

City of Prescott

City Council - Voting Meeting



May 26, 2026 | 3:00 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 3:20 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. INTRODUCTIONS / ANNOUNCEMENTS

Mayor Pro Tem Fruhwirth announced upcoming community events, including the June 1 Rodeo/Fairgrounds Master Plan Community Meeting, and Meet Your City at the June 6 Farmers Market. She added that the City Clerk's Office is currently accepting applications for the Pedestrian, Bicycle & Traffic Advisory Committee and the Tourism Advisory Committee now through Friday, June 26. For additional information please visit <https://prescott-az.gov/prescott-city-clerk/boards-commissions/>

4. INVOCATION - Steve Calrow with Baha'i Faith Community

5. PLEDGE OF ALLEGIANCE - Councilman Gambogi

6. PROCLAMATIONS

A. Arizona Crisis Team (ACT) Week
Councilman Ruby presented the Proclamation.

7. OPEN CALL TO THE PUBLIC

None.

8. CONSENT AGENDA

MOTION BY MAYOR PRO TEM FRUHWIRTH TO APPROVE CONSENT AGENDA ITEMS 8.A. THROUGH 8.I., EXCLUDING ITEM 8.F.; SECONDED BY MAYOR RUSING: PASSED (7 - 0)

- A. Approval of Meeting Minutes from the May 11, 2026 Budget Workshop II, the May 12, 2026 Executive Session, the May 12, 2026 Study Session, and the May 12, 2026 Voting Meeting.
- B. Approval of City Contract No. 2026-125 with SkyWest Airlines for a Transportation Service Agreement Associated With a New Service Frequency Between Prescott and Denver.
- C. Approval of City Contract No. 2026-069A1, an Amendment to City Contract No. 2026-069 for Updated Lease Terms on a Lease Agreement with EagleAir.
- D. Adoption of Resolution No. 2026-1989, Approving City Contract No. 2026-162, an Intergovernmental Agreement (IGA) Between Yavapai County Community College District dba Yavapai College and the City of Prescott for a Joint Use of Facilities Agreement.
- E. Adoption of Resolution No. 2026-1990, Approving City Contract No. 2026-184, an Intergovernmental Agreement (IGA) Between the City of Prescott and Yavapai County for the Repaving & Transfer of Right-of-Way on Overland Road Leading to the Prescott National Cemetery.
- F. Approval of Night Work on SR89, Between Phippen Trail Roundabout and Willow Lake Road Roundabout.

Councilman Gambogi pulled this item for further discussion and asked why the work is taking place at night.

Public Works Director Gwen Rowitsch addressed Council and stated that the work needs to take place within right-of-way and night work will help to have the least impact on traffic or daily routine.

**MOTION BY MAYOR PRO TEM FRUHWIRTH TO APPROVE NIGHT WORK;
SECONDED BY MAYOR RUSING: PASSED (7 - 0)**

- G. Approval of City Contract No. 2024-228A1, an Amendment to City Contract No. 2024-228 for an Extension of the Tolling Agreement by and Between the City and Arizona Eco Development.
- H. Approval of City Contract No. 2026-194 an Agreement for a City of Prescott Volunteer Representative to NAMWUA.
- I. Approval of Acceptance of Rural Business Development Advisory Grant.

9. CONSENT ORDINANCE

- A. Adoption of Ordinance No. 2026-1946 Authorizing the Acceptance of Two (2) Public Water Line Easements and One (1) Public Drainage Easement.
MOTION BY COUNCILWOMAN FREDERICKSON TO ADOPT ORDINANCE NO. 2026-1946; SECONDED BY MAYOR RUSING: PASSED (7 - 0)

10. REGULAR AGENDA

- A. Public Hearing and Approval of Program Year 2026 (PY26) Community Development Block Grant (CDBG) Annual Action Plan.
Grants Administrator Michael McInness provided a presentation to the Council regarding the PY26 CDBG Annual Action Plan.

Background:

- * CDBG is a US Department of Housing and Urban Development (HUD) program returns taxpayer dollars to local communities
- * Funds must primarily benefit low to moderate income Prescott residents (at least 70%)
- * Prescott has administered CDBG continuously since 2004
- * 100% federally funded with no general fund impact
- * PY26 Allocation - \$265,856 (\$172,808 for construction projects, \$53,170 for administration and \$39,878 for public service)
- * Total Awarded to Prescott since 2004 - \$5.8 million (the funding has remained the same but there are more communities requesting funding than there were when the program was initially started)
- * Awards based on census data

PY26 Applications:

- * 26 total applications
- * Total funding significantly exceeded available allocation
- * 11 projects ultimately selected for funding
- * Reflects a healthy and well-recognized CDBG program serving a wide range of community programs

Committee Recommendations - Construction:

- * Agape House (transitional housing renovations) - \$51,577
- * City of Prescott (downpayment assistance program) \$50,000
- * Adult Center of Prescott (ADA restroom accessibility project) - \$31,126
- * Prescott Chamber Foundation (Prescott minor home repair program) - \$30,000
- * Polara Health (sensory-friendly updates for children's services facility) - \$5,563
- * Coalition for Compassion & Justice (replacement of CCJ unit in Kodiak Park) - \$4,541
- * Total - \$172,807

Committee Recommendations - Public Service:

- * People Who Care (transportation program) - \$12,327
- * Firemedx International (DOC reentry work program) - \$10,281
- * Salvation Army (winter warm-up) - \$10,000
- * Wrapped in Love Diaper Bank (diapering essentials) - \$5,169
- * Launch Pad Teen Center (all access pass meals, free snacks and food literacy) - \$2,101

* Total - \$39,878

Councilwoman Frederickson expressed concerns related to the workload burden on Comm Dev Staff for the Down Payment Assistance Program.

Mr. McInnes responded that there will be a larger burden at the start for staff, but he will be administrating it and anticipates that it will level over time.

Councilman Ruby commended the CDBG Citizens Advisory Committee on their work to review all of the applications.

**MOTION BY COUNCILMAN GAMBOGI TO CLOSE THE PUBLIC HEARING;
SECONDED BY COUNCILMAN RUBY: PASSED (7 - 0)**

**MOTION BY COUNCILMAN RUBY TO APPROVE THE PY2026 CDBG
ANNUAL ACTION PLAN; SECONDED BY COUNCILMAN GRADY: PASSED
(7 - 0)**

B. Presentation, Discussion & Approval of the City's Special Events Sponsorship Policy.

Deputy City Manager Michael Morris provided a presentation to the Council regarding the Special Events Sponsorship policy. The Council previously discussed the policy during a Study Session in February.

Event Sponsorship Categories:

* City Produced Events - community events hosted/coordinated or contracted by the city; budgeted in the city operating budget

* Signature Events - coordinated by non-city government entity; generates at least \$100,000 in city revenue; has at least 5,000 attendees from outside Prescott (90 miles or more); has a marketing reach of at least one million impressions

* TAC Grants

Council discussion regarding budgets and reports being generated before or after funding.

City Manager Dallin Kimble responded that they can provide information related to how city funds were spent.

Councilman Ruby said that it should be part of the process for receiving funds.

Funding:

* Signature Events

- Receive funding equivalent to 50% of city taxes generated up to \$80,000 max

- Economic Impact Study to determine taxes generated cost split 50/50 between the city and the event organizer

- In-kind city services up to \$40,000

- Require a five-year agreement approved by Council; Economic Impact Study prior to new contract or renewal

- Requires annual post-event report

- * Christmas City
 - Currently at \$60,000 plus in-kind services
 - Economic Impact Study completed
 - New contribution: \$80,000 plus up to \$40,000 in-kind services
- * Whiskey Off Road
 - Currently at \$70,000 plus in-kind services
 - Economic Impact Study in Progress
- * Prescott Rodeo
 - Currently at \$40,000 plus in-kind services
 - Economic Impact Study in July

Mr. Morris responded that any new events would be subject to the availability of funds and results of an economic impact study.

City Manager Dallin Kimble stated that language could be added that funding would be subject to "availability of funds" so that if there is a downturn it could be adjusted.

- * TAC Grants
 - Eligible for Tourism Tax Funding
 - Required to go through the TAC application process for a recommendation prior to Council approval
 - Grants range from \$1,000-5,000
 - Require a post-event report

Mayor Pro Tem Fruhwirth stated that she is hesitant to adopt a policy without seeing a template for the contracts.

Mayor Rusing expressed her concern with a five-year term for the agreements, she would prefer a three-year agreement.

Councilman Gambogi commented that this is long overdue, and will put all of the larger events on a more even playing field.

City Attorney Joseph Young commented that all of these funds are bed tax funds and so unlike other areas of expenditures there is specific statute on how those funds can be spent and all of these grants meet those requirements. As it relates to the gift clause, the funds must be for a public purpose and is the amount less than the value. This policy puts the city in a safer position, and is clearly within how the statute is written.

Councilman Grady echoed Councilman Gambogi's comments, the council is approving a policy and not a contract at this time so seeing one at this point is pre-mature. This is what the Council has been asking for.

Councilman Ruby stated that a policy like this is important for these special event vendors, he does think it is important to look at how other jurisdictions are doing it. He does feel that a five-year agreement is very long, and added that he would like to eventually see Signature Events/Emerging/Evolving Events so there is a clear objective structure for where people place themselves.

Mr. Kimble added that if there is a desire by the Council to have the funding cease at a certain point that is a policy question. The Signature Events are highlighted because of their brand and impact on the city, this policy was put together based on a lot of feedback received and discussions with the event organizers to find something that makes sense for everyone.

Member of the public Howard Mechanic addressed the Council regarding the company that puts on the Whiskey Off Road Event which is profitable. He believes this is unconstitutional, it may not have been challenged, but it is. Tourism is part of the city's economic development and not public services.

Mayor Rusing commented that the policy has been needed for sometime but she would like to change the five-year term to three-year term with two one-year extensions.

Councilman Grady discussed specific tiers for the signature events with a policy addressing Emerging and Evolving Events (two different tiers).

MOTION BY MAYOR RUSING TO APPROVE SPECIAL EVENTS FUNDING POLICY WITH AMENDED TERM OF THREE YEARS WITH TWO ONE-YEAR EXTENSIONS FOR SIGNATURE EVENTS; SECONDED BY COUNCILMAN GRADY: PASSED (6 - 1) MAYOR PRO TEM FRUHWIRTH DISSENTING

- C. Adoption of Resolution No. 2026-1986 Setting Certain Citywide Fees & Approving a Citywide Fee Schedule for Fiscal Year 2027, and Adoption of Ordinance No. 2026-1947 Amending Prescott City Code 4-7-5.

Finance Director Lars Johnson provided a presentation to the Council regarding the updated citywide fee schedule for FY27. During the budget process departments evaluate the fees they charge and submit any necessary changes and amendments. Having all fees in one place is helpful for residents. Water, Wastewater, Solid Waste and Development Impact fees are excluded from this fee schedule as they are adopted through a separate policy. If approved, fees go into effect July 1, 2026. CPI Increase is 1.2% applied to Airport, Community Development, City Clerk and Public Works.

Airport:

- * Storage - covered and non-covered tie downs increased by CPI
- * Hangars are not being increased at this time
- * New hangar wait list application fee - \$150 per application non-refundable
- * Reducing badge renewal fee from \$100 to \$50
- * New access control fee - \$50

Councilman Garing asked if the AAC has approved these changes.

Airport Director Rick Crider responded that they have not, but they have discussed it.

Other Departments:

- * IT/GIS Services
 - Cost recovery of specialized commercial entity requests, foundational

layers available to download at no cost

- Aerial Imagery and 1-ft contours: \$55 per square kilometer tile
- Custom layers or maps of any dimensions: \$55 per hour of staff time

* Recreation Services

- Hockey Rink Rental: \$10/hour to provide rental reservations and offset costs of maintenance

* Police

- Emergency Response Costs: \$1,000 per incident (per ARS 28-1386)

Mayor Pro Tem Fruhwirth asked when the Fire Department Fees will be reviewed.

Mr. Johnson responded that they are in a fee schedule evaluation at this time and that is being joined with Community Development and coming back to the Council at another time.

MOTION BY COUNCILMAN GAMBOGI TO ADOPT RESOLUTION NO. 2026-1986 & ORDINANCE NO. 2026-1947; SECONDED BY MAYOR PRO TEM FRUHWIRTH: PASSED (7 - 0)

11. ADJOURNMENT

There being no further business to discuss, Mayor Rusing adjourned the meeting at 4:40 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 May 26, 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