



City of Prescott

City Council - Workshop Meeting

May 16, 2024 | 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 p.m.

2. ROLL CALL

Phil Goode - Mayor
Connie Cantelme - Mayor Pro Tem (Arrived at 1:20 p.m.)
Lois Fruhwirth - Councilwoman
Ted Gambogi - Councilman
Brandon Montoya - Councilman
Eric Moore - Councilman (Excused)
Cathey Rusing - Councilmember (Excused)

3. DISCUSSION

A. FY25 Budget Workshop Discussions, Part II.

Finance Director Mark Woodfill introduced the workshop topics which will include Fire, Police, Regional Communications Center and Public Works. Department staff will be handling their presentations.

Fire Chief Holger Durre and Deputy Police Chief Jon Brambila began the discussion with a presentation regarding the Fire and Police Departments budget and needs.

Immediate Needs (1-3 years):

- * New Fire Station
- * Relocated Fire Station
- * Major Station Remodel
- * Property & evidence facility

Short Term Needs (4-7 years):

- * Three safety and health fire station remodels
- * Land and design for second new station
- * Additional police facility needs and enhancements

Long Term (8-10 years):

- * Second new fire station (Station 77) - will depend on growth and needs further down the road

Immediate Operational Needs (1-3 years):

- * Recruitment and retention challenges
- * New personnel - 16 sworn officers, 15 fire personnel, 2 fire safety positions, 3 support staff (records, radio, IT)
- * Low acuity response
- * Public access defibrillation program

Councilman Gambogi asked how the departments plan to get that amount of new employees.

Chief Durre responded that fire is changing their training and recruitment efforts. Will be conducting a joint academy with CAFMA, allowing it to go for additional weeks and obtain certifications.

Deputy Chief Brambila added that marketing and other innovative ideas have helped to increase the number of people who are coming in and inquiring about the department. They are also conducting academies twice a year. Also, these positions are spread over a three year period.

Councilwoman Fruhwirth stated that she's heard 30 personnel before and asked for clarification on that.

Chief Durre responded that is over the course of a 10-year investment period.

Short Term (4-7 years) Operational Needs:

- * Recruitment and retention challenges
- * New personnel - emergency management staffing, special enforcement team, additional K-9s

Long Term (8-10 years) Operational Needs:

- * Fire Station 77 staffing

Community Impacts Immediate (1-3 years):

- * Fill downtown, midtown and northside response gaps
- * Improve response times
- * Fill critical public safety positions
- * Stabilize recruitment and retention
- * Enhanced community policing and traffic enforcement

Community Impacts Short Term (4-7 years):

- * Improve health and safety of public safety personnel
- * Prepare for future growth of the community
- * Improve existing public safety facilities to extend their life

Community Impacts Long Term (8-10 years):

- * Continue to focus on improving public safety outcomes

Mr. Woodfill continued with an overview of the projected capital needs over 10 years in the amount of \$110,565,090 as well as Operating needs. With additional stations there are ongoing costs that will need additional funding. He reminded the Council that there will continue to be budgeting and funding as usual from the

General Fund. He also reviewed the proposed transaction privilege tax.

Mayor Pro Tem Cantelme arrived at 1:20 p.m.

Councilwoman Fruhwirth asked if any other communities are below our current tax.

Mr. Woodfill responded that the Tribe is lower and Dewey-Humboldt is equal. He continued with a review of the estimated tax burden on municipal services and determined to be approximately \$26,557 household taxable spending with an estimated assessed home value of \$400,000.

Contingencies for Proposed Tax in FY25 Budget:

- * Proposed Tax - \$5,329,500
- * Potential Debt - \$4,812,224
- * Public Safety Operating Expenditures - \$1,748,724
- * Public Safety Capital Expenditures - \$8,393,000

Mayor Goode commented on how significant the tax burden of CAFMA services is on the public and that even with the additional proposed tax Prescott will have still much less of a tax burden.

Departments

I. Fire:

Operating Funding Sources

- * 91% General Fund Tax Base
- * 3% Tribal contract
- * 3% Special Revenue Funds
- * 2% Enterprise Fund - Airport
- * 1% General Fund Program Revenues
- * FY25 Expenditure Summary - \$21,569,403

Mayor Pro Tem Cantelme asked if Prescott Fire stations have the required washing machines for cleaning turnouts after specific events.

Chief Durre responded they do not at this time, however, that is something he is looking into through a cooperative agreement with CAFMA.

II. Police:

Operating Funding Sources

- * 88% General Fund Tax Base
- * 9% Special Revenue Grants/Trusts
- * 3% General Fund Program Revenues
- * FY25 Expenditure Summary - \$21,189,396

Councilman Montoya left the meeting at 1:35 p.m.

Mayor Goode asked what the average age of vehicles is. He also asked what the FLOCK ALPR system is used for.

Deputy Chief Brambila stated that it is on average 12-years. The goal is to get to a point where the vehicles are replaced at no more than 100,000 miles. FLOCK is the company that the department has tested/evaluated, these are strategically placed in high traffic areas of the city to look for things like stolen vehicles and plates, not civil issues. The system also allows the department to enter plate information related criminal activity to help search for suspects.

III. Prescott Regional Communication Center:

Operations Funding Sources

- * 49% General Fund Tax Base (Internal)
- * 51% General Fund Program revenues (External Partners)
- * FY25 Expenditure Summary - \$4,502,272

Mayor Pro Tem Cantelme asked if the agreement with the external partners is an IGA.

Brambila confirmed and added that it is based on calls and operation costs for the center.

Mr. Woodfill continued with a discussion regarding Public Works Capital Improvement Program and introduced staff.

City Attorney Joseph Young stated that a recess needed to be taken due to a lack of quorum when the Mayor left the meeting at 1:46 p.m.; reconvene at 1:52 p.m.

Public Works Director Gwen Rowitsch introduced her staff who reviewed the \$81 million capital improvement program budget.

Street Capital Projects:

- * Pavement Management Programs (pavement reconstruction)
- * Circulation Projects
- * Roadway Reconstruction Projects
- * Drainage Projects

Deputy Public Works Director Janet Ramsay discussed the Pavement Management Program:

- * FY25 Budget - \$14 million Street Fund
- * One position reclassification PMP Manager (Greg Patrick) specifically looking into pavement preservation
- * Crack, fog and slurry seals, micro seal, revitalizes and protects pavement
- * Pavement Rehabilitation - repairs followed by slurry seal, micro seal or chip seal
- * Pavement Reconstruction Program is new
- * Will continue with an evaluation survey that is already in process to assess the condition of city roadways

Councilwoman Fruhwirth asked if Willow Creek was in poor condition and that is why it was addressed, and what is it at now.

Ms. Ramsay responded that it was in fair condition, but there were some specific areas that were having issues that were poor and needed attention.

Traffic Engineer Ian Mattingly continued with an overview of the Street Circulation Projects:

- * FY25 Budget - \$825,000 Street Fund
- * Arterial Traffic Signal coordination
- * Downtown Bollard Project
- * Sidewalk repairs and replacement

Mayor Pro Tem Cantelme asked if there is any funding set aside for unforeseen circumstances.

Staff confirmed.

Capital Program Manager Tim Sherwood continued with a discussion regarding the Roadway Reconstruction Projects:

- * FY25 Budget - \$1,692,000 street, water and wastewater funds
- * Double D Road Reconstruction and Drainage will be first project in new fiscal year
- * Stetson Road will be improved also in FY25

Drainage Improvement Projects:

- * FY25 Budget - \$700,000 Yavapai County Flood Control District Funds (pending)
- * Drainage Improvements for Double D Drive and Merritt/Lincoln/Ruth Road
- * Dexter Neighborhood Drainage Improvements Phase I

Ms. Ramsay continued with Solid Waste Projects:

- * FY25 Budget - \$7,826,174 from solid waste and streets fund
- * Solid Waste additional fee booth and scales
- * Vehicle replacements
- * Transfer station/street maintenance yard paving
- * Transfer station master plan

Utilities Manager Steven Olfers continued the discussion regarding Water Production Projects:

- * FY25 Budget - \$15,725,000 from water fund and WIFA loans
- * Intermediate Pump Station and Water Production Facility
- * Zone 52 Water Main to NW Regional Water Tank
- * Zone 41 Mingus Pump Station, Tank and Pipeline
- * There are also several studies and maintenance items taking place over the course of the next several years

Councilman Montoya returned to the meeting at 2:32 p.m.

Water Distribution Projects:

- * FY25 Budget - \$14,780,600 from water and wastewater funds
- * Citywide water main replacement phase II
- * Zone 24/27 water pipeline upsizing
- * Water meter replacement program (5-year plan for all users in system)

- * Section 33 DA water and sewer infrastructure

Matt Killeen continued regarding Water Resources and Water Quality Projects:

- * FY25 Budget - \$1,182,751 from water fund
- * Phosphorus binding
- * Aquatic weed abatement
- * BCWR well field maintenance

Councilwoman Fruhwirth asked about the equipment that has been installed on Watson Lake and what the feedback and response from the public has been.

Mr. Killeen responded that we have not received any calls from the public regarding this equipment, additionally the feedback that he has received while in the field has been all positive.

Wastewater Capital Project Types:

- * Collection Projects
- * Treatment Projects

Mr. Olfers discussed Collection Projects:

- * FY25 Budget - \$12 million from wastewater fund and WIFA loan
- * Sundog Trunk Main Phase C
- * Willow Creek Gravity Sewer
- * Yavapai Hills #1 Lift Station Rehab
- * Wildwood Lift Station Abandonments
- * Manhole Repair and Replacement Program

Treatment Projects:

- * FY25 Budget - \$2,550,000 from wastewater and street funds
- * Centralization - Effluent Tank, Pipeline and SR89 Improvements
- * Centralization - Airport WRF Solids Handling Facility
- * Effluent Tank Rehabilitation
- * Wastewater Generator Replacement Program (New)

Ms. Ramsay continued regarding Facilities, Vehicles & other capital:

- * FY25 Budget - \$9,851,235 from water, wastewater and street funds
- * Street Maintenance Admin Building (will include records storage)
- * Vehicle Replacements

Total Public Works Capital Budget:

- * FY25 - \$81,232,760
- * Over 5 Year Plan (FY26 – FY29) - \$255,137,213

Councilwoman Fruhwirth asked if there is contingency in the budget for PFAS issues.

Staff confirmed.

Mayor Pro Tem Cantelme stated that she has heard that departments should cut

10% from their budgets, and asked if there is a waste category for Public Works.

Ms. Rowitsch responded they do not, they have cut over \$2 million out of capital. She doesn't entertain wants she only entertains needs, there are certain things we need to have to provide services in a safe manner for our employees and the community.

Councilman Montoya thanked staff for their time in making hard decisions about budget before these requests even come to Council, they are not equipped to tell any of the city departments how to run their budgets because they are the leaders and experts in what they do. Especially in public works it is staff who want tools to do their jobs better. She continued with a review of the FY25 Authorized Expenditure List (AEL).

Mr. Woodfill continued with the upcoming steps in the FY25 Budget Process

- * June 11 - Tentative budget adoption and publishing of tentative budget
- * June 25 - Public hearings FY25 Budget, Alternative Expenditure Limitation and Property Tax Levy, adoption of Final Budget by Council (separate meeting)
- * July 9 - Adopt property tax levies

Mayor Pro Tem Cantelme asked when the cutoff is for approvals.

Mr. Woodfill responded that the budget cannot be changed, except to decrease, after the June 11th adoption.

Councilwoman Fruhwirth asked about the city's fee schedule and why some CPI increases.

Deputy Finance Director Lars Johnson commented that the consolidated fee schedule will be coming back to Council. Part of the budget process is obtaining information about fees they collect from Departments so they can compile everything. Some code references point to different CPI indexes which accounts for the difference in CPI increases.

Mayor Goode stated that Council should discuss an agreed upon CPI source so that it can be standard and universal.

Mr. Woodfill stated that staff has been using the Phoenix Metro CPI but some of these things don't happen every year and can't be updated until it does.

Councilwoman Fruhwirth asked when the Strategic Plan will be discussed by the Council.

Mr. Goodman stated that it will be brought back on June 11th for a Council vote now that the implementation has been completed and will be used by staff day-to-day.

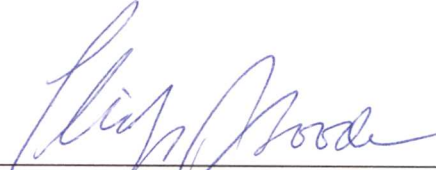
Member of the public Kenneth Fidyk addressed the Council stating that he hasn't been to any city budget workshops before, but said that budgets should be cut by 5%. If the Council wasn't considering raising taxes on the residents he wouldn't

even be here, so he feels Council should challenge the staff to make sure money isn't being wasted.

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 3:41 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 16, 2024. I further certify the meeting was duly called and held and that a quorum was present.



Sarah M. Siep, City Clerk

