City of Prescott

City Council - Voting Meeting

CITY OF PRESCOTT

June 11, 2024 | 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 3:00 p.m.

2. **INTRODUCTIONS / ANNOUNCEMENTS**

   Mayor Pro Tem Cantelme announced that Stage I Fire Restrictions have been put into effect. These restrictions are in effect until the area has received enough rain to justify lifting them. Restrictions include: no residential burn permits, use of model rockets prohibited, use of fireworks and other pyrotechnic displays prohibited, no smoking outside of vehicles/residential yards or outside designated smoking areas, no outdoor use of firearms.

   Also, she stated that the City Council will have a reduced summer schedule during the months of July and August. There will be one day of meetings each month, with a meeting on July 9 and August 13. Council will resume the normal cycle of meetings again in September, and all city operations will continue as scheduled.

3. **INVOCATION - Pastor Matt Kottman with Solid Rock Christian Fellowship**

4. **PLEDGE OF ALLEGIANCE - Councilman Montoya**

5. **ROLL CALL**

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

6. **PRESENTATIONS**

   A. Swearing in of New City Manager Dallin Kimble

      Mayor Goode provided the Oath of Office to Mr. Kimble.

7. **PROCLAMATIONS**

   A. PTSD Awareness Month - June 2024

Mayor Pro Tem Cantelme presented the Proclamation.

8. OPEN CALL TO THE PUBLIC

A. Ralph Rodarte addressed the Council regarding traffic issues on Mt. Vernon Street. He stated that people are running stop signs and going too fast along the street. Moreover, there are big trucks coming down the street going way too quickly.

9. CONSENT AGENDA

MOTION BY COUNCILMAN MONTOYA TO APPROVE CONSENT AGENDA ITEMS 9.A. THROUGH 9.H., EXCLUDING ITEM 9.B.; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

A. Approval of Meeting Minutes from the May 28, 2024 Study Session, and the May 28, 2024 Voting Meeting.

B. Adoption of Resolution No. 2024-1891 Authorizing the Application for a Drinking Water State Revolving Fund Loan from the Water Infrastructure Financing Authority of Arizona (WIFA).

This Item was pulled from the Consent Agenda for further discussion.

Councilmember Rusing commented that water infrastructure is a necessity and the rates are being impacted. This project is an example of that because this facility was built in the 1940s and she asked staff for details regarding the project.

Utilities Manager Steven Olfers addressed the Council regarding this facility being one of the oldest sites in the system. This will allow staff to begin the process of replacing the entire pump station which is a crucial piece of infrastructure.

MOTION BY COUNCILMEMBER RUSING TO ADOPT RESOLUTION NO. 2024-1891; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

C. Adoption of Resolution No. 2024-1885 Updating the City's Pension Funding Policy.

D. Adoption of Resolution No. 2024-1886 Approving the Transfer of Certain Fiscal Year 2024 Budget Appropriations.

E. Approval to Auction Items at Surplus Auction with Harris Auction.

F. Approval of City Contract No. 2023-208A3, an Amendment to City Contract No. 2023-208 with Cactus Asphalt for Paving the Watson Lake Entrance Road in an Amount not to Exceed $129,700.00 Using the City's Job Order Contract. Funding is Budgeted & Available in the Facilities Fund.

G. Approval of City Contract No. 2023-068A17, an Amendment to City Contract No. 2023-068 with Ridgeline Builders LLC for the Relocation of the Fleet Pressure

Washer and Related Equipment in an Amount Not to Exceed $61,293.14. Funding is Budgeted & Available in the Fleet and Facilities Maintenance Budgets.

H. Approval of City Contract No. 2025-039 with CentralSquare Technologies for Community Development Software Support & Maintenance Using TIPS Contract #220105 in an Amount Not to Exceed $177,755.20. Funding is Budgeted & Available in Various Funds.

10. LIQUOR LICENSE

A. Public Hearing and Consideration for an Acquisition of Control Series 6 Bar Liquor License Application from Amy S. Nations, Applicant, for Whiskey River Tavern. Location: 214 S Montezuma Street.
MOTION BY MAYOR PRO TEM CANTELME TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

MOTION BY MAYOR PRO TEM CANTELME TO APPROVE ITEM 10.A.; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

B. Public Hearing and Consideration for an Owner Transfer Series 6 Bar Liquor License Application from Amy S. Nations, Applicant, for JJ's. Location: 444 W. Goodwin Street.

Business owner Matthew Teague addressed Council as the new owner of JJs. They are aware of the long history of the establishment and have set the tone for being more a part of this community moving forward.

MOTION BY COUNCILMEMBER RUSING TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

MOTION BY COUNCILMEMBER RUSING TO APPROVE ITEM 10.B.; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

11. REGULAR AGENDA

A. Discussion & Action Regarding Appointment of Replacement Members to the General Plan Review Committee.

City Clerk Sarah Siep provided background on the General Plan process as well as how appointments to the Review Committee were to happen in accordance with the establishing resolution. She stated that Community Development staff has advised the group is far into the process and the General Plan will be before voters for approval at the 2025 Primary Election, and based on this their recommendation is to leave the seat vacant. She added that Mr. Worob was Councilman Moore's appointee and he has advised that if the Council chooses to select a new member in the same manner as they did previously he would like it to be JD Greenberg.

Mayor Goode asked about the deadline for the Committee to provide their draft to the Council.

Community Development Director Chelsea Walton addressed Council and stated that the Committee will convene three more times before the 60-day public comment period is opened for the draft General Plan in August. Following that the Plan will move forward to the Planning & Zoning Commission and then to the Council.

Councilmember Rusing stated that she spoke with members of the Committee and with Ms. Greenberg. She disagreed that there is no more work for the group to do and would like to fill the vacancy. This is a once in 10-year process, and it would reflect poorly on the Council to not appoint a replacement.

Councilwoman Fruhwirth commented that she is the liaison to the Committee and watching them reflects to her that it is important to have all perspectives. She feels there is a hole left by Mr. Worob and feels that Ms. Greenberg has participated extensively and would get up to speed quickly.

Mayor Pro Tem Cantelme commented on the importance of having other perspectives and allowing citizens to have a seat at the table. She concurs that Ms. Greenberg would be a help to this process as the Committee members go out to the community.

Councilmember Rusing added that she feels there should be a policy for appointing in the future so three of the current Council members that have not had an opportunity to appoint someone do.

Ms. Siep provided clarification for appointments to the General Plan Committee and added that Option 2 as provided by staff provides an opportunity for Council to include in their motion that would designate which former Council member appointee Mayor Pro Tem Cantelme, Councilwoman Fruhwirth and Councilman Gambogi would select replacements for.

Councilman Montoya stated that he was deciding between Ms. Greenberg and another citizen when his original appointee resigned from the Committee late last year. He feels she is uniquely capable of being on this Committee and is already up to speed.

Mayor Goode stated that his concern was having someone step in at this late date and get up to speed, but he is aware that Ms. Greenberg has attended the meetings and is very up to speed on all of this. She would do a great job of advocating for the General Plan's final draft in the community, so this is a different kind of appointment than someone who has not been participating.

Member of the public Ralph Hess addressed the Council and stated that there will be more than two meetings remaining and there will still be a lot of activity between the Committee members. He is aware that Ms. Greenberg has been at all the meetings and has the knowledge to answer questions during the public comment period.

Member of the public Bonnie McMinn addressed the Council stating that the option of keeping the seat open is not an option for the community. Ms. Greenberg will do fabulous out reach for the General Plan.

MOTION BY COUNCILMEMBER RUSING TO APPOINT CITIZEN JD GREENBERG TO FILL THE VACANCY, AND APPROVE THAT MAYOR PRO TEM CANTELME SELECT REPLACEMENTS FOR SELECTION BY FORMER COUNCILWOMAN HALL, COUNCILMAN GAMBOGI FOR FORMER COUNCILMAN SISCHKA AND COUNCILWOMAN FRUHWIRTH FOR FORMER COUNCILMAN TENNEY; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

Ms. Greenberg addressed the Council and thanked them for selecting her. She appreciates the contributions that Mr. Worob made to the Committee, and she aligns with him in many ways and hopes to continue his efforts.

B. Adoption of Resolution No. 2024-1884 Accepting an Arizona Department of Housing (ADOH) Grant from the State Housing Trust Fund (SHTF), in the Amount of $200,000.00.

City Clerk Sarah Siep stated that staff informed her prior to the meeting being convened that there is an issue with the state contract on this item and it will be postponed to a future meeting. There is no date certain at this time, but staff will keep Council informed.

This item was pulled from the agenda and will be discussed at a future meeting, no action was taken.

C. Adoption of Resolution No. 2024-1887 Adopting the Tentative Budget for Fiscal Year 2025, and Setting the Public Hearing for the Final Budget, Expenditure Limitation and Tax Levy for the City of Prescott.

Deputy Finance Director Lars Johnson addressed the Council regarding this step in the adoption of next year's budget. Once this is approved the budget can be reduced but not increased. The public hearing will be set for Tuesday, June 25, 2024. He reviewed the budget process to date.

<u>Property Tax Levy:</u>
* Only increase based on new construction in the city and as such will be going down since last year to 24.43 per $100,000 of assessed value
* FY24 - $2,227,185
* FY25 - $2,267,210
* 5% of general revenue sources in the General Fund

<u>Total Budget:</u>
* Increase of 7.9% from the previous fiscal year
* $278,613,343 including contingencies as needed

Mayor Goode commented that the CPI increase in 5.9% is from the Phoenix Metro which is even lower than some of the inflationary rates in Prescott.

Councilwoman Fruhwirth asked if the additional full time employees (FTE) listed includes what would be part of the contingency if the public safety tax is approved.

Mr. Johnson reviewed the FTE additions for FY25:
* Fire - 1 Fire Marshal
* Public Works - 1 Administrative Specialist, 1 Environmental Project Manager, and 2 Solid Waste Equipment Operators
* Other - 1 Community Development Customer Service Representative, 4 Recreation Services Forestry Technicians and 1 Paralegal
* The official roster is 577 FTEs, some of these positions are temporary conversions to establish a permanent position

Upcoming Steps:
* June 25 - public hearing for FY25 budget, alternative expenditure limitation and property tax levy; adoption of final budget by Council setting final budget, establishing the alternative expenditure limitation for FY25, approving the city job roster and adopting the approved expenditure list for FY25
* July 9 - adopt property tax levy

Councilwoman Fruhwirth asked about the property tax levy only being against new construction.

Mr. Johnson responded that when new construction comes into city limits that wasn't on the assessed valuation from previous years. The rate that was established last year is applied to new construction which allows the levy to only be increased by a certain amount.

Member of the public Tony Hamer commented that the contingency for the proposed tax levy will go toward capital.

Mr. Johnson confirmed.

MOTION BY COUNCILMAN GAMBOGI TO ADOPT RESOLUTION NO. 2024-1887 ; SECONDED BY COUNCILMEMBER RUSING: PASSED (6 - 0)

D. Adoption of Resolution No. 2024-1890 Setting Certain Citywide Fees & Approving a Citywide Fee Schedule for Fiscal Year 2024-25.
Deputy Finance Director Lars Johnson addressed the Council regarding adoption of the fee schedule for the city. He stated that there was a change to Exhibit A in the fee schedule which he will cover.

Two Changes:
* Airport Safety System Credentialing
* Library Interlibrary Postal Fee

Amendment to Exhibit A:
* Community Development Fee - Subdivision Exemption on page 3 of 9 (Exhibit A) will be $115.44

Mayor Pro Tem Cantelme asked if these fees are adjusted yearly or not at all. She stated that she feels this is a great thing and asked if it would be posted on the website.

Mr. Johnson responded that departments review these fees in alignment with the budget process and will be approved annually at that time. The goal is to do it once a year and he confirmed that it will be posted on the website.

MOTION BY COUNCILMAN GAMBOGI TO ADOPT RESOLUTION NO. 2024-1890; SECONDED BY COUNCILMEMBER RUSING: PASSED (6 - 0)

E. Approval of City Contract No. 2023-068A16, an Amendment to City Contract No. 2023-068 with Ridgeline Builders LLC for First and Third Floor Improvements at 201 N Montezuma Street (New City Hall) in an Amount Not to Exceed $2,343,895.58. Funding is Available in the General Fund.

Deputy Recreation Services Director Tim Legler provided a presentation to Council regarding the fifth and final phase of construction in this new building. Council Chambers will be moved to first floor, as well as creating office space for Community Development staff on the first floor and reconfigure the third floor. National average for this type of construction is $240-250/square foot depending on the scope of work and this is coming in below that. There will be an attempt to have minimal impact to the public on access to the building and services, and given the positive relationship with Ridgeline he feels this will be a successful project in a short time-frame.

Councilmember Rusing asked about the history of Ridgeline Builders.

Ridgeline owner Dave Franz addressed Council stating that they were established in 2003, they are very invested in the community both personally and professionally. He added that they use all local subcontractors.

Member of the public Tony Hamer addressed the Council regarding the original purchase and the promise from the Council that the total expenditures would not go over $10 million. He asked for an accounting of where the expenses stand now.

Mr. Legler responded $14.7 million.

Councilman Montoya asked if this building could be built for that cost in the downtown area.

Mr. Legler responded that it could not.

Councilmember Rusing stated that tenant improvements have been done in phases and all-in-all when it is finished it will be a wonderful investment for the city.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CITY CONTRACT NO. 2023-068A16; SECONDED BY COUNCILMEMBER RUSING: PASSED (6 - 0)

F. Presentation & Discussion Regarding the Approval and Adoption of the Prescott City Council's Strategic Plan.

Deputy City Manager Tyler Goodman provided a presentation to the Council regarding the February Strategic Plan workshops and process with Managing

Results to put together this plan.

Public Safety:
* By FY28 the community will experience infrastructure as identified in the Fire Department's strategic plan of two new strategically located fire stations
* By FY29 90% response times will be at or below 8 minutes
* By FY29 the community will have the ability to successfully contact 911 through their cellular/mobile devices at any place within the city of Prescott
* By FY28 community will experience a feeling of safety through the presence of Police Officers and increased capacity to respond, as evidenced by
  - Full staffing for the Police Department
  - Proactive community policing downtown
  - Increased traffic enforcement
* Language related to the airport was amended by airport staff to address these goals as follows - By FY31 the community will experience infrastructure improvements that will allow unconstrained operations of commercial carriers and other airport tenants

Councilwoman Fruhwirth stated that the point of this section was public safety, and helping people feel confident that their homes and business were kept safe in a wildfire situation and while she understands what they did, they've lost that sense with this revision to the language. She would like to have the wildfire aircraft addressed in the tenants to bring this back.

Mr. Goodman responded that this is the Council's language and staff can amend it as they would like.

Mayor Goode stated that the Prescott Airport is the firefighting hub for northern Arizona, so he is okay with language amendments as long as it is focused.

Mr. Goodman responded that language will be added "through safety and infrastructure improvements....commercial carriers, other airport tenants and firefighting capabilities".

Dynamic Economic Environment:
* By FY26 the city will be proactively identifying and attracting new businesses to the community as evidenced by the completion and ongoing implementation of the Economic Development Strategic Plan
* By FY26 the city will be proactively identifying and attracting new commercial development to match the residential development that is occurring in the northern part of the community
* By FY28 the annual direct spending from tourism will grow from $252 million to $288 million
* The community will experience a full-service regional airport that provides reliable, sustained, commercial air service as evidenced by
  - By FY26 develop an Economic Development Strategic Plan specific to the airport for bringing in new businesses (paying high wages) and commerce in and around the Prescott Regional Airport
  - By FY28 two new aviation related businesses will be located near the Prescott Regional Airport

- By FY29 the annual economic impact of the Prescott Regional Airport will grow from $162 million to $186 million

Councilmember Rusing stated that "to match residential development..." is not appropriate and would like "to serve" instead.

Councilwoman Fruhwirth asked for the language to be changed to "airport area" and not just the airport itself.

Infrastructure:

* The community will experience the safe, efficient flow of traffic/transportation throughout the city as evidenced by
  - By FY26 there will be a reduction in traffic injuries/fatalities
  - By FY27 there will be a reduction in traffic congestion
  - By FY28 there will be a reduction in pedestrian injuries/fatalities
* Beginning in FY24, in alignment with the long-range regional Transportation Plan and working partners (CYMPO, ADOT, etc.) the city will champion the development of a regional network to include the highway system and regional roadways
* By FY28 through the development of a long-term Water Management Plan that includes a focus on infrastructure, distribution and delivery, conservation and safety, the community will experience safe potable water within the water service area boundary
* By FY28 in alignment with the Workforce Housing Committee, the General Plan and the housing Needs Assessment, the city will facilitate a continuum of housing options for essential workers, so they can live, work and be engaged in the Prescott community

Councilmember Rusing stated that she would like the language to read "the city will provide" instead of "the community will experience"

Mr. Goodman responded that the goal of the consultants was to have the "community will experience" language throughout the plan and that is the theme here, but if the Council wishes to change, staff can.

Councilman Gambogi stated that he likes the language as is.

Preserving and Protecting the Natural Environment:

* Beginning in FY25 through regional cooperation and partnerships and the enforcement of the 25% open space requirement, the community will experience increased trail connectivity, outdoor recreation opportunities and meaningful wildlife corridors
* By FY28 through regional cooperation and partnerships and a comprehensive risk assessment that builds a strategic mitigation response and recovery plan, the Prescott community will experience increased resiliency in planning for, dealing with and recovering from disasters

Good Governance:

* The city is committed to becoming a community-focused and performance-driven organization as evidenced by

- Beginning in FY25, the community will receive updates on progress toward the achievement of the city's Strategic Plan (every 6 months)
- By FY27 the community will receive updated performance information and trends about results at the department level
- To ensure fiscal transparency and accountability, by FY27 the city's budgets will be tied to results

Councilwoman Fruhwirth stated that she would like to change the title to a certain number of years Strategic Plan and asked how this will be communicated to the public and when the first six-month update be provided.

Mr. Goodman responded that the first update will be presented in January, and added that staff can communicate this however the Council would like. It will be posted to the website and staff can do additional outreach as well.

Councilmember Rusing stated that she is pleased with this outcome, and it is the first time the Council has used a consulting firm different from previous years.

Mayor Pro Tem Cantelme stated that the Strategic Plan is a road map and hopes we keep this up.

Member of the public Tony Hamer stated that he is glad to see something getting started. This is a professional and hearty strategic plan. He applauded the Council for doing this and urged them to raise the awareness and communication of the plan.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE ADOPTION OF THE COUNCIL STRATEGIC PLAN WITH DISCUSSED REVISIONS; SECONDED BY MAYOR PRO TEM CANTELME: PASSED (6 - 0)

G. CONTINUED ITEM - Discussion & Possible Action Regarding Approval or Denial of the Water Budget Roll Over in Accordance with the Amended 2022 Water Management Policy.

Water Resource & Environmental Services Brian Ruiz provided a presentation to Council regarding this item which was continued from May 28 related to the possible roll-over of the water budget. Since then, the Water Issues Subcommittee (WIS) met and discussed recommendations for the Council to set the water budget for the next six-month budget period. The Subcommittee members reviewed the budget over the last six months and projections for the upcoming six months. The new period will allow for rollover from the current period and recommendations will be heard at the June 25 Council Meeting and staff recommend denying the rollover and staff will return with the recommendations from WIS on June 4.

Mayor Goode stated that the determination of the acre feet per category, roll-overs and whether the two categories are fungible, appeals for large projects, etc. are within the purview and responsibility of the Mayor's Water Policy Review & Monitoring Commission (Commission) and WIS is there to apply the policy as it exists for water service applications, the recommendations from that body are inappropriate and should come from the Commission. He was disappointed that the group had not advanced enough to make those recommendations.

Commission Chair Lamerson addressed the Council regarding the Ad Hoc, which is made up of different members of the community and makes recommendations on monitoring water use and budgeting water use. They came up with establishing a water budget for every year to know where you are going forward and one of the things that concerned him during their review was things being forwarded without the Commission's input or recommendation. They haven't met for a while, and he doesn't know why.

Mayor Goode stated that he feels the Commission needs to get back on track and start meeting again.

City Clerk Sarah Siep stated that at the direction of the Mayor a proposal will be coming forward at the June 25 Voting Meeting to dissolve the Ad Hoc and establish the Commission as a Standing Committee with clear roles. They would then be able to move forward with convening them at that time.

Mayor Goode stated that the Mayoral Ad Hoc should review the rollover and budget recommendations for the Council in the next budget cycle.

Mr. Ruiz stated they could work on that. Staff needs a recommendation to deny the rollover and on June 25 there will be recommendations from June 4.

MOTION BY MAYOR PRO TEM CANTELME TO DENY ITEM 11.G.; SECONDED BY COUNCILMAN GAMBOGI: PASSED (5 - 0 - 1) COUNCILMAN MONTOYA ABSTAINING

12. ADJOURNMENT

Quote: "A nation of well informed citizens who have been taught to know and prize the rights which God has given them, cannot be enslaved." - Benjamin Franklin

There being no further business to discuss, Mayor Goode adjourned the meeting at 5:01 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 June 11, 2024. I further certify the meeting was duly called and held and that a quorum was present.

Sarah M. Siep, City Clerk