

City of Prescott

Charter Review Committee



May 18, 2026 | 2:30 PM
201 N. Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Chair McMinn called the meeting to order at 2:30 p.m.

2. ROLL CALL

Bonnie McMinn - Chair
Rod Moyer - Vice Chair - Excused
Michael Broggie - Member
Michael Gjede - Member
Ralph Hess - Member

3. DISCUSSION & ACTION ITEMS

- A. Approval of Minutes from the May 4, 2026 Charter Review Committee Meeting.
Member Hess requested an amendment regarding his comment under item 3.B.

MOTION BY MEMBER BROGGIE TO APPROVE THE MAY 4, 2026 MINUTES WITH AMENDMENT; SECONDED BY MEMBER GJEDE: PASSED (4 - 0)

- B. Discussion & Possible Action Regarding Follow up to the Committee Presentation at the May 12, 2026 Council Study Session.
Chair McMinn introduced the topic for discussion and asked the Committee for any discussion.

Member Hess commented that he does not believe changes are needed to what the Committee already voted on to move forward to Council.

Chair McMinn said the discussion with the Council was enlightening. She is concerned with a signature requirement being difficult for certain situations.

Member Gjede added that he agrees that the signature requirement could be an issue and the item being placed on the consent agenda for denial is a problem, the petitioner should get time to present to Council and then Council can decide the next step.

Chair McMinn added that in other communities the language looks similar to our current language.

Member Hess commented that it may be helpful to look back and see when the Charter Provision for this topic was brought forward, this provision had no problem until 2025. The Council change in policy seems to be the point that a

problem started.

Chair McMinn stated that the intent of the proposed change was to address language contained in the procedure regarding automatic public hearings or meetings, rather than substantially changing the Charter. She expressed dissatisfaction with the suggested revisions and stated that, in her opinion, the existing Charter provision has functioned effectively despite procedural concerns. She suggested withdrawal of the proposed Charter amendment from consideration.

Member Hess added that the proposed Charter amendment was intended to address Council Rules of Procedure that he believed conflicted with the Charter's intent requiring Council action on citizen petitions within 60 days. He noted that the issue could likely be resolved through amendments to the Rules of Procedure rather than a Charter amendment and supported keeping the petition presentation on the June agenda.

Member Gjede agreed that the current process should be improved, expressing concern with citizen petitions being placed on the consent agenda for denial. He stated that petitioners should have the opportunity to appear before Council, make a presentation, and allow Council to determine how to proceed.

Chair McMinn added that the procedure is addressing the "Council should act upon" which becomes fuzzy, the procedure needs to be cleaned up. The time for presentation is a small amount.

Member of the public Mary Frederickson commented that she does not like the idea of a charter amendment and agrees it is an issue to be revised through the Council Rules of Procedure, does not like the idea of the number of signatures needed.

Council Liaison Rusing commented and agreed with Ms. Frederickson, feels based on past petitions that the procedure is working. The main concerns are frivolous petitions submitted without a limit on the number of petitions a person can submit, which could be a waste of staff time. Keep it the way it is.

MOTION BY CHAIR MCMINN TO SET THE CITIZEN PETITION CHARTER AMENDMENT ASIDE; SECONDED BY MEMBER GJEDE: PASSED (3-1) MEMBER HESS DISSENTING.

Chair McMinn stated that there were numerous questions and concerns regarding the proposed amendment to Article 8, Section 11 related to leases of City property, including concerns about the three-quarter majority requirement, study sessions, and public comment provisions. She noted that the amendment was intended to promote transparency but acknowledged that the proposal may have been viewed differently given the current circumstances.

Council Liaison Rusing expressed concerns and raised several questions regarding the proposed amendment related to leases of City property, including its potential impact on airport leases, existing community facility leases, and other City agreements exceeding the stated threshold.

Clarification was provided that the amendment would apply upon renewal of lease or issuance of a new lease.

Council Liaison Rusing also questioned whether the amendment was fully vetted, whether it may be perceived as targeting a specific organization, and whether the objectives could instead be accomplished through ordinance or City policy rather than a Charter amendment. She stated that additional work and public consideration would likely be needed before advancing the proposal to Council.

Member Hess stated that the proposal was intended to promote transparency and public participation in Council decisions involving high-value leases by requiring public meetings and opportunities for public comment. He noted that the amendment was developed in response to concerns that the anticipated level of transparency and public input had not been achieved and stated that the proposed Charter provisions were designed to address both significant projects and public participation expectations.

Member Gjede agreed that some of the proposed changes may not require Charter amendments, stating that the Committee initially believed the proposals would be beneficial but that further discussion suggested some matters may be overly detailed and better addressed without modifying the Charter.

Chair McMinn commented that there have been a few unintended consequences, and believes it is not ready to keep moving forward.

**MOTION BY CHAIR MCMINN TO SET THE LEASE AMENDMENT ASIDE;
SECONDED BY MEMBER GJEDE: PASSED (4-0)**

- C. **CONTINUED ITEM**: Discussion & Possible Action Regarding an Update to the Prescott City Charter Establishing Certain Restrictions on Development Agreements by City Council and a Presentation on Development Agreements.

City Attorney Joseph Young provided a presentation on Development Agreements (DA).

What is a DA:

- A DA is a negotiated contract between a public entity and a property owner/developer governing future land development rights and obligations.
- Typical Parties - Municipality, Developer, Landowner, Community Facilities District (CFD)
- Specifications provided in A.R.S. § 9-500.05
- Create long-term predictability for both the public and private sectors

Core Components of Arizona Development Agreements:

- Permitted Land Uses
- Building Heights and Setbacks
- Phasing Schedules
- Reimbursement Agreements
- Impact Fee Arrangements
- Sunset Dates
- Density/Intensity Standards
- Infrastructure Obligations
- Dedications and Easements
- Water and Sewer Commitments
- Annexation Timing
- Any Limitations

Public Infrastructure Often Includes:

- Roads
- Water Systems
- Sewer Systems
- Drainage
- Parks
- Fire and Police Facilities

Financing Mechanisms:

- Developer-funded improvements
- Reimbursement districts
- Impact Fees
- Improvement districts
- Community Facilities Districts (CFDs)
- Key Benefit – allows large-scale master planned communities to phase infrastructure over many years

Vesting And Development Rights:

- Help to vest rights against future regulatory changes
- Existing Zoning Protections
- Infrastructure reimbursement rights
- Timing Protections
- Density Assurances
- Entitlement Certainty

Arizona Importance:

- Large master-planned communities
- Long-term phased developments
- Mixed-Use Projects
- Annexation Areas

Annexation and Extraterritorial Agreements:

- Cities may enter into agreements for land outside municipal boundaries if annexation occurs later.
- Planned Annexations
- Infrastructure Coordination
- Utility Extension
- Future Zoning
- Commitments

Recording Requirement:

- Agreements must be recorded with the county recorder

Legal Effect:

- Binding on successors and assigns
- Runs with the land
- Public notice to future purchasers

Enforcement:

- Contract remedies

- Specific performance
- Injunctive relief
- Declaratory judgment actions

Public Policy Considerations:

- * Benefits – predictability, economic development, infrastructure coordination and long-term planning certainty
- * Criticisms - reduced flexibility for municipalities, long-term commitments by future councils, potential public subsidy concerns and negotiation transparency issues

Water Supply and Arizona Growth Issues:

Increasing Importance of Water

- Arizona growth management increasingly intersects with assured water supply requirements, groundwater limitations, infrastructure commitments and long-term sustainability
- DA Implications: modern agreements increasingly address water infrastructure, recharge obligations, conservation measures and alternative water sourcing
- Arizona's recent groundwater restrictions have significantly affected development planning.

Common Legal Risks:

- * Risks for Municipalities - overcommitting infrastructure funding, improper delegation of police powers, and conflicts with future zoning changes
- * Risks for Developers - annexation failure, infrastructure cost escalation, political opposition, market downturns
- * Litigation Issues - contract interpretation, vesting disputes, impact fee and reimbursement conflicts, timing and default disputes

Best Practices:

- * For Municipalities - maintain general plan consistency, clearly define infrastructure obligations, include amendment procedures, protect future public safety authority
- * For Developers - address force majeure provisions, coordinate utility commitments early

Arizona Trends:

Current Trends - increased use in master-planned communities, greater infrastructure reimbursement complexity, more detailed water provisions, public-private partnership structures, increased scrutiny of development incentives
 Emerging Issues - housing affordability, state preemption, water availability, transportation funding and sustainable growth management

Key Takeaways:

- Arizona expressly authorizes development agreements
- DA's provide long-term certainty for complex developments
- Infrastructure financing is a central component
- Agreements must align with adopted plans
- Water and growth management are increasingly critical
- Proper drafting is essential to avoid litigation

Mr. Young reviewed the draft of proposed revisions and highlighted several key provisions and policy considerations. He noted that while the draft generally reflects prior direction and contains several positive elements, there are a few provisions warranting further discussion. Regarding term length, he recommended against establishing a specific maximum duration in the Charter. Instead, he emphasized the importance of requiring a defined term and expiration date for all development agreements, suggesting this requirement be addressed in city code or ordinance rather than being rigidly set by Charter. He cautioned that overly limiting duration could reduce flexibility for the City, while the absence of expiration dates in some existing agreements has contributed to planning and enforcement challenges. Mr. Young also discussed the proposed prohibition on adjacent or adjoining property clauses, stating this is a useful provision to ensure development agreements cannot be expanded at the developer's discretion to include additional properties, which can undermine planning consistency and increase City obligations outside the standard approval process. With respect to infrastructure, he noted the draft requires developers to pay for infrastructure associated with their projects. He acknowledged this aligns with the principle that growth should pay for growth, but also clarified that when developers fully fund infrastructure, it may affect the City's ability to recover some costs through impact fees, effectively shifting timing rather than eliminating cost recovery. Finally, Mr. Young addressed open space requirements for large-scale developments. He referenced the proposal to require 25% of project acreage (for developments over 250 acres) to be dedicated to open space, up from the originally proposed 20%. He encouraged careful consideration of setting such requirements in the Charter, noting that overly prescriptive standards can reduce clarity and flexibility. He supported the concept of "meaningful open space," describing it as areas that provide wildlife corridors and habitat, public access, recreational opportunities such as trails, and connectivity that avoids fragmented or isolated open space.

Member Gjede commented that he likes draft sections A, B & C as they are.

Member Hess asked if the DA provisions are better to be in city code rather than a charter provision.

Mr. Young responded that, from a legal perspective, he would generally prefer DA requirements to be addressed in city code rather than the Charter. However, he emphasized that the broader question is what the Committee and Council want included in the Charter and why. He noted that while the current draft may contain more detail than he would personally recommend, he believes certain provisions—particularly requiring defined terms and expiration dates for development agreements—are important enough to warrant inclusion in the Charter because they are fundamental to the purpose and enforcement of such agreements.

Chair McMinn agreed with including DA term and duration requirements in the Charter to ensure consistent application in future agreements. She asked his thoughts on open space requirement.

Mr. Young responded that the 25% open space amount may have an impact on entering an important DA that we may want in the city.

Chair McMinn asked about possible uses of open space instead of a specific amount.

Mr. Young stated that requiring DAs address how wildlife corridors, habitat, and similar environmental resources will be protected is a reasonable provision that would be beneficial to include.

Member Broggie stated that DAs must remain consistent with the Prescott General Plan, Arizona Revised Statutes, and applicable ordinances, and his question to the Council would be if they believed the proposed provisions met those overarching requirements.

Council Liaison Rusing expressed concern about the City's financial obligations under existing DAs, stating that current capital improvement planning includes approximately \$100 million in obligations related to infrastructure commitments. She stated that, historically, developers were responsible for bringing utilities to their property lines and acquiring necessary easements, whereas current agreements place some of those responsibilities on the City and taxpayers. She advocated for Charter provisions requiring developers to pay for roads, water and sewer infrastructure, and easement acquisition associated with their projects. She also suggested expanding the language beyond development agreements to include other contractual arrangements in order to prevent similar obligations from arising through alternative mechanisms. Mayor Rusing further supported including sunset provisions for development agreements, prohibiting adjoining and adjacent property clauses, and strengthening open space requirements tied to annexations and development agreements. She stated that open space provisions help ensure the community receives benefits in exchange for City services and annexation approvals.

Chair McMinn asked Mr. Young his thoughts.

He commented that each topic the Council Liaison Rusing mentioned are already in the proposed updates except the definition expansion, but it is up to the Committee.

Member of the public Mary Frederickson expressed concern that including a 25% open space requirement in the proposed Charter amendment could generate organized opposition that might jeopardize voter approval of the broader amendment package. She stated that she did not want strong provisions—such as requiring defined terms for development agreements and addressing adjacent property clauses—to fail because of disagreement over the open space percentage. She suggested reconsidering the percentage requirement, possibly reducing it to 20%, while strengthening language to ensure open space is meaningful and not limited to small or fragmented areas.

Chair McMinn stated she believes the majority of the Committee is in agreement with the proposed amendments under sections A, B & D, infrastructure and open space topics may need revision and clarification. She would like to see the proposed Charter language revised in areas where the City Attorney and Charter Review Committee members expressed concerns, along with additional clarification on issues raised by Council members. She suggested refining and

streamlining the language before presenting it to the Council in order to provide a clearer and more definitive proposal.

Member Gjede commented that he is curious what this would look like on a ballot, doesn't want to rush and not get proper attention with a possible large ballot.

Mr. Young added that they can create a couple of options to come forward for Committee review.

This item was for discussion only, no formal action was taken and direction was provided to staff.

D. **CONTINUED ITEM:** Discussion & Possible Action Regarding Requested Updates to the Prescott City Charter Article XI - City Court.

Mr. Young explained that revisions were made following prior discussions to clarify that, during the one-year contract term, a judge may be removed for serious violations of criminal law or the judicial code of conduct.

Chair McMinn stated that the language seemed quite narrow and noted she had been considering whether misconduct, negligence, neglect of duty, inability to perform the duties of the office, or other substantial causes should also be included.

Mr. Young explained that the language was intended to preserve judicial independence, noting that judges are generally treated differently from other employees, so their decisions are not influenced by employment concerns. He stated that the wording reflected input from the committee, but added that he did not have a strong objection to alternative language, describing it as more of a good-governance issue than a legal one.

Member Gjede asked for clarification on the term of the City Court Judge contract.

Mr. Young responded it is a one-year contract term.

Mayor Rusing supported requiring the judge to be a licensed attorney in good standing and emphasized the need to ensure the judge's employment contract is updated to align with the Charter language. She noted that only four City positions have employment contracts — the city attorney, city clerk, city judge, and city manager — and stated that those agreements should remain consistent and up to date.

Member of the public Mary Frederickson expressed support for reducing the judge's contract term from two years to one year and stated that limiting removal for cause to criminal violations and the judicial code of conduct was sufficient. She noted that the judicial code likely addresses other misconduct concerns and emphasized that judges should have greater independence and protections than other City employees.

**MOTION BY CHAIR MCMINN TO APPROVE ARTICLE XI, SECTION 4
UPDATES AND FORWARD TO COUNCIL FOR CONSIDERATION;
SECONDED BY MEMBER GJEDE: (4 - 0)**

- E. Presentation & Discussion From Staff Regarding Future Agenda Items.
Deputy City Attorney Alane Moore reviewed the upcoming meeting dates for the Committee.

Chair McMinn discussed the Committee's remaining work, noting that most amendments addressed this term had been significant and time-intensive. She said the Committee should focus on completing the development agreement amendment and anticipated a public education effort over the summer to explain the proposed Charter amendments to neighborhood groups, HOA's, and community organizations before ballots are distributed in October. She also expressed interest in pursuing the additional Charter amendment related to real property appraisal and valuation requirements, requesting the topic on the next agenda to discuss further.

Member Hess requested clarification on what section in the Charter the appraisal topic would appear.

Mr. Young responded that he had considered the appraisal issue in the context of the City's sale of real property and indicated that the proposed requirement would apply specifically to the purchase and sale of real property. He noted that the appraisal requirement would be separate from the lease exception provisions.

Chair McMinn proposed a June 1st meeting before the June 9th Council meeting to discuss the DA and appraisal topics, then can decide if June 15th meeting is needed.

Mayor Rusing commented on the importance of requiring appraisals for City real property transactions, stating that purchasing property without appraisals is not sound financial practice. She cited several past property purchases where the City paid above asking price or proceeded without formal appraisals and argued that appraisal requirements would help protect taxpayer funds. She also supported requiring appraisals when selling City property to ensure transactions occur at fair market value.

Member Hess clarified that the June 1 agenda would include the DA and appraisal items. He also suggested also adding the Martin Luther King Jr. group's proposed Declaration of Rights item. He further recommended including future agenda items for discussion and determining at that meeting whether a June 15 meeting would be necessary.

Chair McMinn commented that she thinks there is not enough time to discuss more topics and to properly get into the details.

Member of the public Robert Shegog urged the Committee to proactively revisit the nondiscrimination amendment, expressing frustration over the time and effort required for its consideration. He stated that the amendment reflects basic values of inclusion and equality, referencing the "golden rule" and civil rights

principles. He emphasized that recognizing and protecting all members of the community—including women, people with disabilities, and others—strengthens community values, and stated that the amendment should be straightforward and widely supported.

Member of the public James Helbling, Chair of the MLK Peace and Justice Committee, requested that the proposed Charter amendment titled “Declaration of Rights” be placed on the next meeting agenda. He stated the amendment is intended to affirm that the City does not condone discrimination and referenced accounts from residents alleging discrimination in the community. He argued that concerns raised against the amendment were based on unrelated federal or state policy issues and should not apply to a city charter. He urged the committee not to assume how others will vote, but to advance the item for consideration, stating it is important to clearly express the City’s opposition to discrimination.

4. ADJOURNMENT

There being no further business to discuss, Chair McMinn adjourned the meeting at 4:28 p.m.


BONNIE MCMINN, Chair

ATTEST:


SARAH M. THORNHILL, City Clerk