CITY OF PRESCOTT

CITY COUNCIL VOTING MEETING

VOTING MEETING MINUTES

TUESDAY, JANUARY 12, 2021, 3:00 PM

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

Greg Mengarelli, Mayor

Alexa Scholl, Mayor Pro Tem	Billie Orr, Councilwoman
Steve Blair, Councilman	Cathey Rusing, Councilmember
Phil Goode, Councilman	Steve Sischka, Councilman

MINUTES OF THE VOTING MEETING OF THE PRESCOTT CITY COUNCIL VOTING MEETING HELD ON JANUARY 12, 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 3:00 p.m.

2. INTRODUCTIONS / ANNOUNCEMENTS

Councilwoman Orr discussed her time on Council and service to the community. She recognized YRMC nursing staff, Dr. Hess and Dr. Askari for their care while she had COVID-19; and thanked Mayor Mengarelli for keeping Prescott citizens so informed through the recent difficult times in the pandemic. She discussed all that has been accomplished during her tenure on Council including the passing of Prop 443 and what a positive impact that has had on the community. Councilwoman Orr also recognized City Manager Michael Lamar and Councilman Blair for their dedication. She said that it has been an honor to work with Mayor Mengarelli.

Mayor Mengarelli thanked Councilwoman Orr for her dedication and mentorship.

3. INVOCATION

Father Ian Emile Dunn with All Saints Anglican Church

4. PLEDGE OF ALLEGIANCE

Mayor Mengarelli

5. ROLL CALL

Greg Mengarelli	Mayor
Alexa Scholl	Mayor Pro Tem
Steve Blair	Councilman
Phil Goode	Councilman
Billie Orr	Councilwoman
Cathey Rusing	Councilmember
Steve Sischka	Councilman

6. 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.

Recommended Action: MOVE to approve Consent Agenda Items 6.A. through 6.N.

MOTION BY MAYOR PRO TEM SCHOLL TO APPROVE CONSENT AGENDA ITEMS 6.A. THROUGH 6.N., EXCLUDING ITEMS 6.C., 6.F., 6.G., 6.L. AND 6.M. WHICH WERE PULLED FOR FURTHER DISCUSSION, SECONDED BY COUNCILMAN SISCHKA: PASSED [7-0].

A. Approval of Minutes from the December 15, 2020 Executive Session, the December 15, 2020 Study Session and the December 15, 2020 Voting Meeting.

B. Appointment of Jim Lamerson to the Board of Adjustment and Tim Holt to the Pedestrian Bicycle & Traffic Advisory Committee.

C. Approval of Retention of Outside Legal Counsel for Airport and Aviation Law Matters.

Councilmember Rusing pulled this item for further discussion and commented that she is thrilled we are outsourcing our Airport Legal Matters. The airport is an economic driver for our community and this is important, particularly compliance with FAA rules and regulations is key. She stated that she would like to see the funding come out of the Airport budget rather than Legal and asked about scope of employment for the attorney and if she will be involved in all aspects of the airport.

City Attorney Jon Paladini responded stating that payment will come out of the airport budget and commented that standard practice is that all outside counsel are managed by the legal department and all contact is through them. Retention of Snell & Wilmer as Aviation lawyer will go through legal and they will make a determination as to what will be handled by them utilizing their expertise for specific items while others can be dealt with in-house. Legal department staff will work jointly with the airport to ensure everything is done with outside counsel in a reasonable manner.

Councilman Goode commented that this is a highly specialized area and the expertise of an outside counsel is sorely needed. He has had long discussions regarding avigation easements contacting our legal department in the past and has had issues with getting information because of having to go through them. He would like the airport director to be able to go directly to the City Manager to minimize costs and limit issues.

Mr. Paladini responded that is how he intends to work with the outside counsel and will be working cooperatively with department staff and outside counsel. He added that the City Charter gives him the authority to hire and work with legal counsel and he intends to do so.

MOTION BY COUNCILMAN SISCHKA TO APPROVE CONSENT AGENDA ITEM 6.C.; SECONDED BY COUNCILMAN BLAIR: PASSED [7 – 0].

D. Sale of Real Property at Antelope Hills Golf Course

E. Approval of Acceptance of Governor's Office of Youth, Faith and Family STOP Violence Against Women Grant Program Funds in the Amount of $180,000 (RFGA No. ST-WSG-20-010121-00; Contract No. ST-WSG-20-010121-08) and Approval to Staff Two Grant Funded Detective Positions.

F. Approval of RVP20-005, a Revision of Plat for Granite Dells Estates Phase 1D.

Councilmember Rusing pulled Items 6.F. and 6.G. for further discussion and stated that she wanted to discuss how the plats will affect our airport and how the city can ensure their compliance with FAA rules and regulations and that buyers are made aware of noise.

Community Development Director Bryn Stotler addressed the DA for Granite Dells Estates from the early 2000s and did not include an avigation easement. She added that the subdivision plats fall within the airport influence area and all have included the noise and over flight plat notes. Staff is working to examine all developments that fall within the airport influence area to determine the disclosure and will be reviewing with the newly retained aviation attorney. Plats typically have dedication language that addresses utility, easements, etc. and through recording they become legal easements.

Councilmember Rusing stated that the amount of paperwork you get when you buy a home is so extensive that all of this information gets buried and it is confusing for the homeowner, she would like to go back and amend the DA to add this information.

City Manager Michael Lamar commented that the aviation attorney can answer questions regarding whether or not the DA can be amended to include this or what needs to be done, which is part of a desire to have outside counsel to assist with these matters. Staff is trying to get a better handle on how we move forward with all of this.

Councilman Goode added that he has been looking into this issue for over four years and has heard that these developments would be required to sign an avigation agreement and individual owners would be made aware as well, but as he looked into the recorded documents on many homes in the area he couldn't find a single individual property owner with a recorded document containing that. We may not be able to go back and correct these things but we can minimize future impact.

City Attorney Jon Paladini commented that recent DAs in the area have had avigation agreements in one form or another, Granite Dells Estates was approved over 10 years ago and Walden Farms even older than that so while a development may look new entitlements are older and that makes renegotiating difficult.

Councilman Blair commented that Pinion Oaks Phase I and II are more than 20 years old and had avigation agreements, these parts of the paperwork tend to get buried but they are in the documents.

MOTION BY COUNCILMAN SISCHKA TO APPROVE CONSENT AGENDA ITEMS 6.F. AND 6.G.; SECONDED BY MAYOR PRO TEM SCHOLL: PASSED [7 – 0].

G. Approval of FNP20-010, Final Plat for Granite Dells Estates Phase 3C.

H. Approval of City Contract No. 2021-095 with Jack McClung for the Donation of "Raven" an Original Framed Photograph to the City of Prescott.

I. Approval of CSP20-004 a Comprehensive Sign Plan for Dells View Apartments, 2051 Willow Lake Road (APN 106-13-031H). Property Owner: DV Phase 1; Applicant: Lafferty Development; Agent: Arcadia Signarama Sign Company.

J. Approval of City Contract 2021-087, an Intergovernmental Agreement with Arizona Department of Transportation for Pavement Preservation Work at Prescott Regional Airport, to Include a 10% Payment in the Amount $31,347. Funding is Available in the Airport Fund.

K. Acceptance of Grant No. E1S1M01C from the Arizona Department of Transportation in the Amount of $1,575,000 for a Perimeter Security Upgrade Project at Prescott Regional Airport.

L. Approval of City Contract 2011-003AS01, Consent to Assignment of Lease from

Guidance Helicopters, Inc to Hangar 3, LLC for Property at Prescott Regional Airport.

Councilman Goode pulled this item for further discussion and commented on the value of a transfer of lease with a market rate with a lease like this which meets all FAA requirements and allows the city to make the case to the FAA that we are doing our best to ensure the usage of airport related properties is appropriate.

MOTION BY COUNCILMAN GOODE TO APPROVE CONSENT AGENDA ITEM 6.L.; SECONDED BY COUNCILMAN SISCHKA: PASSED [7 – 0].

M. Approval of City Contract 2005-251AS02, a Consent for Assignment of Lease from Prescott Hangars, LLC to Juliet Tango, LLC, for Property Located at Prescott Regional Airport.

Councilmember Rusing pulled this item for further discussion and commented that she wanted to make everyone aware that this was discussed in an Executive Session and in general she believes this is an example of a lease that should be looked at closely to ensure it is in compliance with the FAA and is a fair deal for the airport. She does not want to keep perpetuating these leases that are below market value and are then locked in for 50-60 years and the new airport attorney should look at this.

City Attorney Jon Paladini commented that this item is limited to the consent of the assignment and assumption of the lease in its current form, Council is not discussing changing any of the terms in the lease.

Councilman Goode added that while he understands this is just an assignment of the terms, he is concerned regarding the performance of the current lessee and the new lease holder will be taking those problems over.

MOTION BY COUNCILMAN SISCHKA TO APPROVE CONSENT AGENDA ITEM 6.M.; SECONDED BY COUNCILMAN BLAIR: PASSED [5 – 2] COUNCILMAN GOODE & COUNCILMEMBER RUSING DISSENTING.

N. Approval of City Contract No. 2021-094 with Capital Improvements, LLC for the FY20 Miscellaneous Concrete Repairs & Demerse/Morell Storm Drain Project in the amount of $169,000. Funding is Available in the Streets Fund.

7. CONSENT ORDINANCE

Recommended Action: MOVE to approve Consent Ordinance Items 7.A. through 7.C.

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

A. Adoption of Ordinance No. 2021-1738 Authorizing Partial Abandonment of an Easement no Longer Needed by the City.

B. Adoption of Ordinance No. 2021-1739 Authorizing the Acceptance of a Public Sewer Easement from Paul A. Ilacqua and Julie M. Bartz.

C. Adoption of Ordinance No. 2021-1741 Repealing Prescott City Code Title IX, Chapter 9-1 (Prescott Traffic Code) Section 9-1-20 (Use of Electronic Devices).

8. REGULAR AGENDA

A. Approval of New Plans Examiner/Building Inspector Position for Community Development.

Community Development Director Bryn Stotler provided a presentation to Council regarding the proposed new position for a Plans Examiner and discussed the amount of permits issued by the city from 2018-2020. Even with the COVID-19 pandemic we still experienced a high number (4032 reviewed) of permits applied for and issued during 2020. Staff has developed time saving permitting programs including:
* Permit by Inspection
* Model Home Express Permits
* Virtual Inspection
* Fences/Sheds/Signs

It is her belief that even with the policies deployed the increase in volume the city is receiving there is a need for additional staff. This would get us back to a "normal" time frame for plan review as the new position will absorb smaller "over the counter" permit types and will field counter traffic resulting in more permits issued per week. Typical recruitment of about 8 weeks or more because of the specialty of this position with approximately 6 months to get the employee fully up to speed.

Position Data:
* General Fund with Partial Cost Recovery
* $45,000-$50,000 Annually
* ERE (fringe benefits at 35% of salary) = $15,750 annually
* Restore plan review staffing to pre-economic downturn levels in 2008-2009

Mayor Mengarelli thanked Ms. Stotler and her staff for pivoting to deliver service through the pandemic and reminded everyone that there are significant commercial projects taking place which staff also handles and so he is hopeful that this position will get us in a better spot for single family submittals.

Councilman Blair commented that in his years of working with the construction community there are expectations and it is totally unacceptable how long the permit review turnaround time is at this point. The city needs to work towards doing what has been promised to this community and have a 3-4 week first review and 2 week second review.

Councilman Goode echoed Councilman Blair's comments and added that this new position is justified as it is important we pick up the pace here and this will help with that.

Councilwoman Orr stated that she is glad this on her final agenda, she commends staff for the way they've tried to work with the community and she totally supports this.

Councilman Sischka commented that when he first ran for Council one of his big issues was customer service and they are trying to work on that.

City Clerk Sarah Siep read the following comment from member of the public Sandy Griffis: "Dear Mayor and Council, we have seen and are currently experiencing major growth in the State of Arizona and Yavapai County. We all know that hiring additional staff becomes inevitable for an organization when there is a lot of workload. Our workforce is limited and the workforce is basically the most precious asset of any company or Jurisdiction. Companies and Jurisdictions need to make sure they have the right resources in the right place and at the right time, both short- and long-term and those resources are people. Our Community Development Department needs people and from the industry looking in Plan Reviewers are the missing link and they are not an easy resource to find and hire. The COP needs to hire and try to recruit people in areas with skill shortages, makes it all the more difficult for the COP to hire.
The support from the industry on the new initiative of prescottpermits.com is working well. Again, the delay is plan review and processing. We know that growth creates new interactions and processes, expected and unexpected and often at a fast pace. Our industry wholeheartedly supports the hiring of additional Community Development staff, and it will not be an easy task. We need full time folks, not part-time and probably 2-3 additional hires. With our over 50% retired community, our high cost of living, our lack of housing, this is going to be problematic and needs to be given the green light immediately for Human Resources to start the search. The other item of concern is a succession plan. If Laurel were to leave tomorrow or out on vacation or sick, the plan review comes to a halt. We have seen it happen. We need to think about a Deputy Chief Building Official and other possible positions to accommodate permit issuance in a timely manner. Thank you for your love and support of the industry."

MOTION BY COUNCILMAN BLAIR TO APPROVE ITEM 8.A.; SECONDED BY COUNCILMAN SISCHKA: PASSED [7 – 0].

B. Adoption of Ordinance No. 2021-1742, Amending City Code Title I (Administrative) Chapter 1-4 (Elections) by Adopting a New Section 1-4-4 Relating to the Number of Signatures Required on Nominating Petitions; Declaring an Emergency and Providing for a Severability Clause.

City Attorney Jon Paladini provided a presentation to Council regarding amendments to state statute related to nominating petition signatures which left some holes and allowed for a city to stipulate by ordinance the number of signatures required to run in a non-partisan election. Current Prescott city code does not have a specific number, this Ordinance will establish that and align with state statute.

City Clerk Sarah Siep confirmed and reiterated Mr. Paladini's comments and clarified the number of signatures required for the upcoming election.

Councilmember Rusing asked if this will increase or decrease the number of signatures needed for candidates.

Mr. Paladini commented that it would depend on how many ballots were cast in the preceding election. If 5% is greater than 1000, it will begin at 1000.

Ms. Siep read the following public comments from members of the public.

Ellie Laumark: "The council should follow state legislative precedent to allow signatures to be collected electronically for city council candidates. Publicly gathering or collecting signatures door to door during a pandemic imperils the lives and health of Prescott voters. Let us move Prescott into the 21st century and promote voter participation in our elections by allowing electronic signatures for candidates for city council. Ellie Laumark The League of Women Voters Central Yavapai County."

Deborah Thalastitis: "Thank you to the City Council for setting forth how these calculations are to be made for the 2021 election and beyond. This is especially important since the calculation language used in the 2019 appears to have been applied differently. If not answered through Council discussion, I have two questions: 1) when will the 2021 candidate information be placed back up on the City's website? As of 11:30 am today, it has been removed and it appears the "official" filing period for candidates has not yet begun. 2) How will the section at the bottom of the 2021 Candidate Statement of Interest form previously posted on the City's website be applied since it stipulates how signatures may be counted and assumes a date of official filing to be before January 2, 2021--which is well before the effective date of this ordinance."

Ms. Siep responded to Ms. Thalastitis' inquiry and stated that information would be made available later in the week and clarified that the Candidate Statement of Interest Form is a document required by the state which much be signed and submitted prior to circulating for signatures.

MOTION BY COUNCILMAN SISCHKA TO ADOPT ITEM 8.B.; SECONDED BY COUNCILWOMAN ORR: PASSED [7 – 0].

C. Approval of City Implementation Strategy for Total Compensation Study and Approval of Revised City Code Chapter 1-20.

Human Resources Director Joyce Lira provided a presentation to Council regarding staff's recommendation for implementation based on the Class/Comp Study conducted by Evergreen.

<u>Goals of Study:</u>

* Ensure employees are brought to competitive market
* Reduce the number of pay grades and broaden them
* Give authority for PTO and health benefits to City Manager

Phases:
* Outreach & Employee meetings
* Classification
* Compensation
* Solution

On average the city lags in the market in general employee pay by approximately 7-10%, and 3-10% for fire and police. Health care for employee only is covered by the city, however when you add family the amount goes up significantly and exceeds the market peer. With regard to paid time off leave, the average market peer offers 250 hours of PTO annually while the city has a max of 167 hours per year.

Implementation Strategy:
* Department Heads and one level below (46 employees) into an open-ended leadership system
* New pay for performance system to be established and initially include leadership positions only
* New HR Code (City Code Chapter 1-20) will provide authority for Personnel decisions to the City Manager – including increasing PTO accrual rates and health benefits

FY22 Adjustments:
* Employees in graded system will receive COLA (2%) or market adjustment (average of 5.4%) – whichever is higher July 1
* Automatic 2% adjustment on annual performance review evaluation date in lieu of 3% increase
* Employees in leadership system – review dates are moved to July 1st, no COLA but eligible for up to 6% merit increase annually

Subsequent Years:
* Employees in the graded system will move to a pay-for-performance based evaluation system
* Pay grades in the graded system will be adjusted each year for movement in CPI
* Annual amount of COLA (based on CPI) and pay for performance adjustment based on annual budget process and approved by Council
* Employees in graded system will receive an annual COLA adjustment each fiscal year and be eligible for pay for performance increase on evaluation date
* Department heads will not receive annual COLA, but are eligible for pay for performance and up to last COLA increase

Of the city's 487 employees: 263 will get market adjustment and 224 will receive COLA, 46 be moved into pay for performance. The approximate cost in FY22 will be $1.5 million based on the highest number for the increase.

Next Steps:
* Introduce pay for performance
* Finalize PTO accrual
* Revise class descriptions
* Review Yavapai combined trust contributions

City Attorney Jon Paladini commented that code change requires an Ordinance adoption and therefore Council cannot vote on that portion today. However, they can discuss and reach consensus on it and staff will bring it back on January 26th to adopt on the Consent Ordinance Agenda.

Councilmember Rusing commented that she supports city staff and it is important to decrease turnover and become more competitive with other communities. She asked what the process is of who decides on the pay for performance.

Ms. Lira commented that the department head and manager would determine goals at the beginning of each year and then review these to make a determination on merit.

Mayor Pro Tem Scholl echoed the need to invest in our human capital and ensuring that we keep good employees.

Councilman Blair commended Ms. Lira and the staff that have worked on this.

Councilman Goode echoed other Council comments and added that as long as everything is appropriately applied this will be good for our employees so they can feel as though they are being fairly evaluated.

City Manager Michael Lamar thanked Council for their support and staff for their work. This is not easy to apply a widespread fix for class/compensation and this shouldn't come before Council again because this should fix issues that previously existed.

Councilwoman Orr thanked Ms. Lira for this and said she thinks this is a wonderful plan.

Ms. Lira thanked Mr. Lamar and other staff for all of their help on getting this forward.

Mayor Mengarelli commented that this is a great day for the city and he is happy to vote in favor of it. City employees are our greatest asset and they've shown up every day despite what was going on with the pandemic and he is proud of that.

MOTION BY COUNCILMAN BLAIR TO APPROVE CITY IMPLEMENTATION STRATEGY FOR TOTAL COMPENSATION STUDY; SECONDED BY COUNCILWOMAN: PASSED [7 – 0].

MOTION BY MAYOR MENGARELLI TO TABLE APPROVAL OF THE PROPOSED CITY CODE CHAPTER 1-20 REVISIONS TO THE JANUARY 26, 2021 VOTING MEETING; SECONDED BY COUNCILMAN SISCHKA: PASSED [7 – 0].

D. Adoption of Resolution No. 2021-1766 Approving City Contract No. 2021-090 for an Intergovernmental Agreement Between the City of Prescott and the Stringfield Ranch Domestic Water Improvement District and City Contract No. 2021-091 Between the City of Prescott and Stringfield Ranch LLC

City Attorney Jon Paladini provided a presentation regarding water customer connection increases with decrease in use through conservation and better policy decisions. By providing water and sewer to areas outside of our jurisdiction we are leading the way in getting to safe yield. This IGA will provide water to a water improvement district to an area outside the city ensuring no new wells or septic tanks are installed in the development, and returning water through recharge. Through the IGA service will be provided to members of the district and require them to connect to city water/sewer and meet all city water use requirements at a 30% upcharge. Members are subject to city code with regard to permitting and the city will receive up to 90% in recharge. Developer will construct all infrastructure for connecting and retain ownership of the system. Finally, the city will obtain the Circle Trail easement.

Mayor Pro Tem Scholl commented that she wishes Council would've been able to move forward with the annexation for this development and reminded everyone that even without the IGA passing today the developer can still move forward so it is crucial to reduce the number of wells and septic tanks so she supports the IGA.

Councilman Sischka added that we have been running this developer around too much. He addressed an email that was received from a member of the public and stated that if annexation would have taken place there would have been more public input and better recharge. Would love to have another development like American Ranch into the city of Prescott but we haven't been able to do that. One of Prescott's Councilmembers came up with this district idea and now people have an issue with that he just doesn't understand.

Councilman Blair commented that all previous developments have come into the city through annexation and it is a shame that a developer with a good plan was not able to do that. This developer has gone to every effort to meet the requirements and requests put forth by Council and the annexation still did not happen and we are losing revenue because of it.

Councilman Goode asked the City Attorney to define "non-contiguous district" and read an excerpt from the AZ State statute regarding the formation of water districts.

Mr. Paladini commented that a parcel of land that is not contiguous to the developed land falls under that category and added that Yavapai County approved the water improvement district so he would defer to the developer and his attorney on that formation.

Developer Jeff Davis addressed Councilman Goode's question and stated that it was reviewed by the County Attorney and Board of Supervisors prior to approval. There was no requirement to bring it before Council before forming so there should not be any questions.

Councilman Goode responded that it is his opinion this district violates state statutes and added that additional properties could potentially be added to the IGA in the future. If the district is expanded into a connected parcel there is potential for an additional 416 acres tied to this agreement and he is opposed to that.

Mr. Paladini commented that the IGA gives rights for a specific number of homes (340) and not specific acre feet of water and that unless the city were to approve additional homes it would not be possible to service more than that.

Mr. Davis concurred with Mr. Paladini's comments. This is a low density development, the parcels are nothing less than a half-acre. He has assured everyone that he will not be mass grading or doing small lots and does not intend to have more than 340 units.

Mayor Mengarelli reiterated that he cannot exceed 340 units unless he receives Council approval.

Councilman Goode added that he believes the concept of the IGA to service areas outside of the city limits was to service other government agencies, but now any developer can form a water improvement district and get all the benefits without going through annexation so he will not support it.

Councilwoman Orr echoed Mayor Pro Tem Scholl's comments. This has been discussed for months and to get an email like the one received by Council today makes no sense to her. She addressed Mr. Davis on his development at Prescott Lakes and added that she is disappointed Stringfield Ranch was not annexed, he does quality work and this has been a missed opportunity. She supports the ITA.

Councilmember Rusing asked if the developer received an easement from state lands for water/sewer and asked staff to address fire coverage in the area.

Mr. Davis said that the right-of-way application has been submitted, accepted and initially approved. It will now go before the board of appeals before completion and final approval. The right-of-way will be wide enough to allow for additional easements for utilities.

City Manager Michael Lamar commented that if the development were in the city, Prescott Fire would be the first to respond, however, when an area is adjacent to the city the mutual aid agreement with CAFMA would result in them being first and likely Prescott Fire being second.

Councilmember Rusing congratulated Mr. Davis on this agreement that is totally favorable for him and not the city. She expressed her concerns that this IGA is just for a first phase and will end up as an example of unplanned and unreasonable growth. She believes this is getting around Prop400 and is an annexation masquerading as an IGA and therefore cannot vote for it.

Mr. Paladini read state statute Section 48-902 in response to Councilman Goode's comments and concerns. He stated that his assessment is city approval is not required for formation of the district.

City Clerk Sarah Siep read the following comments from members of the public.

Ellie Laumark: "The city should annex the land for Stringfield ranch. Providing water without annexation and related services will create a land rush that will hasten our water overdraft, create urban sprawl, and clog our worsening traffic. ADOT isn't presently building nor maintaining roads. The costs of new roads will shift to the taxpayers. This decision to give our water away will only provide huge profits to developers at the expense of current residents. This new proposed water policy that allows Prescott to provide water outside city limits with an agreement violates the voter initiative for responsible growth, prop 400. It sets a dangerous precedent for other developers at the cost of quality of life for Precottonians. Ellie Laumark for The League of Women Voters Central Yavapai County."

Nancy Roberts: "My husband and I have severe concerns about the future of water especially given our drought. The City Council did not approve annexation for the Stringfield Ranch. How is this decision different?"

Gordon Bond: "Mr. Mayor and Council. Thank you for the opportunity to present my views on the proposed IGA with the Stringfield Ranch Water District. I strongly urge you to delay any vote on this agreement. This agreement sets a terrible precedent for which there has been no public input. It jeopardizes the Dells deal. Section 6, which allows future expansion, makes this an open-ended arrangement without limits. It does not commit recharge to be permanent recharge. The proposed IGA is nothing but an end around the requirements of Prop 400 and will drain our aquifer. It represents great costs with little benefit to the City. Your vote must be delayed to allow public input."

Gary Beverly: "CWAG Board Comment: Stringfield IGA The IGA policy is flawed. Water awards based on the IGA policy have not had adequate public comment and should not be approved. CWAG recommends that the Council table this IGA and begin an orderly, rational, and transparent public process to discuss water use outside the city limits. CWAG opposes permitting water service outside the city without annexation because it: Will increase the overdraft. Every new home increases the stress on our aquifers. For new homes complying with the city's recent water conservation and landscape policies, in the best case, the theoretical maximum wastewater recovery for recharge from a new home is only 80%. Every new home increases the overdraft and moves away from safe yield. Will bypass Prop 400: CWAG insists that the provisions of the Reasonable Growth Initiative (Proposition 400) be followed. The proposed IGA water award is an end run around Prop 400. CWAG strongly opposes any new policy that would bypass or weaken the express will of voters.
Reduces the City's ability to manage growth and violates the voter-approved 2015 General Plan and contradicts the existing Airport Specific Area Plan. Restricts planning options for roads, open space, and wildlife corridors, creates urban sprawl, subsidizes private developers, and generates a developer "water rush." Denies citizens an opportunity to comment. The public notice was rushed and inadequate. This change deserves careful consideration and input from the public. In February 2020 the Mayor promised public involvement and discussion on the proposed policy, but there has been no public information or

discussion since - a broken promise. The City has not released a statement of need, a justification, or an impact analysis. Threatens the Granite Dells settlement. Why should AED continue with the terms of the Letter of Intent, trading land for water, if the city policy supplies services at less net cost to AED?"

Mike Ryan: "Why was this not open for public comment? This seems to be another effort by the majority of the Council to subvert public discussion of a material issue. This issue has a material impact not only to this subdivision, but to Prescott's water supply future and also to the bargaining leverage for the City regarding the Dells negotiations. This appears to be another developer-driven action by the Council. Do you not want public comments or do you simply not care? Those seem to be the only two questions involved here."

Member of the public Howard Mechanic addressed Council and commented that he is confused by the comments of Mr. Paladini that the water amount cannot be increased. He feels the IGA is not restrictive to properties owned by Stringfield Ranch and is therefore unlimited and the water will be increased. He has no problem selling water outside the city limits, but this is a new proposal with new components so it is an end run because it is not the same as the annexation proposal. Negotiation should be based on the value of the city water being provided. If they were out in the county they could not do 340 properties on wells in that area. In the future the city should conduct a study to show the worth.

Mr. Paladini responded that if the territory of the district expands the developer can request that it be amended, however, the cap is 340 units. This was a negotiated agreement that was done in the same manner as was Mr. Mechanic's.

Member of the public Leslie Hoy addressed Council regarding the controversial nature of this agreement. She feels it should have gone to a study session first and wants to know why it did not. After carefully reviewing all of the items in the packet she too feels that Section 6 does not properly address the cap and makes this an open water giveaway. If the Stringfield Property had been annexed Prop400 it would've required all effluent to go to permanent recharge, but now there is nothing clear about whether or not it will go to permanent recharge. The trail easement is listed as a benefit to providing water, is that really a good deal for this trade? Council should ask citizens before voting on the agreement and believes it shouldn't be voted on today.

Mr. Paladini commented that self-perception is the problem. The section that talks about territory says it **<u>may</u>** increase not that it shall. It would require approval by the City Council as an amendment to the IGA. These comments are an inaccurate interpretation and the developer even agrees to that.

Member of the public Bonnie McMinn addressed Council regarding the IGA being premature particularly with what Councilman Goode brought up regarding the state statute which should be looked at more carefully. Save the Dells, the city and AED have worked tirelessly over the last 3 years to put together the LOI and deal that is still on the table and if the city moves forward with this before the AED annexation they will have zero incentive to annex into the city. She believes that the city will give up all leverage going forward and is circumventing Prop400. There is no direct benefit to the citizens in approving this and it is not what we elected you to do. Citizens deserve one or more study sessions on this item.

Member of the public Ralph Hess addressed Council regarding the significance of AZ Statute 48-902G which he stated requires a district within six miles of a city having the consent of the city prior to its formation. The question then is whether the district was properly formed and what is the impact of entering into an IGA.

Councilmember Rusing addressed Mr. Paladini and said that the word "shall" is included in Section 6.

Mr. Paladini responded that Section G of the state statute addresses non-contiguous areas that are not attached to each other and not large sections like Stringfield Ranch. This district is contiguous and therefore the statute does not apply to this development which is why the county attorney signed off on the creation of the district in December.

MOTION BY COUNCILMAN SISCHKA TO ADOPT ITEM 8.D.; SECONDED BY COUNCILMAN BLAIR: PASSED [5 – 2] COUNCILMAN GOODE & COUNCILMEMBER RUSING DISSENTING.

E. Approval of Process for Filling a City Council Vacancy.

*****Councilwoman Orr did not participate in discussion or voting on this Item as the outgoing Councilmember*****

Mayor Mengarelli introduced the item and commented that the City Attorney and City Clerk would be covering the charter and history regarding filling a Council vacancy.

City Attorney Jon Paladini read the charter language and advised Council that the six remaining members would have the opportunity to make a decision on either option A or B in the city charter. How council determines to proceed is up to them.

City Clerk Sarah Siep commented that in accordance with the City Attorney's interpretation of the charter, Council has two options to select from in filling the upcoming Council vacancy. Staff has presented a timeline and options based on past precedent in the city and added that pending Council's action today, the application and further details will be released to the public later this week.

Councilman Sischka thanked the public for their input and opinions that have been submitted to Council, as an elected official he has the responsibility to vote with his conscious and act as their proxy. It is important to look at qualities that mirror Councilwoman Orr when appointing her replacement and his is in favor of appointment for full remaining term so it is not just a seat filler because there is so much on the table right now.

Councilman Blair added that seats have been filled for the balance of term in the past and he thinks it is important to choose a person who was knowledgeable and not just a seat warmer. He supports appointment for the full term and wants the process to be as open to the public as possible.

Mayor Mengarelli added that it is important that no Councilmember push a particular candidate as they need to properly evaluate all candidates. He feels Council needs to select someone who epitomizes Councilwoman Orr's values.

Councilman Goode commented that based on the historic analysis provided by Ms. Siep, the longest balance of term appointment made was for a period of 21 months while this would be for approximately 33 months. He feels there is more than enough time to have a candidate accept the appointment until November and if they choose to run for the remainder of the term they would be voted on and selected by the people. Feels it would be inappropriate to appoint someone to serve for that amount of time and supports Option B.

Councilmember Rusing stated that she contacted the county elections office and believes that the resignation is coming more than 30 days before the filing deadline selecting Option A would be inappropriate and would be thwarting the will of the people.

Mr. Paladini responded that the charter gives a choice, and Council is not mandated to choose one option or the other.

Mayor Pro Tem Scholl commented that she has been thinking a lot about this process since finding out that Councilwoman Orr is leaving and has struggled a lot with both options provided in the Charter. There are arguments on both sides but she does not believe that choosing Option A is thwarting the will of the voters but rather addresses her concerns regarding someone being on Council for only nine months and potential not beyond that. There is a lot to learn and understand and while also running for office in November would be a lot for a person which is why she is leaning toward Option A. There is security in consistency particularly with items coming before Council this year. She appreciates all of the messages from constituents, this is a big and important decision.

Ms. Siep read the following comments from members of the public:

Mike Ryan: "I hope that the Council makes not only the interview process public but also includes the public in some way in the selection process. The person appointed to fill the vacancy works for the citizens after all, NOT the Council. We don't need more decisions made behind closed doors."

Ralph Hess: "I encourage you to select a candidate to fill the council seat vacancy resulting from Dr. Billie Orr's resignation until the upcoming election rather than for Dr. Orr's remaining term. I recognize that the majority of the council has a shared agenda and would prefer to appoint a candidate who also shares that agenda for as long as possible. And, I expect the majority of the council will choose and appoint the candidate that most closely shares that agenda. Yet, you profess to respect and be beholden to the democratic republican form of governance. So, let the electorate decide whether to support your agenda at the upcoming election. Your choice will demonstrate whether you stand with the people or for your personal power and influences. I urge you to surprise us by choosing to stand with the people."

Member of the public Leslie Hoy addressed Council and said that she doesn't feel the 33 month appointment holds water, there could be three brand new people on the Council in November. It is fair to appoint just for the next election and she believes interviews should take place in a study session in order to educate the public.

Member of the public Tom Rusing addressed Council regarding the assessment of the City Charter allowing for two options and his opinion that Option B is applicable here because it is more than 30 days before the filing period while Option A takes away the right to decide who fills the seat. He would like to see the will of the people met.

COUNCILMAN SISCHKA MOVED TO APPROVE FILLING THE VACANCY BY APPOINTING FOR THE UNEXPIRED TERM (THROUGH NOVEMBER 2023); SECONDED BY COUNCILMAN BLAIR: PASSED [4-2] COUNCILMAN GOODE & COUNCILMEMBER RUSING DISSENTING.

Ms. Siep continued the presentation with an overview of history of Council vacancy appointment process and historic past precedent with regard to interviews and application filing periods.

Mr. Paladini clarified that should Council conduct executive sessions to review applications and/or conduct interviews, they would have to adjourn into a regular session to vote on actions.

Mayor Mengarelli commented that he would like the application filing period opened up right away and then move forward with reviewing of applications at the suggested February 2nd Special Executive Session and determine at that time the manner of interviewing which should be done in open sessions.

Councilman Blair commented that he supports no longer than two weeks for filing application and the February 2nd review of applications but concurs that interviews should be done in public and not in an executive session.

Councilman Goode echoed Councilman Blair's comments.. He believes applications should be publicly reviewed and added that when the County Board of Supervisors replaced Jack Smith every person was given an opportunity to present their case and then an appointment was made in that same meeting.

Councilmember Rusing agreed that two week timeline is good and stated that she is on board with as much transparency as possible and believes executive sessions should be removed altogether in the process.

Mayor Pro Tem Scholl is in favor of the two week filing period and commented that she feels it may be beneficial to conduct an executive session to narrow down candidates and then conduct public interviews and figure out a way to allow candidates to have a forum to answer questions from the public.

Mr. Paladini added that even if applications are reviewed in an executive session the applications themselves are still public record but this allows Council to discuss them in detail in private.

Councilman Sischka doesn't want to make this process cumbersome or overly complicated. Much of it should be in the public but he does not feel it is appropriate to publicly interview 15 people.

COUNCILMAN SISCHKA MOVED TO APPROVE A TWO WEEK APPLICATION FILING PERIOD (JANUARY 13-JANUARY 27) AND SCHEDULING OF AN EXECUTIVE SESSION ON TUESDAY, FEBRUARY 2ND TO REVIEW APPLICATIONS AND DETERMINE NEXT STEPS FOR INTERVIEWS & APPOINTMENT PROCESS; SECONDED BY COUNCILMAN BLAIR: PASS [6-0].

Mayor Pro Tem Scholl asked the need for background checks.

Mr. Paladini stated that Council is able to request that as a requirement if they chose to do so, however, he urged caution against that because then they would have to determine what is appropriate or not in a formal way.

Councilman Blair asked if there is a requirement for a residency term.

Ms. Siep commented that the requirement to run for Council is one-year in the City of Prescott and this could be applied here as well.

City Manager Michael Lamar asked how far and wide Council would like this publicized.

Mayor Mengarelli commented that he would like a press release, details in the paper, city website and on city social media.

9. ADJOURNMENT

Quote: "With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds." - Abraham Lincoln

There being no further business to discuss, Mayor Mengarelli adjourned the meeting at 6:32 p.m.

GREG MENGARELLI, Mayor

ATTEST:

SARAH M. SIEP, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Voting Meeting of the City Council Voting Meeting of the City of Prescott, Arizona held on January 12, 2021. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 28 day of January, 2020.

AFFIX
CITY
SEAL

Sarah M. Siep, City Clerk