

City of Prescott

City Council - Study Session



February 10, 2026 | 1:00 PM
201 N Montezuma Street
City Council Chambers, 1st Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Mayor Rusing called the meeting to order at 1:03 p.m.

2. ROLL CALL

Cathey Rusing - Mayor
Lois Fruhwirth - Mayor Pro Tem
Mary Frederickson - Councilwoman
Ted Gambogi - Councilman
Jim Garing - Councilman (Excused)
Patrick Grady - Councilman
Jay Ruby - Councilman

3. DISCUSSION

A. Presentation & Discussion Regarding the City of Prescott Special Events Funding Policy.

Deputy City Manager Michael Morris provided a presentation regarding the proposed Special Events Funding Policy.

Purpose:

- * Provide a straightforward, accountable process for funding events and enable the city to manage public resources and events in a cost-effective and well-coordinated way

Event Tiers:

- * Tier A (City Marketing Sponsorship Events) - generally more than 5,000 attendees, with street closures, amplified sound and significant services
- * Tier B - generally have a moderate community impact, more than 500 attendees and some services needed
- * Tier C (TAC Grant Events) - minimal community impact and has little or no need for city services

Sponsorship Categories:

- * City Events - funded through the General Fund
- * City Marketing Sponsorship - uses tourism funding to build brand
- * TAC Grants - current process using Tourism funds to support events not reaching the City Marketing threshold

City Events:

- * Hosted, coordinated or contracted by the city for benefit of the community (4th

of July and Veterans Day Parade)

* Community events budgeted in the Operating Budget and not eligible for Tourism funding

City Marketing Sponsorship Events:

- * Coordinated by non-city government entity
- * Generates at least \$100,000 in tourism and sales tax
- * Has at least 5,000 visiting attendees from outside Prescott (90 miles or more)
- * Has marketing reach of at least one million impressions
- * Qualifying Events - Christmas City Events, Whiskey Off-Road, and Prescott Rodeo
- * Funding Formula - receive funding equivalent of 50% of taxes generated up to a maximum of \$80,000/year; based on Economic Impact Study split 50/50 between city and event organizer; in-kind city services up to \$40,000; requires a five-year agreement approved by City Council; requires a post event report

Mayor Pro Tem Fruhwirth commented that the taxes generated should be city specific and she would also like to see clarification in the Policy that the Economic Impact Study is to be done by a specific contractor.

Mr. Morris responded that it is specifically stated in the Policy.

Councilwoman Frederickson asked when the Economic Impact Study would be done.

Mr. Morris responded that they have already been done for Christmas City, Rodeo and Whiskey Off Road will be utilized for the new fiscal year contracts. That amount is for a five-year period and then in the 4th year of a five year contract the study is updated in order to determine whether the agreement is renewed.

Impacts:

- * Christmas City - currently \$65,000 plus \$40,000 in-kind services (likely increase in funding of \$12,000-\$15,000)
- * Whiskey Off-Road - currently \$70,000 plus \$40,000 in-kind services (likely stay about the same)
- * Rodeo - currently \$40,000 (likely increase \$15,000-\$20,000)

TAC Grants:

- * Event coordinated by a non-city government entity
- * Eligible for Tourism Tax funding
- * Required to go through TAC application process for a recommendation prior to Council approval
- * Grants range from \$1,000-\$5,000
- * Require a post event report
- * Not impacted by updates to this policy

Mayor Pro Tem Fruhwirth commented that language stating anything over \$40,000 in in-kind services would have to be paid by the event organizer.

Requirements of All Events:

- * Permit application process
- * Contracts required
- * Reporting
- * Evaluation

Mayor Pro Tem Fruhwirth asked for clarification on Tier B. She doesn't feel it is specifically outlined in the policy.

Community Outreach Director John Heiney responded that it would be a smaller event, something in between A and C but doesn't meet all requirements for Tier A.

Councilman Ruby reiterated that the way the events are defined is important. He suggested using terminology like "Signature Events", "Emerging Events" and "Developing or Evolving Events"; and wants "cultivate events..." in the definition of the policy rather than managing events.

Mayor Rusing asked about the County Fair. She feels that it is an event that should be supported.

Mr. Morris responded that they have applied and received TAC grant funds in the past, but did not this past year.

City Manager Dallin Kimble added that Signature Events are looked at as events that are anchors for the city brand/pillars of the community's identity. Events that go through the TAC process are "emerging" and trying to get an event to work, serving locals and some visitors. So something for Council to consider is whether they want to provide funding for events as they grow and then to a point where they are doing it on their own.

Council discussion regarding making sure that language in the Policy is very specific and clear related to Signature Events, etc.

Mr. Morris responded that staff will work on the discussed updates and return with a finalized Policy for future Council approval.

Next Steps:

- * Adoption of a Policy
- * Finish conducting Economic Impact Studies for three signature events
- * Apply funding formula and prepare new 5-year agreements for Council approval
- * TAC Grants will continue as they have

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

4. ADJOURNMENT

There being no further business to discuss, Mayor Rusing adjourned the meeting at 1:37 p.m.

Cathey Rusing

CATHEY RUSING, Mayor

ATTEST:

Sarah M. Thornhill

SARAH M. THORNHILL, 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 10, 2026. I further certify the meeting was duly called and held and that a quorum was present.

Sarah M. Thornhill

Sarah M. Thornhill, City Clerk

