



# City of Prescott

## City Council - Study Session

February 25, 2025 | 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  
Lois Fruhwirth - Councilwoman  
Ted Gambogi - Councilman  
Brandon Montoya - Councilman  
Eric Moore - Councilman  
Cathey Rusing - Councilmember

#### 3. DISCUSSION

##### A. Presentation & Discussion Regarding the FY2025 Midyear Budget Report.

Finance Director Mark Woodfill provided a presentation to the Council regarding the annual mid-year budget report for FY2025.

##### Fiscal Year 2026 Budget Considerations:

- \* Legislative attacks on city revenue
- \* Reduced state shared revenues
- \* Continue funding employee market compensation plan
- \* Public Safety expansion needs, operating and capital
- \* Water and Wastewater capital
- \* Funding approach for fluctuating unfunded pension liability in the city's public safety personnel retirement system trust funds

Mr. Woodfill continued with an overview of the unfunded pension liability, which is now at 3.6% unfunded and a big improvement from previous years. This does fluctuate, though caused by actuarial assumption changes and real experience actuarials. Staff proposes to add the following to the city's current pension funding policy: "PSPRS participating departments with a UPL will deposit any unencumbered operating surpluses annually to their PSPRS trust account until it is fully funded." This will be before Council for approval on the March 11 Voting Meeting agenda.

Councilman Montoya expressed his support for this approach but asked if there is any way to separate this from the additional funding coming from the tax.

Mr. Woodfill confirmed, and added that the wording can be modified slightly to make that very clear before it comes back.

Councilman Gambogi asked where the surplus previously went.

Mr. Woodfill responded that if not spent they go into the next year budget for one-time capital expenses, the goal is to reduce the liability down to zero though and this will help with that.

Councilwoman Fruhwirth asked if it would be possible to see how this would have played out over the last few years to see how that would potentially impact planning for the future.

Mr. Woodfill confirmed that can be done. He continued with an overview of the fiscal year to date taxable activity report, bed tax collection.

General Fund Recurring Revenues:

- \* 47.5% Local Privilege Tax
- \* 41.5% Shared State Revenues
- \* 5.1% Property Tax
- \* 4.1% Franchise Tax
- \* 1.8% Other

General Fund Expenditures:

- \* 38.6% Police
- \* 30.9% Fire
- \* 11.7% Recreation Services & Facilities
- \* 6.8% General Government
- \* 6.1% Library
- \* 2.3% Debt Service Contingency
- \* 1.8% Community Development
- \* 1.8% Operating Transfer

FY25 Year to Date Expenditures and Revenues:

- \* Expenditures \$80,298,466 of the \$278,613,343 budgeted
- \* Revenues (Operating) \$88,041,149 of \$165,896,749
- \* Revenues (Non-Operating) \$101,804,623 of \$239,221,727
- \* Investment activity is up this year

Mr. Woodfill reminded the Council that all the materials and information provided today are available through OpenGov.

FY26 Budget Process:

- \* OpenGov Launches - April 24
- \* Council Budget Workshop - May 16
- \* Adoption of Tentative Budget - June 10
- \* Publish Budget and notice of hearing
- \* Final hearing and adoption of final budget - June 24
- \* Set property tax rates - July 8

***This item was for discussion only, no formal action was taken.***

B. Presentation, Discussion & Direction Related to Ingress and Egress Requirements.

Fire Chief Holger Durre provided a presentation regarding ingress/egress road requirements as requested by two members of Council.

Overview:

- \* Road widths are influenced by multiple regulatory codes and standards
- \* Key factors include - fire code, land development code (LDC), general engineering standards (GES), and regional transportation plans
- \* Each plays a distinct role in shaping road design and function

Fire Code:

- \* Focuses on firefighting requirements, typically for single structure fires
- \* Does not address evacuation or competing traffic flow
- \* Sets minimum width for emergency response, generally not less than 20 feet and up to 26 feet for specific situations
- \* Sets secondary access requirements based on size of development and specific aspects of a project, this can be offset with fire sprinklers

Special Considerations Wildland Urban Interface (WUI):

- \* Areas in WUI require additional road width considerations that the fire code and WUI code do not address
- \* These requirements may exceed typical single-structure fire standards
- \* This includes factors such as access accommodating wildfire response, involving significantly more equipment and simultaneous resident evacuation

Community Development Director Chelsea Walton reviewed how the Land Development Code impacts these issues.

Land Development Code:

- \* Governs the design of new developments
- \* Establishes general road layout requirements
- \* Balances public safety, mobility and emergency response
- \* Incorporates fire code requirements and regional transportation plans
- \* Regional transportation plans should be used to guide local application as they support the overall capacity related to emergency evacuation

Councilmember Rusing asked if there are any ideas about eliminating the 20-foot width requirement.

Ms. Walton responded that there are some recommendations from staff which will come later in the presentation.

Public Works Director Gwen Rowitsch continued the presentation with an overview of the city's General Engineering Standards.

General Engineering Standards:

- \* Defines technical specifications for road construction
- \* Ensures durability, drainage and structural integrity
- \* Supports all types of vehicles, from passenger cars to emergency apparatus
- \* Sets the minimum road width in Prescott at 28 feet

Mayor Goode discussed how homeowners' insurance can be impacted by ingress/egress and road widths.

How these Codes Work Together:

- \* Fire Code establishes the minimum emergency access width
- \* Land Development Code integrates fire code and regional transportation plans to create balanced road requirements
- \* General Engineering Standards ensure that roads are built to last and function safely
- \* Regional Transportation Plans guide considerations in local planning and connectivity in General Plans and ensure connectivity beyond city limits

Staff Recommendations:

- \* Consult regional transportation plans to ensure modeling assumptions are consistent (primarily looking at evacuation plans)
- \* Determine the most optimal placement of design standards given our review process and unique risk
- \* Criteria for evaluating enhanced requirements needs to be based on best practices and industry standards
- \* Limitations of the standards need to be understood
- \* Long-term maintenance of standards need to be considered
- \* Enhance emergency management planning
- \* Explore additional options for improving ingress/egress

Council Discussion & Potential Actions:

- \* Review and update the land development code and ensure consistency between other codes that influence future projects
- \* Research potential fire code amendments
- \* Enhance emergency management planning
- \* Explore additional options for improving ingress/egress

Ms. Rowitsch discussed that all private roads are built to a public standard. However, as has been discussed, there have been exceptions granted for both public and private roads so that may be something that needs to change based on the Council's direction.

Chief Durre added that the city is right at the beginning of code revisions and updates, so this is a good time to get direction regarding these issues. This is a system of codes that has to be applied across the board in order to be effective.

Councilwoman Fruhwirth commented that she is all for a "no exceptions" approach to road width. Moreover, she discussed engaging members of the public and builders in these processes in discussions like all portions of the code are applicable to all areas of the city, etc.

Chief Durre responded that the WUI Code is one of those areas where there could be risk-based construction in areas.

Ms. Walton added that the focus of the LDC update will be to look at how applications can be different in certain areas of town.

Mayor Pro Tem Cantelme proposed that staff look into an amendment or addition to the LDC for a secondary ingress/egress being a requirement and then a minimum road width of 28-30 feet.

***This item was for discussion only, no formal action was taken.***

C. Presentation, Discussion & Direction Regarding Loud Vehicles and Noise Restrictions.

Mayor Pro Tem Cantelme commented that she has received consistent complaints related to this issue and the city's noise ordinance and why it is not enforced. She added that there is a state law that makes these loud mufflers illegal. She asked staff to address if Prop478 funds can be used for increased community policing to address these types of issues. She suggested that something like a sting or targeted approach over a period of time could be beneficial.

City Manager Dallin Kimble stated that staff needed direction from the Council regarding this issue, which was brought forward by the Council.

Mayor Goode asked the City Attorney to address some of the legal concerns and Police to discuss the ability to enforce.

City Attorney Joseph Young stated that there are noise restrictions in the code. However, the language of the code is difficult to define and to prove. There is room to move that but it's difficult to do. The statute does regulate muffler cutouts and bypasses, or removals, but that would require boots on the ground to examine that kind of thing. Federal statute dictates motorcycle noise which must be below 80 decibels.

Councilmember Rusing stated that she has been spending a lot of time downtown, and it has gotten very loud in the area with vehicles and this ordinance needs to be tightened up. There should be a measurement that will hold up in court.

Deputy Chief Jon Brambila responded that the Department does deal with complaints and has spent considerable hours doing sound studies when those complaints come in. The goal is to educate and enforce within the city code, which can be subjective. The Department needs to prioritize life safety over some of these types of issues, but they have looked at ways to enforce and have done enforcement details regarding equipment violations based on state statute, so more definitive requirements or restrictions in the city code would be helpful. There are also photo radar options, but those have issues as well.

Mayor Goode concurred that some saturation events to address this issue would

be beneficial.

Councilman Montoya asked where staff would put this issue in a ranking of issues the Department is facing.

Deputy Chief Brambilla responded that safety is the top priority, but these types of quality of life issues are something that can be looked at. Things like victim crimes, serious felony crimes, reducing accidents, and enforcement are the main priorities that the police department tries to focus on. The shape of the downtown area provides issues with acoustics and readings related to how sound travels in that area.

Councilmember Rusing asked if this was something the Citizens on Patrol could handle and stated that she would like the code updated to be easier to enforce in a court of law.

Deputy Chief Brambilla responded that it wouldn't be, they don't have enforcement abilities.

Mayor Pro Tem Cantelme echoed comments about code changes specifically to address muffler modifications, decibel, etc. and the strictest possible regulations. She stated that a city-wide information campaign to raise awareness would be beneficial as well.

Councilwoman Fruhwirth echoed comments about the public's desire for traffic safety and enforcement and concurred that the code should be updated and more specific. A public safety campaign for the non-emergency number to report these things so officers could educate would be helpful.

Councilmember Rusing added that staff should look at Prescott Valley's code.

Member of the public Sherrie Hanna addressed the Council and commented on the drag racing along Willow Creek Road, which is a problem in the summertime in particular. She believes that education and code updates are a good idea to address these matters.

Council consensus to look at updating the code.

***This item was for discussion only, no formal action was taken.***

D. Presentation, Discussion & Direction Related to City Leases.

City Manager Dallin Kimble addressed the Council regarding a discussion in the fall that led to this item being set, to this point staff has not had the time to look into this issue due to other things, but he would like direction from the Council on how they would like to proceed.

Councilman Moore commented that it is important to be sure city lease agreements are done at market value and done consistently. He added that staff should look at the length of leases, as he believes they should be renewed more frequently to ensure they are in the city's best interest.

Mayor Pro Tem Cantelme agreed and added that there should be escalator clauses built in as well.

Councilmember Rusing stated that in principle she agrees that there should be market rates. However, there are a number of non-profits that have leases with the city and provide services to the community, so there should be exceptions for those things. Profit-oriented businesses should have a different standard than profit-based ones.

Councilwoman Fruhwirth asked if it would be possible to benchmark what other Arizona communities are doing. She added that there is value in caretaker units, but it should be benchmarked with audits and standards.

Councilman Montoya agreed and added that he doesn't have any issue leasing to non-profits below market value if their benefit to the community is measured. This would ensure that there is community engagement actually happening. Quantifying the value back and forth could avoid controversy.

Councilman Moore added that caretaker and employee housing should be codified in a policy.

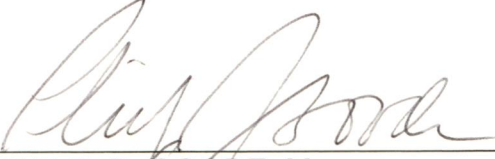
Mayor Goode concurred, there should be policy direction for the City Manager in order to appropriately negotiate leases. There are many non-profits in the community that provide a benefit and this can be shown so those leases should be below market rate, and market rate leases should be targeted at commercial businesses.

Mr. Kimble responded that staff can consolidate and build on this to return with a policy to address all of these comments at a future meeting.

***This item was for discussion only, no formal was taken.***

#### 4. ADJOURNMENT

There being no further business to discuss, Mayor Goode adjourned the meeting at 2:22 p.m.

  
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PHILIP R. GOODE, Mayor

ATTEST:

  
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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

February 25, 2025. I further certify the meeting was duly called and held and that a quorum was present.

  
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Sarah M. Siep, City Clerk

