CITY OF PRESCOTT

City of Prescott
City Council - Voting Meeting

June 25, 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 stated that the City of Prescott, in conjunction with JARD Events will host Prescott's 4th - Freedom, Fun and Fireworks event on Thursday, July 4 at Watson Lake. This is a family friendly free event beginning at 1:00 p.m. with fireworks expected to take place around 9:00 p.m. Additionally, she discussed the June 30 Anniversary of the Granite Mountain Interagency Hotshot Crew who lost their lives in the Yarnell Hill Fire. This weekend there will be two events to honor the heroes on Saturday and Sunday. On Sunday at 4:42 p.m., in honor of the fallen heroes, the Yavapai County Courthouse bells will ring 19 times.

She also reminded the public that the Council will have a reduced summer schedule during the months of July and August with one meeting day each month, on July 9 and August 13. Council will resume their normal cycle of meetings twice a month beginning in September, and all city operations will continue as scheduled.

Finally, beginning Monday, July 8 construction will begin near the transfer station. Recycle bins will be moved to accommodate the work, however, recyclables can still be dropped off by citizens. Please contact the Solid Waste Department for additional information.

3. **INVOCATION - Michael Cannon with Mount Zion Tabernacle Church**

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

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. **PRESENTATIONS**

A. Presentation & Recognition of Citizen's Academy Graduates

Mayor Goode and Mayor Pro Tem Cantelme recognized the graduates and presented their certificates.

7. OPEN CALL TO THE PUBLIC

A. Mary Brush addressed the Council as a resident on Eastwood Drive and stated that the roadwork has negatively impacted a number of homes on the southern portion of the road. She has expressed her concerns since the concrete was poured several months ago, she feels that some of the things done to address her concerns are not to city code and she is concerned about how this slope will affect her safety, insurance etc.

B. Tanya Planchon addressed the Council as a new resident in Prescott, she commented on how many wonderful events they've already been able to attend here and how remarkable it is.

C. Mercedes Baker addressed the Council regarding her issues with the construction on Eastwood Drive. She stated that as a legally blind woman she has concerns regarding her safety, mud/rock slides, loss of usable parking spaces, and the slope of her driveway.

8. CONSENT AGENDA

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CONSENT AGENDA ITEMS 8.A. THROUGH 8.I., EXCLUDING ITEMS 8.C. AND 8.I.; SECONDED BY COUNCILMAN MONTOYA: PASSED (7 - 0)

A. Approval of Meeting Minutes from the June 11, 2024 Executive Session, the June 11, 2024 Study Session, and the June 11, 2024 Voting Meeting.

B. Approval of Fiscal Year 2025 Contracts for the City Attorney and City Clerk.

C. Adoption of Resolution No. 2024-1894 Establishing the Water Policy Review & Monitoring Committee in Lieu of the Former Mayoral Ad Hoc Committee.

Councilmember Rusing pulled this Item from the Consent Agenda for further discussion. She stated that she supports the Ad Hoc Committee established to keep an eye on the water budget and the policy in general, but she would like more discussion regarding this item because there is not clarification on how the water budget is set. The Water Issues Subcommittee has typically received a presentation and recommendation from staff regarding the water budget then provided a recommendation to Council for approval.

Mayor Goode told Councilmember Rusing that this Item is only for discussion regarding the formation of a Standing Committee and any information related to the water budget should be saved for that Item later in this agenda.

Councilmember Rusing stated that she is confused as to who the recommendation should come from.

Mayor Goode stated that it will be the new Committee. The Water Issues Subcommittee is limited to tracking the condition of water supplies and recommendations for water service applications. Therefore, he believes that this Standing Committee should be looking at the policy, and making any recommendations for amendments and the budget as appropriate. It is clear that there is an overlap in responsibilities for each of these Committees and this will alleviate that issue.

City Attorney Joseph Young stated that the water budget is exclusively under Council discretion. At this time, neither of the bodies have express discretion to make the recommendation, but now it will be the Standing Committee.

MOTION BY COUNCILMAN GAMBOGI TO ADOPT RESOLUTION NO. 2024-1894; SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)

D. Approval of Two Contracts Regarding Emergency & On-Call Traffic Control as Follows: 1) City Contract No. 2024-229 with Trafficade Service, LLC, dba AWP Safety; and 2) City Contract No. 2024-230 with Quail Construction, LLC for Rental of Traffic Control Devices. Funding is Budgeted & Available in the Public Works and Recreation Services Departments.

E. Approval of City Contract No. 2023-211A3, an Amendment to City Contract No. 2023-211 with J. Banicki Construction for the Hwy 69 Sewer Force Main & Yavapai Hills Water Main Protection Project in an Amount Not to Exceed $253,900.56 Utilizing the City's Job Order Contract (JOC). Funding is Budgeted & Available in the Water and Wastewater Funds.

F. Approval of City Contract No. 2025-038 with Start Moving On Counseling, Trauma Center and Tele Practice for Public Safety Employee Mental Health & Wellness Programs in an Amount Not to Exceed $120,000. Funding is Budgeted & Available in the Fire Department and Police Department Budgets.

G. 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.

H. Approval of City Contract No. 2025-041 with iWorQ Systems for a 3-year Contract for a Work Order Tracking System Used by Parks Maintenance & Facilities Maintenance in the Amount of $61,260.00. Funding is Budgeted & Available in the General Fund and Facilities Maintenance Fund.

I. Approval of Tolling Agreement with Arizona Eco Development.

Councilmember Rusing pulled this Item from the Consent Agenda for further discussion and thanked the Mayor and Mayor Pro Tem for taking on the task of negotiations with AED. She expressed her concerns regarding the statute of limitations being three years and this Agreement extending that for two additional years. She feels that the developers get more and more the longer these negotiations go on, and would propose an extension for 60-days and not two years.

City Attorney Joseph Young responded that this does extend the statute of limitations, but clarified that this type of litigation is one-year from the time of damage. A year ago, in July 2023, the city was to have completed infrastructure which it did not, so the statute of limitations on this would be next month. There have been negotiations, but a resolution has not been reached to this point. However, the developer is willing to continue those negotiations and not bring a lawsuit which this agreement will allow for. Many of these things would take a course of action that requires many steps going well beyond 60-days. He feels the time frame on this Agreement is appropriate.

Mayor Goode commented that the previous agreement created an unrealistic time-frame and this creates a more legitimate time period to come up with an agreement that is in the best interest of the city.

Councilman Montoya asked if moving forward with this was in the best interest of the city in negotiations.

Mr. Young stated that he would recommend approval, once litigation begins, conversations stop. This allows negotiations to continue.

MOTION BY COUNCILMAN MOORE TO APPROVE AED TOLLING AGREEMENT; SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)

9. REGULAR AGENDA

A. Public Hearing and Approval of Program Year 2024 (PY24) CDBG Annual Action Plan.

Grants Administrator Michael McInnes provided a presentation to Council regarding the PY24 CDBG Annual Action Plan.

<u>PY24 Plan Estimated HUD Allocation:</u>
* Total allocation - $269,584
* Public Service 15%
* Administrative 20%
* Construction - $175,229.60
* There has been an uptick in funding over the past several years

<u>Annual Action Plan:</u>
* Plan is submitted to the HUD on an annual basis and serves as the formal application for the use of CDBG funds
* Within the plan is a description of activities and projects the City of Prescott plans to fund in CDBG P24
* Citizen Advisory Committee makes recommendations regarding funding
* 12 applicants this year

<u>Project Recommendations:</u>
* Adult Center (construction) - $45,000
* CCJ (construction) - $50,000
* Polara Health (construction) - $5,000

* Minor Home Repair Project (construction) - $75,229.60
* Meals on Wheels (public service) - $16,175.05
* People Who Care (public service) - $13,344.40
* New Horizons (public service) - $10,918.45

Mr. McInnes stated that the Committee recommended this year giving additional funding to some of the projects with larger needs versus smaller amounts to all applicants.

Mayor Pro Tem Cantelme stated that she feels that is a great way to award the funding, and she is happy to see the Committee making that recommendation.

Mayor Goode concurred.

Councilwoman Fruhwirth asked about the partnership with the Chamber Foundation on the minor home repair program.

Chamber President Sheri Heiney addressed the Council and stated that the applicant must qualify for the up to $5,000 available. The Foundation reviews the application and the home, bring in contractors to do the work and ensures that everything goes as it should. This year, the funding will cover projects for more than 15 homes.

Councilman Moore asked what CCJ will be doing with their funding.

Mr. McInnes responded that HUD is focused on the housing crisis and is opening up more funding for those issues. This is an old manufactured home that is owned by CCJ which will be replaced with a newer home.

MOTION BY COUNCILMAN MONTOYA TO CLOSE THE PUBLIC HEARING; SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)

MOTION BY COUNCILMAN MONTOYA TO APPROVE PY24 CDBG ANNUAL ACTION PLAN; SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)

B. **PLN23-004 & WSA23-054:** A Preliminary Plat and Water Service Application for Senator Cottages, a 37-Unit Subdivision on an Approximate 11 Acre Parcel Generally Located off of Senator Highway on the Old Drive-in Property. Site Zoning: SF-9 (Single Family). Location: APN 110-06-002F. Property Owner: RCJ Irrevocable Trust. Applicant: Lyon Engineering.

Community Planner Tammy Dewitt provided a presentation to Council regarding the project that will create 37 detached single-family units with 50% open space and 8.61 AF. There is secondary access to the site as well.

<u>Background:</u>
* P&Z unanimously recommended approval
* WIS recommended approval of the WSA

Mayor Goode asked if the emergency access will be paved.

Ms. Dewitt responded that it will connect to Haisley and is Fire Department approved.

Councilmember Moore asked if the old drive-in billboard will stay.

Ms. Dewitt responded that it is likely to remain.

Councilmember Rusing stated that this is a good project which will be more affordable homes for the area.

Mayor Pro Tem Cantelme stated that everyone in the neighborhood has been curious about this project and asked if the applicant was present to address some questions about the homes.

Applicant Scott Lyon with Lyon Engineering stated that these will be 1,100 square foot homes and very affordable. He added that the city staff has been a pleasure to work with.

Member of the public Richard Collison addressed the Council as a resident who lives in close proximity to the development stating there is a large volume of traffic on Senator Highway which concerns him related to access.

Ms. Dewitt responded a traffic study will be conducted and engineering done to determine ingress and egress and any updates related to access from the road will be addressed in the final plat.

Mr. Lyon added that the traffic review did recommend a left turn lane into the subdivision, which they plan to do.

MOTION BY COUNCILWOMAN FRUHWIRTH TO APPROVE PLN23-004; SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)

MOTION BY COUNCILWOMAN FRUHWIRTH TO APPROVE WSA23-054; SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)

C. Approval of Multiple Contracts for the Construction of the Yavapai Hills #1 Lift Station Rehabilitation Project as Follows: 1) City Contract No. 2025-042 with Fann Environmental, LLC, in the Amount of $4,969,003.75; and 2) City Contract No. 2022-014A3, an Amendment to City Contract No. 2022-014 with Water Works Engineers, LLC, for Post-Design Services in the Amount of $53,317.57.

Capital Program Manager Tim Sherwood provided a presentation regarding the project at the southeast corner of the subdivision.

Councilmember Rusing asked about the original equipment.

Mr. Sherwood stated that the original equipment was installed in the 1970s and the lift station was added in the 1990s. This will update very old infrastructure and will allow for appropriate service level to full build out.

Councilman Moore asked why there was such a differential in the engineer's estimate and the low bid.

Mr. Sherwood responded that there are two main items in the bid tabulation which were significantly underestimated by the engineer and these types of things can happen.

Councilman Montoya asked for staff's opinion on whether the engineer's estimates will continue to be closer to the lowest bid, or if there is still going to be a gap.

Mr. Sherwood responded that it depends on the proposal and how long the lead time is, it will take some time for things to catch up.

Councilwoman Fruhwirth commented on the importance of improvements to the lift stations and infrastructure within the city.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CITY CONTRACT NO. 2025-042; SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CITY CONTRACT NO. 2022-014A3; SECONDED BY COUNCILMAN MONTOYA: PASSED (7 - 0)

D. Approval of the July 2024 to December 2024 Residential & Non-Residential Water Budgets in Accordance with the Amended 2022 Water Management Policy.

Water Resource & Environmental Services Manager Brian Ruiz provided a presentation to Council regarding the July 2024-December 2024 residential and non-residential water budgets. Per Guideline 11 of the water management policy, the Council shall set the residential and non-residential budget at the second meeting of June each year for the next six months with roll-over from the previous period.

<u>January - June 2024 Budget:</u>
* Residential - 24 AFY
* Non-Residential - 24 AFY
* Remaining
    - Residential 15.03 AFY
    - Non-Residential 13.95 AFY

<u>Recommendations from WIS:</u>
* Residential water budget at 50 AFY will not rollover from the previous period
* Nonresidential at 25 AFY will not rollover from the previous period

Mayor Goode asked when this proposal was made to Water Issues Subcommittee (WIS).

Mr. Ruiz stated that WIS met on June 4 and the Mayoral Ad Hoc has not met since that time. The WIS reviewed the budget and made a recommendation.

Member of the public Gary Beverly addressed the Council at the request of the Mayor and stated that the recommendations were not presented to the Mayor's

Ad Hoc.

Mayor Goode stated that he believes the Ad Hoc decision supersedes the decision of the WIS. As far as he is concerned, these recommendations are inappropriate and he will not support them.

Councilmember Rusing provided a background regarding her meetings with Public Works staff regarding the WIS and the fact that the water budget has been placed on their Agenda to review and make recommendations to the Council for approval. Some of the applications coming forward in the next six months would likely require an appeal, and they felt it was appropriate to adjust the budget for the next six months in order to address those issues. However, she does support the 25 AFY for each.

Councilman Montoya stated that he is confused as to how a Council Subcommittee should be superseded by an advisory Board. At that point, it would only require one additional vote of the Council. He asked staff about the review of the water budget and review of water under contracts that is done by the Subcommittee. Would like to know what the rationale is behind not approving an increase to the water budget for appropriate infill projects.

Mr. Ruiz confirmed that the WIS reviews that information.

Councilman Moore stated that he appreciates Councilman Montoya's comments and stated that prior to that action the WIS was looking at the budget and the Council is backwards in this meeting today. If the WIS made that decision, it should be the binding decision.

Mayor Goode stated that the Ad Hoc was established to monitor the water policy and make recommendations to the Council.

Councilman Moore commented that there is confusion regarding the roles and purposes of these two Committees and those need to be resolved. There is overlap and confusion on these issues at this dais. He is looking at these potential projects and knowing that they are going to be approved, and the Council is being too quick to make a decision today.

Mayor Goode stated that the Council is out of time and if they need to hear appeals they will do that.

Mayor Pro Tem Cantelme stated that the appeals process is set up for a reason and if a person needs to go through that, then they should.

MOTION BY COUNCILMEMBER RUSING TO SET THE RESIDENTIAL WATER BUDGET FOR JULY 1, 2024 THROUGH DECEMBER 31, 2024 AT 25 ACRE-FEET PER YEAR, WITHOUT ROLLOVER FROM THE PREVIOUS PERIOD, SECONDED BY MAYOR GOODE: FAILED (3 - 4) COUNCILWOMAN FRUHWIRTH, COUNCILMAN GAMBOGI, COUNCILMAN MONTOYA AND COUNCILMAN MOORE DISSENTING

MOTION BY COUNCILMEMBER RUSING TO SET THE NON-RESIDENTIAL WATER BUDGET FOR JULY 1, 2024 TO DECEMBER 31, 2024 AT 25 ACRE-FEET PER YEAR, WITHOUT ROLLOVER FROM THE PREVIOUS PERIOD; SECONDED BY MAYOR GOODE: PASSED (6 - 0 - 1) COUNCILMAN MONTOYA ABSTAINING

MOTION BY COUNCILMAN GAMBOGI TO SET THE RESIDENTIAL WATER BUDGET FOR JULY 1, 2024 TO DECEMBER 31, 2024 AT 50 ACRE-FEET PER YEAR, WITHOUT ROLLOVER FROM THE PREVIOUS PERIOD; SECONDED BY COUNCILMAN MONTOYA: PASSED (5 - 2) MAYOR GOODE AND MAYOR PRO TEM CANTELME DISSENTING

E. Approval of City Contract No. 2024-121A1, an Amendment to City Contract 2024-121 with Danson Construction, LLC, for Guaranteed Maximum Price (GMP) #1 to Construct Phase II of the Streets Division Administration Building in an Amount Not to Exceed $958,970.87. Funding is Budgeted & Available in the Streets Fund.

Deputy Public Works Director, Operations Janet Ramsay and Street Maintenance Superintendent Brian Scott provided a presentation to Council regarding the Streets Division Administrative Building. In September 2022, Public Works acquired the metal building as part of a settlement agreement with Tri-City Prep Academy.

<u>Project Phases:</u>
Phase I - Engineering
Phase II - Site Preparation, Improvements & Pad
Phase III - Building Construction & Site Final

Mr. Scott reviewed use of the building, storage and how this facility will improve operations and safety for the Streets Department, it will serve the needs of the division for many years to come. There is an extensive amount of records that have long term retention and this will create a space for that as well, and it will provide an opportunity to safely house all streets equipment in one location with adequate protections. The building is a pre-fabricated metal that also came with all of the electrical which is very difficult to get and at a high cost.

Councilman Moore asked if there will be an elevator for the upper level storage.

Mr. Scott responded that it will not be a traditional elevator, but there will be a lift to get the equipment up to the landing.

Councilman Montoya complimented Public Works on making this work for their needs. He is glad this will provide longevity for the sensitive equipment they have.

Councilman Gambogi asked about the records that will be retained. He also asked if the dollar amount is for construction only.

City staff discussed the mylars, permanent records, and essential records which will be stored at that facility. They require a substantial amount of space.

Mr. Scott responded that it is for the preparation of the property, bringing in all utilities to the site, etc. Vertical construction will come back to Council in early October.

Councilmember Rusing stated that this project has been needed for a long time and thanked staff for bringing it to fruition.

Mayor Pro Tem Cantelme asked if there is any other city facility that could be repurposed with this.

Mr. Scott responded that Barn A at the Rodeo Grounds will eventually be un-usable and there is equipment stored there. It likely won't free up any space but will address inadequate space.

MOTION BY COUNCILMEMBER RUSING TO APPROVE CITY CONTRACT NO. 2024-121A1; SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)

F. Public Hearing for the FY2025 Budget, Expenditure Limitation, and Tax Levy; and At a Special Meeting, Adoption of Resolution No. 2024-1888 Approving the Final FY2025 Budget, Expenditure Limitation, Approved Expenditure List, and Adopting the City Authorized Position Roster.

Finance Director Mark Woodfill provided a presentation to the Council regarding the FY2025 proposed budget.

<u>Budget Process to Date:</u>
* February 15,16 - Strategic Planning
* February 27 - Mid-Year Budget Workshop
* April through March - Department planning and review
* May 9 - Budget Workshop I
* May 16 - Budget Workshop II
* June 11 - Tentative Budget Adoption
* June 25 - Final Budget Adoption
* July 9 - Adoption of Property Tax Levies ($2,267,210 with no truth in taxation hearing required)

<u>Proposed Total Budget:</u>
* $278,613,343 with Contingencies

<u>Approved Expenditure List (AEL):</u>
* Comprised of recommendations from staff and city manager of items that should be included
* During budget workshops, the Council gave direction regarding whether budgeted expenditures were acceptable for the AEL
* As part of the final budget consideration, the Council adopts the fiscal year AELs
* Exhibit B shows the final procurement amount for the items on the AEL that are included
* Variance of 20% is acceptable

* Items Revised since Budget Workshop
    - Finance Department: performance management software from $60,000 to $120,000
    - IT Department: infrastructure as a service $295,000 annually for 10-year contract
    - Fleet Division: tires and tubes $295,000
    - Police Department: Axon Contract (5-year) total increase over five years $345,000 (annual amount $609,000)

New Positions in FY25 Budget:
* Total FTEs 576
* Fire - one position
* Public Works - four positions
* Other Departments - six positions

MOTION BY MAYOR PRO TEM CANTELME TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)

Mayor Goode recessed the Regular Meeting at 5:08 p.m. and convened a Special Meeting.

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

MOTION BY MAYOR PRO TEM CANTELME TO ADOPT RESOLUTION NO. 2024-1888; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (7 - 0)

There being no further business to discuss, Mayor Goode adjourned the Special Meeting at 5:10 p.m. and reconvened the Regular Meeting.

10. ADJOURNMENT

Quote: "Life is just a rodeo, the trick is to ride and make it to the bell." - John Fogerty

There being no further business to discuss, Mayor Goode adjourned the meeting at 5:10 p.m.

PHILIP R. GOODE, Mayor

ATTEST:

for:

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 25, 2024. I further certify the meeting was duly called and held and that a quorum was present.

for:

Sarah M. Siep, City Clerk