills did not require the individual to prove anything; it was all on Workman's Comp to prove it.

Councilwoman Orr asked if it was Senator Fann's bill. Mr. Goodman said he was not sure.

Mr. Goodman talked about the state budget and what was being proposed was to allow state university's the ability to avoid paying their share of TPT.

Mayor Pro Tem Lamerson asked for clarification. Mr. Goodman said it seemed to be for education purposes.

Mayor Pro Tem Lamerson asked what the cause and effect would be on smaller municipalities if the universities did not have to pay. Mr. Goodman said the estimate of loss to cities around the state would be in the millions.

Councilwoman Orr asked if it only applied to the universities at this point.

Mr. Goodman said yes, but it could spread.

Mayor Oberg said the League of Cities and Towns realized it would hurt rural areas.

Councilwoman Wilcox said the Legislature cut funding for education, universities and community colleges.

Councilman Sischka asked if the Governor understood the cause and effect of this, and asked what his underlying object in all of it was.

Mr. Goodman said he did not know the entire specifics, but thought that was why they were going to meet to talk about a strategy going forward.

Mayor Oberg said the Governor felt this was a good way to get funding into education. They have had the TPT formula for quite some time and if they changed it would mess up a lot of folks.

Councilwoman Orr said she could see the other side of this, and saw it as another overreach by the State.

- B. Award of City Contract No. 2017-263 to Fann Contracting, Inc., for the Transfer Station Slab Remediation and Scale Replacement Project in an amount not to exceed \$435,420.00

Steve Orosz, Program Development Manager, presented. He gave a PowerPoint presentation on the following:

- Current Floor Condition
- Background
- Plan for Rebidding
- Restricted Operation

Mr. Orosz said originally they conducted a bid and only received one proposal, and it came in double what the engineer's estimate was so it was put on hold. He said they started to look at things differently to see where they could make this work, and decided to have a restricted operation. He introduced Will Black, Solid Waste Superintendent, to give the Council an overview of what they have been doing and make recommendations during the construction phase.

Mr. Black addressed the Council. He showed information indicating they had closed one scale and did an estimate of the weight so they would not have to go through it again, this saved a lot of time for the staff and customers. They did outreach through flyers, did a PSA, and local coverage on the radio informing the community of changes that would happen. The test was a success and allowed them to determine that it could be done. They would provide assistance to the customers during this time. Mr. Black recommended they stay open with limited access, and close one day a week to

limit the staff overtime. Thursday was a slow day and it would be a good day of the week to be closed, they would also close on Memorial Day. Mr. Black said they got about 80 customers that day and they paid overtime so it would make more sense to be closed on that day. His next recommendation was to change the hours from 8:00 am to 4:00 pm, to 8:00 am to 3:00 pm. It took them approximately 20 minutes to an hour to clean up and close and this would also limit the overtime. They do free brush dump in the month of June and would like to include Saturdays for the month of May, as this would help move the lines up quicker.

Mr. Orosz said they went through the normal bid process and received two bids within the estimate amount. They would start construction in early April and suggested including the recommendations from Mr. Black.

Councilwoman Wilcox asked how public outreach of the one day a week closure and the Memorial Day closure would be handled. Mr. Black said they would work with John Heiney, Community Outreach Manager, on PSA, flyers, newspaper and radio announcements.

Councilman Blair asked about the background information that was presented and if it was correct. He said the information stated the construction would begin the week of May, but they had just said the first week in April.

Mr. Orosz said they wanted to give proper notification to the public regarding the upcoming construction of the transfer station, and the construction would begin in April, as the contractor would need to get the process going before the initial construction.

Councilman Blair asked about the longevity of the slab, and thought maybe encasing it in metal would not deteriorate as badly along the edges.

Mr. Black said there was metal on the edges already and it had fallen off several times. It had been repaired many times and if it was removed it would look like Swiss cheese. It was being designed to be a lot stronger than the original.

Councilman Blair asked what the currying time was once it was put down, how many weeks or months. Mr. Orosz said they were looking at a week or two for currying to get the facility operational. He said the scale replacement was the biggest challenge.

Councilman Lazzell talked about signs and letting people know. He thought it would be good to post signs on Pioneer Parkway to give citizens early notice.

Councilman Sischka asked about the engineers estimate. Mr. Orosz said engineer estimates varied and were very difficult to project. He said with both bids coming within a couple of thousand of dollars of each other they thought it was reasonable.

**COUNCILWOMAN ORR MOVED TO APPROVE CITY CONTRACT NO. 2017-263;
SECONDED BY COUNCILMAN SISCHKA ; PASSED UNANIMOUSLY**

Mr. Orosz asked if the council was okay with the modification on the closures.

Mayor Oberg said he did not hear anyone opposing the recommendations.

- C. Adoption of Ordinance No. 5025-1563 amending Prescott City Code Title IV, Chapter 4-6, Sections 4-6-1 ("Definitions") and 4-6-2 ("License Required; Exemptions")

ORDINANCE NO. 5025-1563 AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE IV, CHAPTER 4-6, SECTIONS 4-6-1 ("DEFINITIONS") AND 4-6-2 ("LICENSE REQUIRED; EXEMPTIONS") OF THE PRESCOTT CITY CODE.

Mark Woodfill, Finance Director, presented. He gave background on the business license program. He talked about the Arizona Department of Revenue taking over sales tax licenses, and how the City lost all that information. He said they could request the information from the State, but were unable to share that information with any other departments in the City. He said they were working with the IT department on putting together an online directory. He showed an example of what the directory would look like, and updated the business license activity.

Mr. Woodfill said the item on the agenda was to look at long-term rentals. They had received a lot of opposition to this, and if they were to exclude it would allow staff to concentrate on the normal businesses.

Councilwoman Orr talked about state overreach. She said the Council knew when they passed the Business License Ordinance that they would need to come back and adjust it and look at some areas. She was pleased that they were following through and doing something about this.

Councilman Sischka said the key reason that he would like a directory was for economic development. He said it would benefit the Chamber of Commerce by publishing a directory, and the directory was a key driver for him.

Mayor Pro Tem Lamerson thought the idea of bringing forward a business license was not approached correctly. He said it was not a good idea to create exemptions for certain classifications of businesses, the reason for exception was flawed. He did not support exemptions and he did not support business licenses. He thought it was an overreach to charge them for permission to do business in the City.

Councilman Blair said that he would never support a business license. He asked why they would charge something without giving something back. He did not think it was right for the City to charge a business fee. He said he would not support it unless there was a registry, but now that they had a registry he would support it

Mr. Woodfill said they were working on the registry with the IT department.

Councilman Blair said he wanted to be able to see it on the City website.

Councilwoman Wilcox said it sounded like they were debating the whole concept of having the business license fee. She said, for clarification, if they did not approve the proposed ordinance the original ordinance would stand.

Mayor Oberg said one of the things that was asked early on was to set up the business license program so that it would be aligned with other jurisdictions in the county.

Mr. Woodfill said the reason they were different in the beginning was that they looked at the long-term rental and sober living homes issue.

Mayor Oberg thought with the registry they would be able to compare what the State collected from the TPT with what the City collected from the business license.

Mr. Woodfill said it was not only that issue, but to ensure that the State was remitting it correctly. He said it was a little confusing on the Department of Labor website.

Mayor Oberg said they knew that the department of revenue had made mistakes in the past.

Mr. Woodfill said a common problem was that they would get Prescott and Prescott Valley confused when remitting the money, and they would have to make corrections.

Mayor Oberg said when you start a program like this you know there might be changes that need to be made; they had anticipated this.

Mayor Pro Tem Lamerson said TPT was not collected by everyone doing business in the City, but everyone doing business in the City puts a demand on City services. He talked about use fees. He thought they should exempt everyone or do it differently. He talked about the alarm ordinance. He favored no exemptions.

Daniel Matteson, citizen, addressed the Council. He did not see the purpose for the registry. He did not see that the business license applied to long-term rentals as it did to businesses. He thought they were putting a burden on the landlords. He thought an exemption in this case would be appropriate.

Michael Yarnes, Rent-Right Rental Associates, asked for long term rentals to be exempt. He agreed with Councilman Blair, he did not see what they got out of this.

Mayor Pro Tem Lamerson said he did not disagree, however, there was a demand on services and if they were going to exempt one then they should exempt them all.

Councilwoman Orr thanked Michael Yarnes for working with the Finance Department; and Lars Johnson, Budget and Privilege Tax Manager, for the great job he and his staff did; she thought it was a nice solution.

COUNCILMAN SISCHKA MOVED TO ADOPT ORDINANCE NO. 5025-1563; SECONDED BY COUNCILMAN ORR; PASSED 6-1, MAYOR PRO TEM LAMERSON DISSENTING.

- D. Approval of an agreement with POLCO for the purpose of conducting online citizen surveys, for a period of one-year in an amount not to exceed \$6,000.00 (City Contract No. 2017-276)

John Heiney, Community Outreach Manager, presented. He talked about polling companies and how they provided professional assistance with framing questions, and having a vetting process to only use responses from Prescott residents. They provided assistance with marketing and getting the word out. He said the proposal was for a one-year agreement with unlimited use. The City could do a number of polls on City issues. He said if it was used for the ballot measure it could be used to help see where gaps of information or education was needed. He talked about Survey Monkey and other polling services that were free, but those companies sold the information to other outlets. The company being proposed would not sell the information to someone else.

Councilman Lazzell asked the City Manager if he was on board with this.

Michael Lamar, City Manager, thought it was a good tool to have in the tool box. He thought having it for a year to gauge citizens on a number of services could be valuable.

Councilwoman Wilcox wanted to see access to the poll be as broad as possible. She wanted to see computer terminals in the educational institutions, high schools, and some of the grocery stores. This would give a broader population the opportunity to say something. She thought it was a good idea to get feedback on how well they were doing. She talked about the PSPRS misconceptions and thought this type of poll would give a more systematic understanding to help them fill the gaps. She was in support.

Councilman Sischka said he originally was concerned with what they were doing. He asked for a better understanding of why they wanted to do this and asked Mr. Heiney to expand on it.

Mr. Heiney said in the case of PSPRS there were a lot of misconceptions.

Councilman Sischka asked if the system could be abused. Mr. Heiney said that there was always an opportunity for abuse, but this was a more contained system.

Councilman Sischka asked if the people were randomly picked.

Mr. Heiney said no, the people would have to go to the site and select it. The goal was to get it out to all the residents in Prescott and have them fill it out. They were going to do a marketing campaign to promote the survey.

Councilman Sischka thought that the people who were most adamant about the subject would be the ones to take the survey.

Mr. Heiney said that was always a possibility, but the company would provide a trend analysis.

Mr. Lamar said the other risk from the prospective of the City was they might put too much validity in the results, or to over emphasis what they found. He thought if it was used properly it would be like a snapshot of information. He thought it was better than no data, but it was not perfect data

Councilwoman Orr said in the four and half months they have before the election, the biggest issue that was facing the City was passing the three quarters of a percent sales tax. She thought this would take them off focus. She thought they needed to spend time talking with people and sending education to them on the issues. She thought this would confuse the issue even more, and she was a no vote on the item.

Mayor Pro Tem Lamerson said he did not buy into anything that could be exclusionary like limiting the polling to a narrow group of people. The focus should be to find a way to bring into balance the unfunded liability issue. He did not think they should be polling on the .75.

Mayor Pro Tem Lamerson said if they could demonstrate more succinctly other issues that they needed data on and he saw a value for the dollar he could be persuaded. He did not see the value of it at this time, and they needed to concentrate on the issues at hand.

Councilman Blair talked about sending information in the water bills and how that was the focus group to work on. He said it was already on the ballot and from his standpoint \$6,000.00 could be spent better somewhere else.

Mayor Oberg thought it was a great way to communicate with the public. He thought it was a valuable opportunity and they should not limit resident's opinions. It promoted transparency and he would be voting yes.

Councilman Blair remembered the attempt to drive more people into the chambers for Council meetings, and changing the times of the meetings was his idea. He thought they were pretty transparent and he was concerned that the information that was received would not be quality information. He felt they needed to focus on the people that really did need the services, they were the ones that paid.

Mayor Oberg thought they sent out a lot of information in the bills, but if they could get people to hit a few responses on the computer it would be a smart way to go.

Councilwoman Orr was all for transparency, but thought they needed to stay on message. She said it could be a tool down the road and something they would consider, but at this point in time it was not a good idea.

Councilman Blair liked the idea of having the tool, but not for the ballot measure.

Mr. Lamar said it was a valuable tool if it was used appropriately.

Daniel Matteson, citizen, addressed the Council. He talked about the value of the tool, and asked if it had to start as a one-year contract. He thought a lot of the polling could be put on the City's website. He thought it should be turned down at this time, but it might be a useful tool in the future. He suggested it be brought up at a later date.

Ross Masony, citizen, addressed the Council. He said polls were a waste of time and thought if the tool was flawed then they should not have it.

Sandra Smith, citizen, addressed the Council. She agreed that the PSPRS should not be involved in this. Ms. Smith thought that polling had a place, but they had to be careful with the questions.

Phil Goode, citizen, addressed the Council. He thought this was not a PSPRS issue but the question should be, was this an essential service. He said when these type of items came up they needed to say no. He thought to have any ability to convince the voters that the side issues had to be denied.

COUNCILWOMAN WILCOX MOVED TO APPROVE CITY CONTRACT NO. 2017-276; SECONDED BY COUNCILWOMAN ORR; FAILED 2-5, COUNCILMAN BLAIR, COUNCILMAN SISCHKA, MAYOR PRO TEM LAMERSON, COUNCILMAN LAZZELL, AND COUNCILWOMAN ORR DISSENTING.

11. ADJOURNMENT

Mayor Oberg made closing comments, a quote by Thomas Jefferson "It is error alone which needs support of government, truth can stand by itself".

There being no further business to be discussed, the Voting Meeting of March 14, 2017, adjourned at 4:40 p.m.

HARRY B. OBERG, Mayor

ATTEST:

DANA R. DeLONG, 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 of the City of Prescott, Arizona held on the 14th day of March, 2017. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2017.

AFFIX
CITY SEAL

DANA R. DeLONG, City Clerk