



City of Prescott

City Council - Voting Meeting

December 19, 2023 | 3:00 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 3:06 p.m.

2. INTRODUCTIONS / ANNOUNCEMENTS

Mayor Pro Tem Cantelme reviewed the city's holiday schedule and stated that additional information is available at prescott-az.gov. She added that the Prescott Library and Transfer Station will also have special holiday hours. The next City Council meeting is scheduled for January 9, 2024. She wished everyone a Merry Christmas and Happy New Year.

Mayor Goode read a statement regarding a fire reported in Bullhead City over the weekend that took the lives of five children who were the grandchildren of a member of the Bullhead City Fire Department. He observed a moment of silence to honor the children and show support for the family.

3. INVOCATION - Pastor Scott Savage with Prescott Cornerstone Church

4. PLEDGE OF ALLEGIANCE - Councilwoman Fruhwirth

5. ROLL CALL

Phil Goode - Mayor
Connie Cantelme - Mayor Pro Tem
Lois Fruhwirth - Councilwoman
Ted Gambogi - Councilman
Brandon Montoya - Councilman
Eric Moore - Councilman
Cathey Rusing - Councilmember

6. OPEN CALL TO THE PUBLIC

A. Lewis Rowe addressed the Council regarding weapons of mass destruction and CIA technology. Microwave weapon attacks in this country are a significant problem and people are not being heard on these issues, need legislation for the public.

B. Michael Broggie addressed the Council stating that for evil to succeed good people remain silent, he commented that he supports the Mayor in his office and leadership of the city.

7. CONSENT AGENDA

**MOTION BY COUNCILMAN MONTOYA TO APPROVE CONSENT AGENDA ITEMS
7.A. THROUGH 7.E.; SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)**

- A. Approval of the January 2024 to June 2024 Residential & Non-Residential Water Budgets in Accordance with the 2022 Water Management Policy.
- B. Approval of Appointment of Members to the Civic Enhancement Committee and the Workforce Housing Committee; and Approval of Appointment of Chair and Vice Chair for the Civic Enhancement Committee.
- C. Approval of Four (4) Contracts for Supply and/or Delivery of Asphalt, Concrete, Dirt & Sand as Follows: 1) City Contract No. 2024-147 with Asphalt Paving & Supply, Inc. in an Amount not to Exceed \$400,000.00 Per Fiscal Year; 2) City Contract No. 2024-148 with Arrowhead Mining and Material, in an Amount not to Exceed \$50,000.00 Per Fiscal Year; 3) City Contract No. 2024-149 with Material Delivery Inc. DBA MDI Rock in an Amount not to Exceed \$50,000.00 Per Fiscal Year; and 4) City Contract No. 2024-150 With Vulcan Materials Company in an Amount not to Exceed \$200,000.00 Per Fiscal Year. Funding is Budgeted & Available in the Streets, Water and Wastewater Funds.
- D. Approval of City Contract No. 2024-079 with Metering Services, Inc. for Installation of Meters for the Automatic Meter-reading Infrastructure Project (AMI) in an Amount not to Exceed \$3,500,000 Over the Next Five Fiscal Years. Funding is Budgeted and Available Through Grant Funding and Water Budget.
- E. Approval of City Contract No. 2023-226A2, an Amendment to City Contract No. 2023-226 with Dukes Root Control in an Amount not to Exceed \$25,000. Funding is Budgeted and Available Through the Wastewater Fund.
- F. Adoption of the 2023 Yavapai County Multi-Jurisdictional Hazard Mitigation Plan.

Councilmember Rusing pulled this item from the Consent Agenda for further discussion. She stated that this is a comprehensive and forward-looking document and wants to have additional discussion.

Fire Chief Holger Durre addressed the Council and introduced Ashley Ahlquist, County Emergency Manager, regarding the plan, which is an overarching administrative document. This is the County's plan and the city is signing onto it and it opens the opportunity for FEMA Funding and other grant opportunities. Public outreach was conducted by the County on this as well.

Ms. Ahlquist continued the presentation regarding the importance of the Plan:

- * Updated information on potential natural hazards
- * Appropriate types of mitigation for those hazards
- * Allows Yavapai County to get public assistance for categories C through G (damaged roads/bridges, water control facilities, buildings and equipment, utilities and parks)
- * Required for multiple FEMA Grant Programs - many that the Flood Control

District utilize

FEMA Can Assist With:

- * Property acquisition
- * Structure demolition and relocation
- * Structure elevation and reconstruction
- * Dry flood proofing on historical and non-residential structures
- * Localized and non-localized flood risk reduction projects

FEMA Hazard Mitigation:

- * Public education & outreach
- * Planning and studies
- * Policy and zoning developments
- * Flooding mitigation projects
- * Structural mitigation projects
- * Stormwater & wastewater projects
- * Staff training

Hazards:

- * Earthquakes
- * Floods
- * Landslides/Mudslides
- * Sever wind
- * Wildfires
- * Winter storms

Participants:

- * Camp Verde
- * Chino Valley
- * Clarkdale
- * Cottonwood
- * Dewey-Humboldt
- * Jerome
- * Prescott
- * Prescott Valley
- * Sedona
- * Yavapai-Prescott Indian Tribe

Updates:

- * FEMA had new mitigation planning requirements. The plan was updated to be compliant
- * Maps updated
- * Hazard data updated to reflect the last five years
- * Mitigation projects for each of the jurisdictions was updated

Public Outreach:

- * Printed in Daily courier and Verde Independent on Sundays & Wednesdays
- * Social Media Posts
- * Only one public comment was received about wildfires and mitigation

Mayor Goode asked about insurers discontinuing services based on wildfire

issues, etc and if this plan would help with residents being able to obtain coverage.

Chief Durre responded that this is a broad issue and the work done under the mitigation plan will help with the issues that impact residential insurance rates.

Mayor Pro Tem Cantelme commented that she read about this online and saw that Maui does not have a program like this. She asked if that was correct and if FEMA would help with reconstruction of properties through programs like this.

Ms. Ahlquist stated that they did have a hazard mitigation plan, it is something that is necessary for jurisdictions. It is up to the jurisdictions to use these programs to the best of their ability, and they are in constant discussions regarding what should be updated and where to find funding. The issue in Maui particularly was that the wildfire threat was underestimated in that area. Because of the significance of that event, they did get FEMA assistance.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CONSENT AGENDA ITEM 7.F.; SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)

8. CONSENT ORDINANCE

- A. Adoption of Ordinance No. 2023-1850 Granting a Public Utility Easement for the Prescott Life Church Water Main Extension in Accordance with Permit ENG2109-027.

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE ACCEPTANCE OF A PUBLIC UTILITY EASEMENT AGREEMENT FROM METCALF FAMILY TRUST DATED APRIL 8, 1996, AUTHORIZING THE MAYOR AND STAFF TO EXECUTE ANY AND ALL DOCUMENTS TO EFFECTUATE SAID ACCEPTANCE

Councilmember Rusing commented that this is positive but asked if there will be a connection to the sewer along with the water.

Public Works Director Gwen Rowitsch stated that she would need to look this up and get back to Council, but she pointed out that the easement is just for a water main extension.

MOTION BY COUNCILWOMAN CANTELME TO ADOPT ORDINANCE NO. 2023-1850; SECONDED BY COUNCILMAN MOORE: PASSED (7 - 0)

9. REGULAR AGENDA

- A. Adoption of Ordinance No. 2023-1852 Approving a Settlement Agreement and Purchase and Sale Agreement Between the City of Prescott and Chamberlain Development LLC for Approximately 76.3 Acres of Real Property Near Prescott Regional Airport - Ernest A. Love Field.

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF
PRESCOTT, YAVAPAI COUNTY, ARIZONA AUTHORIZING THE PURCHASE
OF APPROXIMATELY 76.3 ACRES OF REAL PROPERTY FROM CDC
PRESCOTT LLC AND CHAMBERLAIN DEVELOPMENT LLC NEAR
PRESCOTT REGIONAL AIRPORT - ERNEST A. LOVE FIELD**

City Manager Katie Gregory provided a presentation regarding the North Ranch area acquisition for airport protection and future expansion. The Council and staff have been looking into this and working on future planning. This is the second acquisition, the first was the CVID purchase, and will also include a Settlement Agreement in addition to the property purchase. Prescott has a long history of providing protection in order to preserve the economic driver of the Airport not only for Prescott but the region as a whole. She reviewed the mapping issues and errors which have impacted the Impact Zones and Airport Protections which have lead to negotiations and discussions with the developers and property owners in these areas. The city has taken steps to take action against the company who made these mapping errors and do hope to recover some of the funds related to the purchases necessary due to those errors.

Airport Protection Priorities:

- * Ensure Community and aviation user safety
- * Enable and enhance local access to national air transportation system
- * Mitigate future encroachment concerns
- * Preserve community asset and vital economic engine
- * Comply with grant assurances

Councilman Gambogi discussed the General Plan Committee Open House and that the Airport was overwhelmingly endorsed with hopes of continuing and developing commercial services at the airport and feels that should be added.

Ms. Gregory concurred and continued with a review of airport protections:

- * Airport Impact Zones - total of six typically located at the end of runways, intent is to restrict incompatible land uses in each zone
- * Noise Compatibility - we have a busy airport, primarily flights are related to training with Embry Riddle
- * One Engine Inoperative (OEI) Departure Splay - reviewed this through FAA requirements

Councilmember Rusing stated that she is shocked that the Council is expected to vote on this after having just received information. She added that she would like to postpone this until January so the Council can have more time to take a look at it in detail.

Councilman Moore stated that it is important for the public to know that this is not the first time the Council has seen any of this information. This has been reviewed and discussed in Executive Session for months and months. This is not the first time this has been proposed and he completely disagrees with what Councilmember Rusing just stated.

Ms. Gregory reiterated that this is a purchase agreement for four parcels for approximately 76.3 acres at \$8 million.

Settlement Agreement:

- * City will purchase for the price stated
- * No residential will be allowed as long as the airport remains in operation and any property annexed into DWR under additional properties will not be subject to enforcement of any future AVO.
- * City will grant utility ingress/egress for hospital property to the north and DWR to the east
- * If city cancels the agreement, city will pay liquidated damages of \$2 million
- * Closing on or before January 17, 2024

Ms. Gregory added that she would be concerned if the Council delays this given the proposed closing time and the extensive negotiations that have taken place to this point.

Council Considerations:

- * This would resolve all existing disputes between the parties
- * Purchase of the parcels enhances safety on the ground and in the air
- * Helps to mitigate residential encroachment concerns such as noise and overflight
- * Preserves an important community asset and economic driver for the community
- * Potential to receive future revenues to offset all or a portion of costs - submit for reimbursement through Federal and State funds, and continue to pursue damages regarding reliance on incorrectly drawn impact zones
- * This along with other airport protection purchases will put a strain on city's general fund
- * Potential revenue enhancements and expenditure reductions will be needed to balance the General Fund five-year structural forecast

Mayor Pro Tem Cantelme commented that none of the members of Council are excited about having to spend this kind of money, there were mistakes made and they are trying to back a bus up. She added that she has done a great deal of research related to the Airport for a radio show she did several years ago and there have been 166 crashes since 1969. Based on what happens around airports she can't go along with development happening in those areas despite the difficult choice to spend the money. She added that there is a potential for grant funding reimbursing these expenditures.

Councilmember Rusing asked if there is anyone in the audience representing the Chamberlain group to answer questions. She stated that the power point presentation was not included in the packet and was provided to the Council this morning and she doesn't feel that discussing a draft is not the same as signing a legal document that the Council hasn't seen. This shouldn't be ramrodded, and would like to have Robin Sobotta review this document with her, and she again stated that she would like to make a motion to postpone this until the next Council meeting and requested that someone from the Chamberlain group be present to answer questions.

Councilwoman Fruhwirth echoed Mayor Pro Tem Cantelme's comments about protecting the public, which is what this is about. She has been involved in at least two meetings on this topic just since she took office, but did receive the

presentation materials this morning and received the purchase and settlement agreement documents before the meeting. She would like to vote yes, but also wants to read the fine print.

Councilman Montoya stated that he has concerns about all of this. There are public safety concerns in this community and he wonders if these purchases should be the priority or if another fire station should be the priority. He also has concerns regarding the fiscal implications of this purchase. There needs to be more time to consider it, but the Council has also been discussing this for more than two years at this point.

Councilman Moore countered several remarks from Councilmember Rusing, and added that the very concept of acquiring this land was presented by Robin Sobotta. She was the one that brought this to the attention of the Council and discovered the error in the maps and brought this as an option for the City Council. This is not new information and the Council has known it for a long time.

Mayor Goode added that he has always made it very clear that he goes through every document and contract that goes through the city, there have been contracts with missing components that have had issues which cause problems for the city. He agreed with Councilmember Rusing and Councilwoman Fruhwirth and won't vote for a contract that he hasn't even seen.

MOTION BY COUNCILMEMBER RUSING TO BRING THE ADOPTION OF ORDINANCE NO. 2023-1852 BACK FOR A VOTE AT THE TUESDAY, JANUARY 9, 2024 COUNCIL MEETING; SECONDED BY COUNCILMAN MONTOYA: PASSED (5 - 2) COUNCILMAN GAMBONI AND COUNCILMAN MOORE DISSENTING

- B. Discussion & Possible Action Related to the Employment of the City Manager, and Possible Approval of a Settlement Agreement.

City Attorney Joseph Young addressed the Council regarding a Settlement Agreement relating to disputes with the City Manager.

Mayor Goode stated that the Council cannot get into the details of this Settlement Agreement because there is a nondisclosure associated with it, and asked Mr. Young to provide clarification on this.

Mr. Young confirmed and stated that the Council needs to take action on the proposed settlement agreement. He added that the statement from this morning's Executive Session is a separate matter and read the following statement related to this settlement agreement: "City Manager Katie Gregory has resigned her position with the City of Prescott effective December 20, 2023."

MOTION BY COUNCILMAN MOORE TO APPROVE A SETTLEMENT AGREEMENT RELATED TO DISPUTE RESOLUTION BETWEEN THE CITY AND CITY MANAGER; SECONDED BY MAYOR PRO TEM MONTOYA: PASSED (7 - 0)

10. ADJOURNMENT

Mayor Goode wished everyone a Merry Christmas and Happy Holiday Season.

There being no further business to discuss, Mayor Goode adjourned the meeting at 4:18 p.m.



PHILIP R. GOODE, Mayor

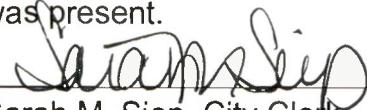
ATTEST:



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 December 19, 2023. I further certify the meeting was duly called and held and that a quorum was present.



Sarah M. Siep, City Clerk

