



# City of Prescott

## City Council - Workshop Meeting

May 25, 2023 | 1:00 PM  
201 N Montezuma Street  
City Council Chambers, 3rd Floor  
Prescott, AZ 86301

### MINUTES

#### 1. CALL TO ORDER

Mayor Goode called the meeting to order at 1:00 pm

#### 2. ROLL CALL

Mayor Goode  
Mayor Pro Tem Montoya  
Councilwoman Cantelme  
Councilman Moore  
Councilmember Rusing - excused  
Councilman Sischka – excused  
Councilman Tenney

#### 3. DISCUSSION

##### A. FY24 Budget Workshop Discussions, Part II.

Finance Director Mark Woodfill introduced part two of the budget presentation and stated that the recurring revenue funds the fire, public safety, police, library and the recreation departments, and cuts in residential rental and food taxes affect this funding.

##### Fire Department

Fire Chief Holger Durre provided a presentation to Council regarding the Fire Department's FY24 operating funding sources. He pointed out that the tribal contract is approximately three percent of the department's revenue, which does have an inflationary escalator, so it grows as expenses grow. He continued with discussion of the Strategic Plan and the five major results he hopes to accomplish with this year's budget:

- Result 1 - Risk Reduction: Reduce the impact of emergencies through innovation, lower response times, improve cardiac arrest survival, and mitigating wildfire risk (3 key measures)
- Result 2 - Infrastructure: Targeted public safety infrastructure investments (4 key measures)
- Result 3 - Workforce: Investing in health and safety career development opportunities, and organizational development (5 key measures)
- Result 4 - Performance Measurement: Establishing a performance management system that drives operational, policy and budget decisions (4 key measures)
- Result 5 - Values: Creating an organizational culture consistent and aligned with the values of members and the community ( 4 key measures)

The department's Budget Structure includes four new divisions:

- Division 1: Office of the Chief
- Division 2: Emergency Operations Division
- Division 3: Community Risk Management Division
- Division 4: Essential Services Division

Additionally, there are four full-time positions being requested for this budget:

- Operations Chief: highest priority position as there has not been one since 2008
- Wildfire Risk Reduction Manager: primary link between the forestry crew, recreation services and the fire department
- Additional Administrative Position and Restructure: requesting a fourth administrative position
- 3 Safer Grant firefighters - additional firefighters requested last year

Mayor Pro Tem Montoya asked for an idea what the Operations Chief does and how it augments the Chief and Deputy Chief's roles and what efficiencies will be gained.

Chief Durre responded that the bulk of the fire department budget is Emergency Operations at approximately 85 and there are currently three Battalion Chiefs that oversee three shifts that provide 24-hour coverage. The Department has not had the primary focus on that part. Instead, the Deputy Chief and Fire Marshal have had the added duty of being the Operations Chief and that is not only a workload issue, it's also a span of control issue because that individual isn't primarily looking at community risk management and strategic department management when they have to switch back and forth between operations, creating a lot of inefficiencies. An Operations Chief can help make sure that those three Battalion Chiefs are holding captains and firefighters accountable and will add an additional executive level thinker to my senior leadership team.

Mayor Goode asked if adding an Operations Chief would be an internal hire.

Chief Durre stated that it would be an additional full time equivalent (FTE), and will work with Human Resources to determine how that is filled.

Mayor Goode asked if the same applied to the Wildfire Risk Production Manager.

Chief Durre responded that is a new position.

Mayor Goode asked for confirmation that two additional FTE and an admin position are being requested.

Chief Durre confirmed.

Councilwoman Cantelme asked how this would impact the minimum staffing overtime budget.

Chief Durre replied that there will be a commensurate decrease in overtime, but it will not be a linear equation. He is planning a data analysis study to compare the impact of

the recently hired fire fighters and hopes to have more definitive answers.

Mayor Goode asked if the potential six new firefighters would be covered under PSPRS Tier 3.

Chief Durre stated that the three Safer Grant firefighters, the Operations Chief, the additional administrative position and the Wildfire Risk Reduction Manager would be and continued with the FY24 Non-Personnel Efficiency-Related Proposals:

- Contracted plan review services - is not a full-time equivalent employee and helps increase effectiveness and efficiency
- Digital document conversion - makes the records request process more efficient
- Cooperative protective gear washing and repair - looking at partnering with our partners at CAFMA who have a full warehouse division that has certified bunker gear repair technicians
- Academy training captain backfill - this gives us the option to have a training Captain for four weeks twice a year who will be assigned to a training academy without hiring an additional full-time equivalent employee
- System status management software - a back end on or an addition to the back end of CAD to help reduce the move up between 25 and 40 percent and improve response times.

Mayor Pro Tem Montoya asked if this system is something that will aid in gathering data or would that be a separate component.

Chief Durre commented that it helps and will help with the system's management component.

Councilwoman Cantelme asked if stroke vans had been considered.

Chief Durre replied that there is a potential for those types of ideas, although not a stroke van specifically.

City Manager Katie Gregory commented that these are big policy questions that staff should be looking at and planning for to achieve the right complement of staff. These services will require additional resources to provide the funding for these important services.

Councilwoman Cantelme suggested a regional effort.

Ms. Gregory stated that is certainly a possibility; there are existing partners, but where there aren't commonalities, it may be important to create our own ability to manage these things.

Mayor Goode asked if there are replacement turnouts for the turnouts that contained PFAs.

Chief Durre replied that there is current nationwide litigation. However, there are no alternatives at this time and the industry will need to respond to that. He continued with a review of key items from the approved expenditure list and a five-year capital cost

projection estimate:

### **Key Items**

- Recurring Items project totals - \$202,400
- One-time Expenses/projects - \$4,929,377 with an additional \$7,933 for the beginning stages of Station 76 build.
- Grants - \$3,237,385

### **Five-Year Capital Cost Estimate**

- Station 76 - \$8,000,000 FY24-FY26
- Station Alerting - \$350,000 FY25-FY26
- System Status Software - \$120,000 for FY24
- Training Center Rehab - \$4,300,000 FY24-FY26
- Airport Station Relocation - \$4,300,000 FY25-FY 27
- Station 77- \$9,000,000 FY26-FY28
- Station Renovations - \$1,250,000 FY25-FY27
- Community Paramedicine - Initiative Dependent
- Potential CON (limited) - Initiative Dependent

Councilman Moore asked about the system status software item and if that would be shared with CAFMA.

Chief Durre replied that they may partner with them potentially reducing that amount.

Councilwoman Cantelme asked if there are plans in place for the retro fits on older stations.

Chief Durre stated that this is a budget place holder and expressed that this is for health and safety related renovations and continued with a review of current, North Prescott response coverage, explaining that station locations that currently cover North Prescott includes Station 51 to some extent, Station 74 on Smoketree and Station 73 at the airport. The road travel miles are six to eight plus minute travel times and that is just travel time on a GIS layer, not actual response times. The actual response time experience could actually be slower than that because of the system business in the rest of the city.

### **Public Works**

Capital Program Manager Tim Sherwood provided a presentation to Council beginning with strategic results supporting Council goals:

- Goal #4: Quality of life - create a clean and safe city that provides superior essential services and enhanced opportunities that allow for retention and attraction
  - Objective: Highly rated city services
- Goal #5: Service-oriented culture - promote an accountable organizational culture of solution-driven services by the Mayor, Council and city staff

- Objective: promote continuous process improvement which fosters better processes and procedures to improve customer services at the lowest possible cost to taxpayers
- Strategy: foster a culture that enhances employee morale

Mr. Sherwood commented that this has been a difficult year due to the amount of projects affected by material delays and price escalation. He continued with an overview of Street Capital Projects and the FY24 budget:

### **Street Capital Projects**

- Preservation and rehabilitation projects - improvements to extend the life of the roadway pavement and upgrade ADA access
- Circulation Projects - new roadways, sidewalks, bicycle facilities and expansion of existing infrastructure
- Roadway Reconstruction Projects - major improvements to existing roadways, curbs, gutters and sidewalks
- Drainage Projects - stormwater related projects to improve drainage flows

### **FY 24 Budget**

- Street Fund: \$1,981,850
  - Fair Street and Gail Gardner Way traffic signal
  - Prescott Lakes Parkway at Sundog Ranch Road signal
  - Sidewalk repairs and replacement
- Roadway Reconstruction Projects: \$7,816,966
  - Penn Avenue/Eastwood Drive project
- Preservation and Rehabilitation Projects: \$9,660,000
- Drainage Improvement Projects: \$600,000
  - Improvements for Merritt/Lincoln/Ruth Road Improvement

Councilman Moore asked how much of the Fair Street and Gail Gardner Way traffic signal cost the city is responsible for.

Deputy Public Works Director Gwen Rowitsch replied that it is being funded through an HSIT grant which provides up to 1.2 million dollars.

Ms. Gregory clarified that the city is budgeting for that item for appropriation purposes and the city will be reimbursed.

Mayor Goode asked about the Prescott Lakes Parkway signal.

Mr. Sherwood explained that this project is nearly complete and is anticipated to be completed in FY24. The heavy traffic and the city facilities in that location have created a traffic hazard.

Councilman Moore asked about the funding for the Prescott Lakes Parkway signal.

Mr. Sherwood replied that the funding is coming out of the Streets funds.

Councilman Moore asked if the Lincoln improvements for drainage is the same area and if the rehabilitation is part of the improvements.

Mr. Sherwood stated that it is one of the more critical areas. The improvements will be at the street level and he does not anticipate that there will be significant involvement with the waterways.

Mayor Pro Tem Montoya asked if there is a plan in place to look at other areas that are subject to flooding.

Mr. Sherwood replied that they try to use all the money the county provides, however Penn and Eastwood was the focus this year.

Councilman Moore asked if citizen input is sought on drainage issues.

Public Works Deputy Director Janet Ramsey commented that drainage is usually addressed by the city on a regional basis in cooperation with the flood control district. With regard to development, they will work with citizens to mitigate issues.

Councilwoman Cantelme commented that often times landscapers will remove the swale installed by engineers which causes flooding and asked if there is a plan in place to determine if the homeowner is responsible for the flooding.

Ms. Ramsey replied that significant adjustments are common and each case is looked at individually to determine who is responsible.

Councilman Tenney commented that the city is not responsible for excessive rainfall but is proactive and reactive when appropriate.

Mr. Sherwood continued with a review of Water Capital Projects:  
**Water Capital Projects**

- Water Production Projects: \$26,022,585 - installation, rehabilitation, and replacement of wells, tanks and pump stations - intermediate pump station and water production facility.
  - Intermediate pump station and water production facility
  - Zone 56 Tank, Pipeline and Pump Station
  - Zone 52 Water Main to NW Regional Tank (AEL)
  - Zone 41 Mingus Pump Station, Tank and Pipeline
- Water Distribution projects: \$8,682,000 - replacement of water pipelines and components, upsizing of water pipelines
  - Juniper Vista/Karen Drive
  - Zone 24/27 Water Pipeline Upsizing
  - Quaka Crossing Water Main
- Water Quality Projects: \$1,200,000
  - Watson Lake Improvements - Aeration and fish

Mayor Pro Tem Montoya asked if the improvements would result in significant water quality changes.

Mr. Sherwood confirmed that there would be significant improvements in water quality.

Ms. Gregory commented that this is an eco-friendly and inexpensive way to handle the problem and is the best way to proceed for now.

Mr. Sherwood continued with a review of Wastewater Capital Projects:

### **Wastewater Capital Projects**

- Wastewater Collection Projects: \$7,022,444 - rehabilitation, replacement and upsizing of mains, lift station improvements and removal.
  - Sundog Trunk Main Phase C
  - Willow Creek Gravity Sewer Project
  - Slaughterhouse Gulch Sewer Improvement
  - Yavapai Hills #1 Lift Station Rehab (AEL)

Mayor Pro Tem Montoya asked how many phases of the Sundog Trunk Main are anticipated.

Mr. Sherwood replied that Phase C is the final phase.

Wastewater treatment plant projects: \$2,095,000

- Centralization - effluent tank, pipeline and SR89 widening

Mr. Sherwood stated that the total budget for FY24 is \$79,267,987 and continued with a review of the Capital Improvement request for AELs.

### **Capital Improvement Programs Request for AELs**

- Capital Improvement Program
  - Yavapai Hills #1 Lift Station Project: \$1,157,444 (est. total project \$3,075,000)
  - Zone 52 Water Main Connect to NW Region Tank: \$3,225,000
  - Quality Assurance/Quality Control for CIP: \$300,000
  - Aerial Digital Elevation Model Contour: \$110,000
- Pavement
  - Pavement Preservation - Crack Seal Materials and Installation: \$300,000
  - Pavement Condition Assessment Contract: \$250,000
  - Trip Hazard Elimination: \$80,000

Mayor Goode asked what the pavement condition index would be by the end of the next fiscal year.

Mr. Sherwood replied somewhere in the 65-66 range.

Mayor Pro Tem Montoya asked if a trip hazardous elimination was done on Ruth Street.

Mr. Sherwood stated that it was done all over the city and Ruth Street may have been included.

Councilwoman Cantelme asked if there are specifications on how to do the repairs. Mr. Sherwood replied that there are standard details.

Ms. Ramsey provided a presentation to Council regarding new city facilities, vehicles and other capital, recurring operational necessities, Street Maintenance Division AEL, Solid Waste Division AEL, and Utilities AEL.

### **New Facilities**

- Street Maintenance Admin Building
- Solid Waste Scales and Fee Booth

Ms. Ramsey stated that the scales and the fee booth will be moved to the middle of Sundog and bypass lanes will be available on either side. This will push most traffic to the center lane, enabling more effective and efficient traffic movement. The amount budgeted for these projects is \$3,020,000.

### **Vehicles and other Capital**

- Vehicle replacements
- New vehicles and equipment

Ms. Ramsey stated that a riding sweeper plow and a hydro excavator are included in the proposed budget. The total amount budgeted for vehicles and other capital is \$10,467,142.

### **Recurring Operational Necessities**

- Personal protective equipment: \$90,000
- Uniform rental and laundry: \$92,500

### **Street Maintenance Division AEL**

- Operational Necessity
  - Deicing materials and cinders: \$125,000
- Vehicles
  - New wing plow attachments (2): \$95,000
- Miscellaneous
  - Snowplow routing software: \$75,000

### **Solid Waste Division AEL**

- Operational Necessities
  - Waste Management Disposal Fees: \$3,200,000
  - Garbage and recycling hauling fees: \$1,300,000
  - Methane monitoring at the landfill: \$200,000
  - 65-gallon residential garbage and recycling containers: \$370,000
  - Commercial front-load and roll-off dumpsters: \$200,000
- Vehicles
  - New Excavator Purchase: \$300,000
- Miscellaneous
  - Inert Concrete Crushing: \$200,000
  - Routing software: \$75,000

Councilman Moore asked how often the expenditure for garbage containers occurs, if it is a passive expense to the home owner.

Ms. Ramsey replied that they have a typical life of approximately ten years and the fees are included in the rates.

### **Utilities AEL**

- Operational Necessity
  - Service for meter replacements: \$260,634
  - Meter Reading Equipment: \$150,000
  - Potable Water Tank Inspections: \$200,000
  - Generator Replacements and new purchases: \$100,000
  - Biosolid hauling: \$355,000
  - Lift Station pump replacements and rehabilitation: \$100,000
  - Polymer (used in sludge debater processes): \$180,000
  - Course salt: \$70,000
  - Water/Wastewater materials: \$400,000
  - Water/ Wastewater treatment chemicals: \$340,000
- Program
  - Cured in place pipe lining: \$750,000
  - Pipe bursting: \$750,000
  - Lift station control panel replacements: \$100,000
  - Root control: \$140,000
  - Water and Wastewater rate study: \$300,000
- Miscellaneous
  - Analytical Services: \$75,000
  - SCADA on-call services: \$150,000
  - SWWTP sand filter replacement (ADEQ requirement): \$800,000
- Vehicles
  - New purchase hydro-excavation truck: \$625,000

Councilman Moore asked if the bio solids are sold for fertilizer.

Ms. Ramsey replied not at this time.

Councilman Tenney asked about SCADA on-call services.

Ms. Rowitsch stated that it is an electrical control system that allows staff to work remotely to monitor the water and sewer systems.

Ms. Gregory explained the acronym stands for Supervisory Control and Data Acquisition.

Mayor Goode asked what the hydro-excavator truck would be used for and how often.

Ms. Ramsey explained that it uses water to excavate, bore and drill to expose water pipes and lines. This truck is new and will be used by the Water Department almost daily.

Ms. Rowitsch provided a presentation to Council regarding the National Pollution Discharge Elimination System (NPDES) AEL, Water Resources AEL, and the Traffic and Transportation Division AEL.

### **NPDES AEL**

- City lakes monitoring, maintenance and treatment: \$100,000

### **Water Resources AEL**

- Decision and Order
  - Professional Services by Herb Dishlip Consulting: \$50,000
  - Professional Services by Matrix: \$100,000
  - Letter of Engagement with Gammage and Burnhan: \$80,000
- Other
  - Professional Services by James Holt LLC: \$50,000

### **Transportation and Traffic Division AEL**

- Operational Necessity
  - Traffic signal cabinets and a GridSmart Detection System: \$220,000
  - Rectangular Rapid Flash Beacon (two (2) crosswalk systems, solar, four (4) buttons/beacons): \$50,000
  - Sign shop materials: \$65,000
  - Semi-annual striping program: \$300,000

Councilman Moore asked if the professional services provided by James Holt LLC is for recreational use or management of lake water.

Ms. Rowitsch replied that Mr. Holt provided some informal data gathering and a third party consultant will be hired to perform lake management. There will be a recreational component but the primary focus will be the land management of the lake.

## **Airport**

Airport Director Robin Sobotta provided a presentation to Council regarding the Airport budget.

- Goal 2 - Economic Development (ED)
  - Consider ED study - assess land impacts near the airport and evaluate options for ED in the airpark area to include marketing and the sale of the "W" parcel
  - Consider ED strategic plan to potentially include commercial corridor study
- Goal 3 - Airport
  - Better utilize regional common interests to support necessary airport/airpark growth and development and roadway access
  - Collaborate with neighboring jurisdictions to establish IGAs for the protection of the airport and the community
  - Evaluate land use and strategic land acquisition and placement of infrastructure to incentivize compatible land use around the airport
  - Bolster industry/business growth in conjunction with potential ED strategic plan and assessment of land around the airport
  - Update the airport specific area plan, airport master plan, airport layout plan, and the land development code to reduce encroachment and support future airport evolution
- Initial Considerations
  - North Side (Strategic Academic Flight Education (SAFE) area) - Chino Valley Irrigation District (CVID) parcel acquisition timing, area infrastructure considerations, Embry Riddle Aeronautical University (ERAU) leadership communication
  - W Parcel Development - options and next steps
  - Other land acquisitions - timing, uses (or resale)
  - Plan creation or updates - airport layout plan (acquisitions); airport master plan, airport specific area plan, ED strategic plan, commercial corridor study, infrastructure (roadway, drainage/floodway) plans, etc.

Mayor Goode asked if updated plans are required for FAA funding.

Dr. Sobotta confirmed and continued with an overview of the Prescott Regional Airport/Embry-Riddle Aeronautical University SAFE complex, phase 1. There has been a slight revision in the way that the aircraft are laid out and this is an example of a situation where the airport collaborated with a private partner whose investment in this area was five million dollars to start. She added that there is a potential for expansion of that area into some of the local areas identified for potential land acquisition. Additionally, there is a new taxiway under construction as part of the taxiway Charlie realignment project phase three, which will need a bi-directional taxiway to allow aircraft to pass both ways to get up to this SAFE complex.

Mayor Pro Tem Montoya asked if the idea behind this is to allow Embry Riddle to utilize the airport without creating a stoppage on the runway.

Dr. Sobotta replied that there are multiple benefits and generally, it will increase the efficiency of the use of both of those runways and it will increase the safety factor. She continued with a review of the large apron for aircraft parking, isolation in the event of a

security situation, or for event parking, stating that this area would be particularly beneficial for large aircraft, because all of the ramp spaces on the airport are taken.

Dr. Sobotta continued with an overview of the Runway Extension Study Focus Areas.

- Airline Operational Challenges
  - Hot/High Airport = longer runway needs
  - Terrain challenges to the West
  - One-engine (OEI) FAA requirement
  - Weight restrictions = seat limits
- Critical Aircraft
- Required Runway Length
- Alternatives Evaluation
- Other benefits
  - USFS Tanker/Ops support
  - Aircraft height over sensitive areas
- Conclusion: extension needed
- Next Steps
  - Land acquisition
  - Environmental
  - BCA
  - Design
  - Construction
  - ILS Relocation

Dr. Sobotta explained that the presentation diagram depicted an approximate 2,331 foot extension off the end of that runway, and the study that was conducted indicated that an 11,000 foot runway would be beneficial, however cost inhibits that. The plan is to extend it to 2,331 feet which would cost between 66 and 75 million dollars.

Councilwoman Cantelme commented that she had attended several airport open houses and spoke to a lot of people concerned about the extension. She asked for clarification that the extension would allow the departing airplanes to take off further away from those communities and that the overflight would also be moved away from some of those communities.

Dr. Sobotta confirmed, adding that by the time the airplane gets over to the sensitive community, it is expected to be higher in the air and, therefore, there will be less noise heard on the ground; the aircraft may actually turn before it gets to the community. She continued with an overview of the next steps, stating that staff is working on the benefit cost analysis, a major drainage study and more planning. Staff is also looking at an environmental study that meets National Environmental Protection (NEPA) requirements that'll happen hopefully in 2025, design in 2026 and construction in 2027-2028.

Dr. Sobotta continued with an overview of FY24 Airport Enterprise Operations:

## **Revenue**

- Rent/Lease: \$2,038,924
- Car Rental: \$ 163,411
- Landing/Ramp fees: \$134,695
- Fuel Flowage/Self Fuel: \$ 179,763
- Admin/Misc Fees: \$140,258
- ARFF Fee: \$63,875
- ARFF transfer from General Fund: \$ 192,873

## **Expenditures**

- Personnel Services: \$1,602,700
- Operating Supplies: \$ 167,000
- Internal Charges: \$347,507
- Other Services and Charges: \$ 635,070
- ARFF Costs: \$ 512,254

Dr. Sobotta stated that the total projected revenue is \$2,913,799, and total projected expenditures are \$3,264,531, leaving a deficit of \$350,732. Expenditures are projected to increase with legal fees and temporary salaries.

## **Airport FY24 Operations: Covering Shortages**

- Revenues (conservative)
  - SAFE lease increased lease revenue by \$206,616 annually
  - Advertising opportunities in the new terminal may generate additional revenue
  - Rental car revenues continue to increase (the airport receives 10% of sales)
  - Actively sought CPI adjustments as permitted, including 8% CPI for hangar rental
- CRSSA/ARPA Grants
  - Expected to be used to cover the estimated shortage of \$350,732
  - \$1,392,848 remaining in CRSSA/ARPA; could be used to offset operating costs and must be spent by April 2025

Dr. Sobotta stated that there are hangar leases that go back decades and as those leases come up for renewal or reassignment, they need to be adjusted to the current market rate.

Councilwoman Cantelme commented that she received a voice message from a pilot who stated that there is an eight year backlog for hangers and asked if the city should consider getting into the hanger business.

Dr. Sobotta replied that eight years is an approximation for the largest hangars, of which there is a small quantity. The smaller hangars have about a two-year turnover and they are working to get rid of some of the derelict aircraft. Part of the reason that the city is

not looking at getting into the construction of hangers is to avoid competition with a private sector business that is due to expand a 68,000 square foot facility in Monarch.

Mayor Pro Tem Montoya asked about unused COVID money.

Dr. Sobotta stated that the money has been pulled out and draws are taken on the funds on a regular basis. She continued with an overview of the airport capital plan, stating that these items are not in line for a grant for the airport capital improvement program. This fiscal year there is a proposal for a city-funded contribution of approximately \$775,000 for pavement maintenance.

### **Airport Capital Plan - City Only Funded**

- Airport Preservation Program-City: FY24 Budget - \$775,581, FY25-28 Projection - \$ 2,216,989
- Bottleneck Hangar Complex Improvements: FY24 Budget - \$350,000
- Airport Master Lock and Badging System: FY24 Budget - \$20,000
- T-Hangar Taxilanes and Ramp Expansion: FY25-26 Projection - \$1,700,000
- Vehicle Replacements: FY25 Projection: FY25 Projection - \$280,000
- Tractor & Flail Mowing System (new): FY25 Projection - \$200,000
- Fuel System: FY25 Projection: FY25 Projection - \$95,000
- Landside Expansion - parking: FY26 Projection - \$300,000
- Clubhouse Drive Extension Study: FY27 Projection - \$100,000

Dr. Sobotta reviewed the airport layout plan that was approved in 2022, stating that this must be on the report to seek a federal grant.

Councilman Moore asked how frequently the airport layout plan needed to be updated.

Dr. Sobotta replied it needs to be updated annually or every 18 months.

### **Airport Capital Plan - Grant Funded**

- Land acquisition - Airport Protection: FY24 Budget - \$3,214,761, FY25-26 Projection - \$6,890,000
- Taxiway D Rehabilitation: FY 24 Budget - \$2,300,000
- TWY C Realignment, RIM & Hotspot Mitigation: FY24 Budget - \$1,712,550
- ARFF, Airport Ops & Maintenance and Snow: FY24 Budget - \$775,000, Future Years - \$14,000,000
- Removal Equipment Storage Facility
- Strategic Academic Flight Education (SAFE) Comp: FY24 Budget - \$651,667
- Runway 3L/21R Lighting and Signage: FY24 Budget - 642,367
- Runway 3R/21L Extension: FY24 Budget - \$455,000 FY25-28 - \$70,802,632
- Taxiway E Rehabilitation: FY24 Budget - \$375,000, FY25 Projection - \$1,800,000
- North Ramp Rehabilitation: FY24 Budget - \$ 337,500, FY26-27 Projection - \$2,818,055
- UL Avgas and Ramp Runup: Bypass: FY24 Budget - \$255,150, FY26 Projection - \$3,500,000

- Runway 3L/21 R PAPIs (both ends): FY24 Budget - \$170,625
- Ernest A. Love statue: FY24 Budget - \$80,000 (donated)
- Runway 12-30 lighting and signage improvement: FY25 and FY27 Projection - \$3,650,000
- ARFF - Index B Truck: FY26 Projection - \$1,050,000
- Perimeter Vehicle Service Roadway Completion: FY28 Projection - \$575,000
- New Airport Vehicles and Equipment: FY28 Projection - \$500,000

### **Funding Sources - FY24**

- FY23 General Fund Carryover - \$ 214,786
- Federal Grant - \$5,363,275
- State Grant - \$4,707,236
- General Fund - \$604,323
- Donation - \$80,000

### **Funding Sources FY25-28 and Future Years**

- Federal Grant - \$86,596,250
- State Grant \$15,267,941
- General Fund \$3,721,496

Dr. Sobatta concluded stating that approximately a quarter billion dollars will be invested in the airport over a decade - some has already occurred and some is planned to occur - that includes state grants, ADOT funded maintenance, private investment, a new air traffic control tower and a decade of essential air service funds to support air carrier service until the runway is long enough.

Councilwoman Cantelme commended Dr.Sobatta on the progress made with the air terminal in only a few years.

Mayor Goode called for public comment.

Member of the public Tony Hamer addressed Council stating that cost reduction and business processes and the metrics associated with them are key and should be considered.

Member of the public Daryl Austermler addressed Council stating that the airport is finally being supported and recognized as the regional resource and economic generator that was planned for and it is no accident that this extraordinary period of the airport and airport area growth and development parallels the tenure of Dr. Sobotta in her time as an Airport Director.

Mayor Goode commented that he followed the development of the airport over the last few years and to see the evolution and the expansion and the fact that we still have ongoing support and funding from the Department of Transportation, the FAA and the State of Arizona Aviation allocations indicates how far we've come and how important

continued development is to our future; increased airport operations and economic activity, high-tech and higher paying jobs will pay off for decades. He thanked Mr. Austermler for his efforts on the Airport Advisory Committee.

### **Upcoming Steps in the FY24 budget process**

06/13/23 tentative budget adoption, publishing of tentative budget

06/27/23 public hearings: FY24 budget, alternative expenditure limitation, property tax levy

07/11/23

Councilman Tenney asked about the decrease in budget, doesn't want to see taxes go up.

Mr. Woodfill provided a presentation to Council on the updated proposed total city budget and the upcoming steps in the budget process.

### **Updated Proposed Total City Budget**

- Operating Budget FY24 Budget
  - General Operations: \$124,593,542, an increase of 15.2%
  - PSPRS 0.75% tax: no increase
  - Contingent Debt Service: \$885,000, a decrease of 77.8%
- Capital Budget - \$118,657,017, a decrease of 5.6%
- Contingency
  - Potential Grants: \$3,000,000, a decrease of 40%
  - Other: \$11,000,000, a decrease of 63.3%

### **Upcoming Steps in the Budget Process**

- June 13, 2022
  - Tentative budget adoption
  - Publishing of tentative budget
- June 27, 2023
  - Public Hearings
    - FY Budget
    - Alternative Expenditure limitation
    - Property tax levy
  - Truth in Taxation Process
    - Roll call vote for primary property tax increase (required for the recommended property tax increase)
    - Adoption of Final Budget by Council (separate meeting)
- July 11, 2023 - Adopt property tax levies

Councilman Tenney asked for confirmation that the projected budget for this fiscal year is lower than last fiscal year and asked about the property tax levy.

Mr. Woodfill replied that the budget is lower in total; capital is fluctuating down in this fiscal year and reviewed the property tax increase stating that the property tax levy

represents an approximate 14% increase.

Mayor Pro Tem Montoya commented that the overall budget is going down and that Prescott's sales tax is lower than Chino Valley and Prescott Valley, which don't have the responsibilities that we have, even when paying PSPRS . He thanked staff for consistently doing more with less.

Councilwoman Cantelme asked if the city could actively seek more grants.

Mr. Woodfill responded that there was a contract with a grant writer and it did not produce great results. Grant writers typically help with the paperwork, not obtaining grants.

Councilman Moore stated that he is in awe of the City of Prescott employees and is appreciative of living in and serving this community, adding that this small increase in property tax is long overdue.

Mayor Goode stated that he frequently hears from the community that they want increased and better services. However, these services are not free and in order to provide those, revenue needs to be available. He added that the decreased budget this year is remarkable and he thanked the department heads for their service.

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

#### **4. ADJOURNMENT**

There being no further business to discuss, Mayor Goode adjourned the meeting at 3:30 p.m.

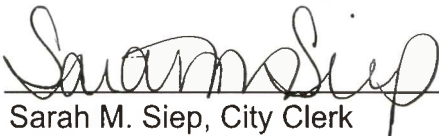
  
\_\_\_\_\_  
PHILIP R. GOODE, Mayor

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 May 25, 2023. I further certify the meeting was duly called and held and that a quorum was present.

  
\_\_\_\_\_  
Sarah M. Siep, City Clerk

