

# City of Prescott

## City Council - Study Session



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May 12, 2026 | 1:00 PM  
201 N Montezuma Street  
Council Chambers, 1st Floor  
Prescott, AZ 86301

### MINUTES

#### 1. CALL TO ORDER

Mayor Rusing called the meeting to order at 1:00 p.m.

#### 2. ROLL CALL

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

#### 3. DISCUSSION

- A. Presentation & Discussion Regarding an Operational Analysis of the Community Development Department.

City Manager Dallin Kimble introduced the discussion regarding a presentation of the Community Development Department Operational Analysis conducted by Raftelis Consultants.

Raftelis Vice President Jonathan Ingram provided the presentation and introduced Rebekka Hosken and Susan Healy Keene who were the Senior Advisors on this analysis.

##### Project Goal:

- \* Provide specific recommendations regarding customer-focused operational and technological enhancements for the city to consider
- \* Process began in November 2025 and will wrap in July 2027 with a plan to be adopted by the Council

##### Project Inputs:

- \* Document review
- \* Staff interviews and survey
- \* Mayor and Council interviews
- \* Stakeholder survey
- \* Peer benchmarking
- \* Process mapping
- \* Data analysis

Recommendations:

- \* Staffing and structure
- \* Process improvements
- \* Technology and data
- \* Communication and accountability

Ms. Hosken continued with the recommendations on staffing and structure. Currently, the department structure is twenty-six full-time equivalents (FTEs) over five divisions, and the permit system is managing relatively stable demand today, but volume is likely to increase over the coming decade.

Recommendations Staffing & Structure:

- \* Address vacancies and retention in department
  - 15% vacancy rate during review
  - Multi-year turnover in key roles
  - Compensation and housing cited as drivers
  - One-year training curve for technical hires
  - Partner with HR to improve retention
  - Eliminate vacancy-related delays
  - Preserve institutional knowledge
- \* Build opportunities for employee succession
  - Imminent retirement risks for key roles
  - Limited internal promotion paths
  - Lack of embedded succession planning
  - Create clear career ladders (ie Technician to Manager)
  - Improve retention
  - Reduce external recruitment needs
- \* Add 1 FTE to Water Resource Division
  - Water management is critical to future growth
  - Permit processing diverts staff from long-term planning
  - Complex development agreements require oversight
  - Dedicated permit review capacity
  - Focus long-term resource planning
  - Staff redundancy for leave or illness
- \* Add 1 FTE Management Analyst to Operations Division
  - Limited capacity for data analysis
  - Performance improves when data is reviewed
  - Current reviews are inconsistent
  - Consistent performance reporting
  - Development of customer service standards
  - Improved public transparency
- \* Add 1 FTE Administrative Position to Operations Division
  - Unusual lack of administrative support compared to peers
  - Technical staff perform inefficient administrative tasks
  - Targeted support for Planning and Code Enforcement
  - Frees up existing technical capacity
  - Faster reviews
- \* Reorganize and Move Development Services Representatives, Engineers and Neighborhood Services to align with technical specialties
  - Unusual structure compared to peers

- Engineering is temporary based upon vacancy
- Work aligns better with technical divisions
- Align DSRs with Building
- Align Engineering with Director
- Align Code Enforcement with Planning

Recommendations Process Improvements:

- \* Will require committed management attention and Council support, but can all be done administratively
- \* Formalize Water Resources participation thresholds and accountability in the pre-application conference (PAC) process
  - No formal triggers for Water Resources review
  - Lack of formal escalation process for complex PAC projects
  - Clear review thresholds
  - Reduced resubmittals through upfront clarity
- \* Add Water Resources review steps to CentralSquare workflow to eliminate manual workarounds
  - Manual coordination creates handoff risks
  - Staff maintain redundant, parallel tracking systems
  - Improves efficiency through software integration
  - Eliminates manual workarounds
  - Increases visibility for all reviewers and consistent knowledge of requirements
- \* Two factors observable at intake are associated with longer permit durations and higher correction rates - most of what determines how long a permit takes is predictable from the start and each extra round of review adds about 48% to the total time/each extra department involved adds about 43%. Both can be managed by the city
- \* Review and update submittal checklists by permit type to address the most common applicant errors
  - Multiple reviews frustrate customers
  - 27.8% of 2025 applications required extra rounds
  - Faster processing
  - Higher customer satisfaction
  - Empowers staff to reject incomplete applications
- \* Enhance education to applicants in preparing submittals
  - Incomplete submittals drive delays
  - Applicants seek better upfront guidance
  - Data identifies highest-correction permit types
  - Faster reviews via targeted education
  - Consistent follow-through on PAC comments
- \* Create financial incentives to reduce applicant submittals
  - Initial fees may not cover multiple review cycles
  - Third-round review charges are common in the industry
  - High application quality
  - Fewer resubmittals means faster review
  - Full cost recovery for technical staff time
- \* Include additional project types in the PAC process and incorporate administrative policy changes to improve effectiveness
  - PAC is popular but often excludes design teams and results in repeated

issues or misinterpreted outcomes

- Use second PAC meetings for complex designs
- Flag projects needing second PAC before formal submittal
- Use neutral language to not insinuate approval

\* Implement processing time service level standards for DSP processes

- Time standards are tracked internally but not actively communicated
- Time standards are not used for internal staff performance accountability
- Time standards focus on individual technical review cycles versus overall

process timelines

- Published and transparent time standards build credibility

process improvement

- Tracking of time standards provides insight into issue areas in need of performance

#### Recommendations Technology & Data:

\* Current system is good and can be optimized

\* Establish a Technology User Group within department

- Staff noted a variety of technological issues requiring manual workarounds and reducing efficiency

- Staff were unaware of the status of technology issues

- Existing CentralSquare software generally meets needs but need some tweaks

- A department technology user group would bring staff from across the department together to identify and prioritize needed improvements to continue improving operational efficiency

- User Group can meet with and direct IT technical capacity on addressing needs

- User Group can address staff training needs to communicate status of tech issues to other staff

\* Dedicate external consultant staff capacity or internal city IT staff capacity to address department technology needs

- Many of the identified technology gaps are minor but require focused capacity to resolve with vendor

- City IT staff have not had the capacity to do so on a timely basis

- CentralSquare requires technical expertise and vendor knowledge to rapidly address issues

- Department requires dedicated IT capacity, consultant or in-house position to optimize its technology for processing efficiency

- Skilled and knowledgeable consultant could focus on User Group priorities to improve technology rapidly in the short term

\* Continue moving forward data-driven management and process improvement

- Department has access to thousands of operational data records from its CentralSquare system

- There is limited capacity to analyze the data to drive improvements

- Transparency and credibility for department are based upon data driven metrics and visible improvements

- A Management Analyst position can build and maintain a consistent data analysis and reporting function

- Provide answers to Council and public questions about processing times,

service levels and staffing needs

\* On-time performance has recovered from a 2024 decline, though it varies across permit types and remains below 90%; 87% of permits were processed on time in 2025 up from 73% two years before

Recommendations Communication & Accountability:

\* Build community confidence in the department through consistent and proactive communication and transparency

- Interviews showed that policymakers, the public and internal staff were frustrated by a perceived lack of communication

- Management and staff have focused on internal operations and now need to communicate their work proactively

- Proactive performance reporting

- Quarterly summaries of process improvements, project volumes and emerging issues

- Early escalation of high-profile issues

Next Steps:

\* Incorporate Mayor and Council feedback into report

\* Deliver final report for city

\* Conduct staff implementation workshop

\* Provide detailed implementation action plan

Councilman Gambogi commented that he supports moving forward with an action plan, and encouraged Council and staff to communicate when they have questions.

Mayor Rusing stated that she would be in favor of seeing revised processes and order for approval that might make things easier.

Councilman Garing commented that the checklists seemed like a significant project and asked what that would look like.

Mr. Ingram agreed, it is a big undertaking but helpful to make sure that the process is helpful and understandable. Should be concise direction, and added that the addition of the Management Analyst position would be able to work on that. They will put together a planned implementation and then have a workshop with staff to determine how that will be lined up and determine what is reasonable to accomplish and integrate with all the other work staff is doing.

City Manager Dallin Kimble addressed Council questions regarding additional positions being included in the upcoming fiscal year budget. If the Council is in support, the positions could be added.

Mayor Pro Tem Fruhwirth commented that so many of the frustrations of local business owners and contractors would be alleviated with these checklists and appropriate order of operations. Feels it would be helpful if there is an online database where an applicant could look and see where their application is at in the process. She added that she is in favor of up-charging when people don't do the process the way they are supposed to particularly to help cover expenses of

additional FTE positions.

Councilwoman Frederickson stated that the most alarming thing for her when reviewing the report was the consistent vacancies. Even at the level of leadership, it is a problem for efficiency.

Councilman Ruby suggested having not only the electronic checklists and training sessions, but also perhaps quarterly in-person training opportunities. He also asked how many of the staff members own their home in the city of Prescott.

Community Development Director Chelsea Walton commented that she doesn't have a specific number but does know that there are a number of employees that don't live in city limits and that does play a part in recruitment.

Mayor Rusing addressed the importance of Community Development and having a "yes" culture in the department. This is a good start.

Member of the public Sandy Griffis addressed the Council and stated that divisions everywhere face these same challenges, but the special part in Prescott is the employees. She likes the concept of quarterly proactive reporting on performance improvements. The additional round of reviews are not necessarily for complex projects, there can be 10 issues and only two of them are addressed when they are returned, which is not the fault of the city or staff and firmly believes that extra round reviews should be charged. Additionally, there is an existing valid checklist that just needs to be reviewed with the industry. This department staff needs to be treated with respect and admiration for the work they do.

Member of the public Michael Taylor addressed the Council as a "frequent flyer" for the last 42 years, it has grown and expanded as a department and the level of work they are required to do is so much more involved than it used to be. When the department moves up a step it is because of the staff, and the consumers see that. Need to raise the retention of the staff. He expressed his support for the 17 recommendations from Raftelis.

Member of the public Shane Shumway addressed the Council, his company has done multiple projects in Prescott and has worked closely with Community Development on those. In other municipalities you'll see siloing of departments, but that doesn't exist here in Prescott and that helps move projects forward more seamlessly, which he has found to be very efficient. He added that the responsiveness of city staff is really helpful.

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

- B. Presentation & Discussion Regarding the Charter Review Committee Additional Proposed Charter Revisions for Council Consideration and Addition to the Ballot of the City's Special Election to be Held November 3, 2026.

City Clerk Sarah Thornhill introduced the presentation and reminded the Council of the two Charter Amendments they have already approved to be placed on the November Special Election ballot. She stated that Committee Chair Bonnie

McMinn would be reviewing two additional proposals that will come before the Council to take action on at the June 9 Voting Meeting as well as highlight additional proposals that the Committee is finishing up on for possible consideration by the Council.

Mayor Rusing reviewed her suggested criteria for potential Charter Amendments that she feels the Council should consider.

Chair McMinn provided a presentation to the Council regarding the proposed amendments that the Committee has approved for forwarding to the Council for potential adoption.

Article II, Section 18 - Consideration of Petitions:

- \* Would retain the 60-day comment period
- \* Add a public meeting at which public comment is taken
- \* In the interest of transparency
- \* This was unanimously recommended

Mayor Rusing asked if this was in response to the current process of having the petitions go to the Consent Agenda. She stated that she is concerned that if the petition was frivolous it wouldn't get pulled and would be denied. This is well intentioned but she has concerns.

Councilman Grady asks how the Committee would respond to concerns that this would promote a surge of petitions.

Chair McMinn responded that she understands those concerns, but this exact Council will not be on the dais in two years and there may not be a call to the public or the commitment to transparency. This would guarantee that there is discussion rather than just going onto consent with no discussion.

Ms. Thornhill stated that this would allow the petitions to return to the Council without specific prior direction on how they would like to proceed with the petition.

City Attorney Joseph Young added that it would lay out a process for how the items come back to the Council without controversy.

City Manager Dallin Kimble commented that it now takes the Mayor or two members of the Council to place something on an agenda. This proposal would, in theory, allow any citizen to add an item to the agenda which could become problematic. He suggested a criteria or threshold for petitions that would include perhaps a minimum number of signatures before a petition can come before the Council

Mayor Pro Tem Fruhwirth stated that she likes the concept of a threshold for signatures before something is placed on an agenda for consideration. She doesn't want to invest a lot of staff time if there isn't an interest from a majority of Council to move forward. Stated that perhaps it would also be something to consider having the consent be an approval rather than a denial. She is open to other considerations.

Councilwoman Frederickson stated that it only takes one member of the Council to pull something from Consent and then discuss it and that is not a burden. If there is any merit, the Council would provide direction to staff to review further. She is comfortable with the current setup.

Councilman Ruby commented that he feels it is very confusing for the Petitions to be on the Consent Agenda, and suggested that perhaps having a specific "Petition Section" similar to consent ordinances and liquor licenses would address that issue. He added that having a threshold for consideration would be appropriate.

Councilman Gambogi commented that he supports transparency, but the members of the Council can add items to the Agendas.

Ms. Thornhill added that a threshold of signatures could be added to the language as well.

Article VIII, Section 11 - Leases of City Property:

\* Would require an affirmative vote of three-fourths of the council to approve a lease of property owned by the city valued at \$4 million or more

Councilman Gambogi asked what the goal of this proposal is.

Ms. McMinn responded that the Committee is focused on transparency, but they are also open to a super majority of 5-2 rather than 6-1.

Mr. Young stated that he has been clear that, at a bare minimum, he needs a rational basis to explain why a super majority is needed. It makes it harder to do business.

Councilman Ruby asked how many properties the city has that would hit this threshold.

Mr. Kimble responded that it would depend on the definition of "value", the rodeo would be the big one here. Vacant land probably wouldn't be, but it depends on how "value" is defined.

Chair McMinn responded that it is the value of the lease, and if there is an existing lease it would apply to when it is redone.

Councilman Grady stated that he doesn't understand what prompted this or the rationale behind this proposal.

Chair McMinn continued that there are three additional sections the Committee is considering at the May 18 Meeting, including the City Court/hiring of the city judge, high value capital projects and scope and structure of development agreements.

Mayor Rusing commented that she is in favor of additions to the Charter related

to restrictions on Development Agreements.

Mayor Pro Tem Fruhwirth commented that she is not aligned with the super majority votes, which politicizes things. She would like to understand more why this needs to go into the city charter.

Councilman Grady commented that he saw at the last meeting there was language relative to anti-discrimination.

Chair McMinn responded that, given the feedback today, she doesn't feel they will be able to address that during this round of updates.

Mr. Young stated that he feels this will be at the next election cycle, the Development Agreement provisions seem to be the most important thing to look at for this go round. The draft for the anti-discrimination language he has not had an opportunity to fully look into at this point.

Member of the public Ralph Hess addressed the Council regarding the citizens petition proposal. He has worked with multiple Council's over the years to get things on the agenda. With the current Council policy of placing an item on consent, the public is losing the ability to discuss it. The Council Rules of Procedure could be amended to allow one member of the Council to place something on an agenda. Just because the Council disagrees with a proposal from the citizens doesn't make it frivolous. He suspects that this process is because of things the Council didn't agree with.

***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 3:03 p.m.

***Cathey Rusing***

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CATHEY RUSING, Mayor

ATTEST:

*Sarah M. Thornhill*

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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 May 12, 2026. I further certify the meeting was duly called and held and that a quorum was present.

*Sarah M. Thornhill*

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Sarah M. Thornhill, City Clerk