



City of Prescott

City Council - Voting Meeting

August 13, 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 the city's Bulk Item Pickup is starting soon. Crews will be coming through each neighborhood to collect household items that do not fit in your regular trash bins, between Aug 19th and October 4th. This event is for City of Prescott residential trash customers only. Commercial business and communities on dumpsters are not eligible. Citizens should bag, box, bundle or tie your items, and put them out by 6am on the Monday of your designated collection week. To find your week for this special Bulk item event, visit our website at www.prescottrecycles.com. She also congratulated the Finance Department for being awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for their annual comprehensive financial report for the fiscal year ended June 30, 2023. This is the 42nd consecutive year the City has received this award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Mayor Pro Tem Cantelme also stated that the Prescott Public Library is inviting authors to apply for the Local Author Fair on Saturday, November 2 from 11 am to 2 pm in the Founders Suite. Local authors who write books for any age may apply for a space to promote and sell their work. Applications are available now and due September 20th. Space is limited. For more information, visit or call the Ask a Librarian Desk at 928.777.1526. Finally, she added a reminder that the next City Council meeting will take place Tuesday, September 10 and the Council will resume the normal twice-monthly schedule in September.

3. INVOCATION - Pastor Scott Savage with Prescott Cornerstone Church

4. PLEDGE OF ALLEGIANCE - Mayor Goode

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 (Excused)

6. OPEN CALL TO THE PUBLIC

None.

7. CONSENT AGENDA

MOTION BY COUNCILMAN MONTOYA TO APPROVE CONSENT AGENDA ITEMS 7.B. THROUGH 7.J.; SECONDED BY COUNCILMAN MOORE: PASSED (6 - 0)

- A. Approval of Meeting Minutes from the July 9, 2024 Executive Session, the July 9, 2024 Study Session, and the July 9, 2024 Voting Meeting.

This item was pulled from the consent agenda for further discussion by Councilwoman Fruhwirth. She stated that there were items that she wanted clarification on and discussion that took place which she would like included in the minutes

City Clerk Sarah Siep read the revised language on page 4 of the Study Session minutes directly beneath the information regarding IIP for Police.

MOTION BY COUNCILWOMAN FRUHWIRTH TO APPROVE ITEM 7.A. WITH STUDY SESSION MINUTES AS REVISED ; SECONDED BY COUNCILMAN MONTOYA: PASSED (6 - 0)

- B. Approval of Recommendation Against Opting Out of Class Action Settlement Agreement with Tyco and BASF Related to PFAS/PFOS Chemical Manufacturer Litigation.
- C. Adoption of Multiple Resolutions Related to School Resource Officer (SRO) Services IGAs as Follows: 1) Adoption of Resolution No. 2024-1899 Approving City Contract No. 2025-058 with Prescott Unified School District (PUSD) for SRO Services at Mile High Middle School; and 2) Adoption of Resolution No. 2024-1898 Approving City Contract No. 2025-057 with PUSD for SRO Services at Prescott High School. Funding is Budgeted & Available in the General Fund with a 75% Contribution from PUSD.
- D. Approval of the United States Army Corps of Engineers (USACE) Flood Plain Management Services Special Studies Project Management Plan P2 Project No. 516447.
- E. Approval of City Contract No. 2011-003AS02, Consent to Assignment of Lease from Hangar 3, LLC to Leighnor Aircraft LLC for Property at Prescott Regional Airport - Ernest A. Love Field.
- F. FNP24-002 - A Final Plat of Ponderosa Meadows Townhomes, a 20-Unit Subdivision on an Approximate 2.62 Acre Parcel Generally Located on Sally Lane South off of Bertrand Avenue. Zoning: MF-M (Multi-Family; Medium Density). Property Owner: Ponderosa DEVCO LLC. Applicant: Don Allison

- G. Approval of City Contract No. 2025-061 with the Prescott Chamber of Commerce Foundation to Administer the CDBG-CV Funded Prescott Cares Program.
- H. Adoption of Resolution No. 2024-1900, Approving City Contract No. 2025-063, an Intergovernmental Agreement (IGA) with Yavapai County for Reimbursement of Construction Costs Related to Stormwater Improvements Constructed with the Juniper and Karen Drive Water Main Replacement Project.
- I. Adoption of Resolution No. 2024-1901 Approving City Contract No. 2025-065 an IGA with the Arizona Department of Transportation (ADOT) Accepting a Transportation Alternatives Program (TA) Grant in the Amount of \$209,318.00 for Design of a New Multi-Use Pathway on SR89 and Rescinding Resolution No. 2024-1895.
- J. Approval of City Contract No. 2024-174A1, an Amendment to City Contract No. 2024-174 for the Purchase and Installation of HVAC Units from HACI Services LLC Using IGA #22-14PV-02 in an Amount not to Exceed \$350,000.00. Funding is Budgeted & Available in the Facilities Fund.

8. CONSENT ORDINANCE

MOTION BY MAYOR PRO TEM CANTELME TO ADOPT CONSENT ORDINANCE ITEMS 8.A. THROUGH 8.D.; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)

- A. Adoption of Ordinance No. 2024-1869 Establishing the Prescott City Court Warrant Fee.
AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING PRESCOTT CITY CODE TITLE II, CHAPTER 2-1, SECTION 2-7-4, ESTABLISHING THE PRESCOTT CITY COURT WARRANT FEE
- B. Adoption of Ordinance No. 2024-1864 Accepting an Easement from the Arizona State Land Department for Installation of a New 12-Inch Waterline.
AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT ("CITY"), YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE ACCEPTANCE OF A PUBLIC UTILITY EASEMENT FROM THE ARIZONA STATE LAND DEPARTMENT ("STATE"), AUTHORIZING THE MAYOR AND STAFF TO EXECUTE ANY AND ALL DOCUMENTS TO EFFECTUATE SAID ACCEPTANCE
- C. Adoption of Ordinance No. 2024-1865 Approving the Abandonment of an Unused Utility Easement.
AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT ("CITY"), YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE ABANDONMENT OF AN UNUSED UTILITY EASEMENT CURRENTLY HELD BY THE CITY OF PRESCOTT, AUTHORIZING THE MAYOR AND STAFF TO

**EXECUTE ANY AND ALL DOCUMENTS TO EFFECTUATE SAID
ABANDONMENT**

- D. Adoption of Ordinance No. 2024-1868 Accepting an Emergency Vehicle Access Easement.

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF
PRESCOTT ("CITY"), YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE
ACCEPTANCE OF AN EMERGENCY VEHICLE ACCESS EASEMENT ON
PARCEL 106-49-093, COMMONLY KNOWN AS 680 DRIFTWOOD COURT,
PRESCOTT, AZ, AND AUTHORIZING THE MAYOR AND STAFF TO
EXECUTE ANY AND ALL DOCUMENTS TO EFFECTUATE SAID EASEMENT**

9. LIQUOR LICENSE

- A. Public Hearing and Consideration for a New Series 12 Restaurant Liquor License Application from Francisco Garcia, Applicant, for Franks Restaurant. Location: 410 W. Goodwin Street.

**MOTION BY MAYOR PRO TEM CANTELME TO CLOSE THE PUBLIC
HEARING; SECONDED BY COUNCILMAN MONTOYA: PASSED (6 - 0)**

**MOTION BY MAYOR PRO TEM CANTELME TO APPROVE ITEM 9.A.;
SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)**

10. REGULAR AGENDA

- A. Public Hearing Regarding Proposed Increases to City of Prescott Development Impact Fees Pursuant to A.R.S 9-463.05.

Deputy Finance Director Lars Johnson provided a presentation to the Council regarding the next steps to adopting the updated impact fees. He stated that these fees are collected at the time that permits are issued and reiterated that they cannot be used for operations, maintenance, repair or addressing current deficiencies. The city hired Raftelis to conduct a study regarding these fees.

Study Milestones:

- * Publish draft LUA and IIP
- * Council workshop LUA and IIP
- * LUA and IIP Public Hearing
- * Council workshop on DIFs
- * Adopt final LUA and IIPs
- * Adopt Notice of Intent and set DIF public hearing
- * DIF public hearing (today)
- * Council vote to adopt proposed DIFs
- * Effective date for DIFs

He reviewed the proposed fees for single family residential utility and non-utility DIFs which are the maximum that Council could adopt.

Mayor Goode stated that the July 9 presentation was much more detailed, and asked if the Council had questions.

Member of the public Bonnie McMinn made a comment on behalf of Deb Thalasis who expressed her concerns regarding the impact fees. Prior Councils have adopted impact fees lower than recommended in the past which does not provide affordable housing. She feels separate and measurable strategies relating to affordable housing would be more appropriate.

Mayor Goode commented that looking back on all the previous adoptions of impact fees would not have the Council in the position they are in now, he added that Prop478 proposed tax should not be confused with these impact fees. They are designed to deal with future growth and growth only.

Mayor Pro Tem Cantelme stated that there has been a lot of feedback from the community, these fees are to mitigate the impacts of growth but don't address all of it. Some of the things that she has heard said in the community have been flawed. If you look at the current impacts fees, the \$8,000 difference is minimal for the developers to pay. If these fees are not passed, the expenses are passed on to the rest of the taxpayers. She is in favor of this.

Councilman Moore stated that the amount of the impact fee gives him pause, workforce housing is a priority for him and this Council and he doesn't feel that we can achieve that with these impact fees. These fees make it even more unaffordable than it already is, he feels it is premature to settle on the number as it stands and feels it should be lowered.

Councilwoman Fruhwirth said that she appreciated the follow up memo from Raffetis because it clearly defined functional population and how it is applied to these numbers, as well as the drivers of the change between current and proposed fees as it relates to the residential fees. She still needs more information regarding demographic changes and how that will impact these fees as well as things related to Prop478. Restaurants and retail have a tremendous change in comparison to the other industries, these are important to this community and she wants to understand their analysis of that. Additionally, she stated that the Homebuilders Association of Central Arizona sent a memo addressing concerns regarding portions of the study and proposals that conflict with state statute.

Mr. Johnson responded that staff has received and reviewed the memo, in particular they questioned the Streets Maintenance Admin Building and Snow Facility which are not maintenance costs but an expansion of the buildings themselves. State statute allows for facility improvements but not maintenance costs once they are complete.

Finance Director Mark Woodfill concurred, these are appropriately included and address the capacity of the system. With regard to Prescott Lakes Parkway, the four-points intersection etc. require signalization due to increased traffic from growth and therefore fit into these impact fees.

Councilman Montoya echoed Councilman Moore's comments regarding workforce housing. His concern is that the Council is asking a lot of the

community at times, even when it is something that he may support. People are seeing the impacts of businesses who are deciding not to do business in Prescott and need to think about nurturing economic vitality in this community and consider what is going to happen in the future here in Prescott. He stated that he wonders if there is some way to phase it, or move a bit slower on this, nobody is arguing that the Council not do them, but do need to address how that is done.

Councilman Gambogi stated there are additional things that need to be considered, and the Council is not looking at the root cause of supply and demand being unequal. He feels that during an era of low impact fees, workforce housing was still never developed, and it is important to hear more from the public because it seems that there are opposing views.

Mayor Pro Tem Cantelme stated that some people don't understand what an impact fee is, these are only put onto new homes and not on a person who has lived here for years. The city has 3,500 units proposed in the future and not one of them can be classified as workforce housing. Reducing the impact fee won't help with workforce housing because, even with the lower fees of the past, it doesn't pencil out.

Mayor Goode commented that the last time this rate study was reviewed, the same arguments regarding not adopting the recommended level were presented, and before that it was the same as well. In order to maintain the ability to keep our infrastructure where it is at, the city needs to be able to purchase equipment and materials that have increased in cost over the years, and without these fees being implemented, the city cannot maintain its growth into the future.

Councilman Moore stated that it is important to be careful and calculated in decisions made. There are changing demographics of this community. The median age continues to get older and older in this community and, without affordable housing teachers, nurses etc. will have to live outside this community and if the Council doesn't think long term about how these impact fees will affect the future of our community.

**MOTION BY COUNCILMAN GAMBOGI TO CLOSE THE PUBLIC HEARING;
SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (6 - 0)**

- B. Discussion, Consideration & Possible Action Relating to and Clarifying the Roles of the Water Issues Subcommittee and the Newly Created Water Policy Review Committee.

City Clerk Sarah Siep reviewed the agenda item and stated that the establishing Resolutions were included in the agenda packet. There is some overlap as it relates to the Subcommittee and the Standing Committee so at this point it is up to the Council to determine how to move forward with each of these bodies.

Mayor Goode stated that if there is a long term water management policy there needs to be a Committee that is constantly monitoring the water portfolio and policy to make appropriate recommendations to the Council. The description of the Subcommittee is assigned to apply the policy to water service applications and building permits and other development questions, but not to establish the policy itself.

Councilman Moore commented that his concern primarily is that there was an Ad Hoc Committee with more authority than the Water Issues Subcommittee, which had three members of the Council, and additionally, members who were not residents of the City with the power and authority to make determinations over and above the Water Issues Subcommittee. It is the Council's duty to set policy, and he didn't feel that an Ad Hoc Committee should be given that much authority. Now we have a Standing Committee and a Subcommittee addressing water policy. In his opinion, there should be one Committee and one should be dissolved.

Mayor Goode stated that the Ad Hoc was there to analyze the water policy and make recommendations to the Council who has the final authority on how to handle their recommendations. The Committee never made decisions on their own. The Water Issues Subcommittee is there to apply the policy when applicants come forward with a Water Service Application.

Councilman Montoya expressed similar concerns to Councilman Moore and added that there are duplicative responsibilities to these Committees and that the additional bureaucracy of these provides a level of additional work for these processes and isn't efficient. He wonders if it is even possible for Public Works to continue to staff people for both of these bodies. A Committee that is making policy recommendations to the Council is what the Council is supposed to be doing. Which one of these is more functionally appropriate to maintain.

Councilwoman Fruhwirth stated that she was excited to be assigned to the Subcommittee on Water Issues as a new Councilmember, but with the recent clarity that has been provided and with the new water policy which was amended by the Council the Subcommittee has hardly any work to do. There is a great deal of time that other Committees should be doing that the WIS is doing. She feels one of these bodies should be dissolved and feels it should be the Subcommittee. The group is discussing things that are just going to come to Council anyway, so she feels the process should be streamlined.

Councilman Moore commented that the city has amazing, brilliant and talented staff. The Council should trust the expertise of that staff, get rid of the Standing Committee and keep the Subcommittee.

Mayor Goode stated that after extensively studying water policy around this county and the state, there are a significant number of water issues communities are facing and there is a necessary need for the city to have a body that can make recommendations to the Council. A standing Committee that is committed to the long term review of water issues in our area. There are many people in the community who spend a lot of time looking at water issues and would be willing to commit to making recommendations to the Council.

Councilman Gambogi asked if the Council has reached a point where someone would make a motion.

MOTION BY COUNCILMAN MOORE TO DISSOLVE THE WATER POLICY

REVIEW & MONITORING STANDING COMMITTEE AND RETAIN THE COUNCIL SUBCOMMITTEE ON WATER ISSUES; SECONDED BY COUNCILMAN MONTOYA: PASSED (4 - 2) MAYOR GOODE AND MAYOR PRO TEM CANTELME DISSENTING

- C. Presentation, Discussion & Possible Action Regarding Sculpture Art Donation and Site Location.

Recreation Services Director Joe Baynes provided a presentation to the Council regarding the proposed art donation. The Civic Enhancement Committee has forwarded a recommendation to accept the sculptures and there has been a lot of discussion regarding whether the suggested placement is appropriate. At this time it is up to the Council to determine if they would like to accept the donation and where it should be placed.

Councilman Moore commented that he is the liaison for the Civic Enhancement Committee and has participated in the discussions. He feels that acceptance of the art and placement of it are two very different actions, he wants to accept the art, but feels that the Council should determine where the art is placed. The location that is suggested is along a flood plain and not a very visible location which would be more susceptible to vandalism. Would like to direct city staff to look at a location for a sculpture garden to co-locate donations over time. The location should be determined in the future.

Mayor Pro Tem Cantelme stated that Prescott has a vibe in the downtown area, and she is not in favor of bringing these pieces into our downtown area. It has to be appropriately placed and she is not in favor of the area that has been suggested. She is worried about liability issues and should be in an area where they could be watched and protected. The green area behind the library could be a good location, but she agrees with Councilman Moore that this should be thoughtfully considered with regard to the placement if it is accepted.

Councilman Montoya echoed Councilman Moore's comments, the acceptance of the art and placement of it are two different things. He would be in favor of staff making suggestions on an appropriate location.

Mayor Goode agreed with Mayor Pro Tem Cantelme, the long-term history of Prescott doesn't lend to modern art sculptures. Taking into consideration the potential for outside degradation to the art, the proposed location is also not appropriate.

Member of the public Miriam Foster addressed the Council as a local artist who saw a great deal of modern art in Florence Italy on a recent trip, she encouraged the Council to accept this art donation because representing art in its different phases is important in any community.

Mr. Baynes added that looking at different locations is a good idea and may change the perspective of whether modern art would fit, and asked if there is a way that the art could be accepted pending appropriate placement.

City Attorney Joseph Young commented that if no location is able to be identified than it would revert back to the owner, but the Council can accept the donation

with the location to be determined.

MOTION BY COUNCILMAN MOORE TO APPROVE & ACCEPT THE ART DONATION; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (5 - 1) MAYOR GOODE DISSENTING

MOTION BY MAYOR PRO TEM CANTELME TO DENY PROPOSED SITE FOR ART DONATION AND REQUEST FURTHER STUDY FOR THE LOCATION; SECONDED BY COUNCILMAN MOORE: PASSED (6 - 0)

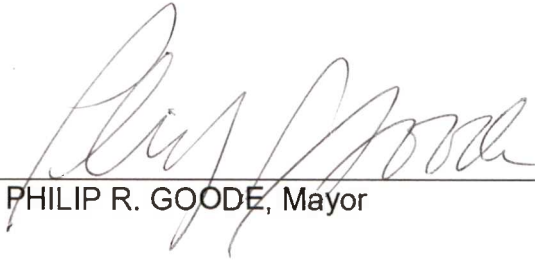
11. COUNCIL LIAISON BCC UPDATES

City Clerk Sarah Siep stated that are no updates to provide from any of the Council BCC liaisons, and she reviewed the upcoming BCC meeting schedules. Additionally, she reminded the public that there are openings on the Building Safety Advisory & Appeals Board, the Industrial Development Authority Board and the Tourism Advisory Committee. Applications are being accepted and citizens with questions may contact the City Clerk's Office.

12. ADJOURNMENT

Quote: "If a nation expects to be ignorant and free, it expects what never was and what never will be." - Thomas Jefferson

There being no further business to discuss, Mayor Goode adjourned the meeting at 4:31 p.m.



PHILIP R. GOODE, Mayor

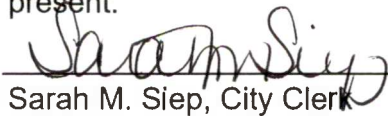
ATTEST:



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 August 13, 2024. I further certify the meeting was duly called and held and that a quorum was present.



Sarah M. Siep, City Clerk

