

City of Prescott

City Council - Study Session



May 26, 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 the Facilities Assessment and Condition Report by Terracon Consultants, Inc.

Deputy Recreation Services Director Tim Legler introduced the presentation and Trent Murray with Terracon Consulting to provide details regarding the city facilities assessment.

Overview:

- * City commissioned a facility condition assessment (FCA) to evaluate the condition of its portfolio-wide facilities and infrastructure
- * Goal is to support informed capital and long-term asset management
- * Assessment provides a data driven understanding of - current facility conditions, deferred maintenance and future funding requirements

Key Metrics:

- * Number of sites - 35
- * Number of facilities - 69
- * Combined Floor Area - 642,647
- * Total Replacement Value - \$273,198,325
- * Inventory Records - 3,477
- * Work Item Records - 345
- * Work Item Costs - \$5,112,383
- * Portfolio FCI - 0.0189
- * FCI Rating - good

Scope of Work:

- * Conduct comprehensive FCA of city-owned facilities and infrastructure
- * Perform on-site inspections using visual, non-destructive methods
- * Develop a detailed inventory of building components using UNIFORMAT II classification
- * Assess each component for condition, age and estimated service life
- * Identify deficiencies and required repairs or replacements
- * Prepare planning-level cost estimates for maintenance, repair and capital renewal needs
- * Develop a 10-year capital planning model to forecast future funding requirements
- * Provide data and analysis to support CIP and asset management decisions

Project Workflow:

- * Project launch and planning
- * Stakeholder interview and background data collection
- * Document review and investigation
- * Field data collection
- * Cost estimating
- * Data analysis and budget forecasting
- * Report and project deliverables

Current Portfolio:

- * Very Poor - 9 sites, 2 buildings
- * Poor - 0 sites, 3 buildings
- * Fair - 4 sites, 6 buildings
- * Good - 17 sites, 45 buildings
- * Very Good - 5 sites, 13 buildings

Requirements Analysis:

- * First-year requirements in 2026 total over \$5.5 million
- * Component renewals at the end of service life total over \$23 million over the next 10 years
- * Backlog of current deficiency repairs and replacement totals over \$5 million
- * Preventative Maintenance requirements were estimated at a cost of 0.44\$ of the current replacement value of the inventoried components that typically require preventative maintenance on at least an annual basis
- * Preventative maintenance costs are estimated at close to \$400,000 in 2026 and over \$4.5 million over the 10-year study period
- * All costs are inflated at an annual rate of 3% per year

Mr. Murray continued with an overview of the highest costs and impact improvements, as well as a "no funding" scenario on how that would impact the city's facilities.

Mr. Legler and Finance Director Lars Johnson reviewed expected costs and how to incorporate those into upcoming fiscal year budgets.

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

B. Presentation, Discussion and Possible Direction or Action Regarding a Follow-Up to the FY2027 Budget Workshops I, II, and III.

Finance Director Lars Johnson provided a presentation to the Council regarding a follow up to the three budget workshops, and stated that staff needs direction regarding any updates that will need to be made in order for the tentative budget to be adopted on June 9. Staff has worked on revised proposals based on Council feedback at previous meetings.

Prescott City Court - Revised Budget Proposal:

Judge Gann provided an overview to the Council regarding the City Court case filings and the need for additional staff. He also discussed additional fees and charges that the court could utilize to help offset costs.

Mayor Pro Tem Fruhwirth commented that without the capital expenses for the new facility the impact on the city budget from the Court is less than what they pay to utilize the courthouse at the County right now.

Councilman Garing and Councilwoman Frederickson stated that they are uncomfortable with having a security guard from an outside agency.

Mr. Johnson stated that these updates will be seen in the tentative budget adoption at the June 9 Voting Meeting.

Public Safety Tax Initiative:

Fire Chief Holger Durre provided a presentation to the Council regarding the immediate, short term and long term needs addressed through Prop478 funding.

* Facility Needs

- Immediate (1-3 years): one new fire station; one relocated fire station; one major remodel; property and evidence police facility
- Short Term (4-7 years) : three safety and health fire station remodels; land and design for second new station; additional facilities and enhancements for PD
- Long Term (8-10 years): one new fire station

* Operational Needs

- Immediate (1-3 years): recruitment and retention challenges; sixteen sworn police; thirteen fire personnel; two fire station positions; three support staff (records, radio and IT); low acuity response; public access defibrillation program
- Short Term (4-7 years): emergency management staffing; special enforcement team; additional K-9s
- Long Term (8-10 years): fire station 77 staffing

* Community Impacts

- Immediate (1-3 years): fill downtown, midtown, north side response gaps; improve response times; fill critical public safety positions; stabilize recruitment and retention; enhanced community policing and traffic enforcement
- Short Term (4-7 years): improve health and safety of public safety personnel; prepare for future growth of community; improve existing public safety facilities to extend life
- Long Term (8-10 years): continue focus on improving public safety outcomes

Prop478:

- * Promise - improving public safety services, facilities, operations and community impacts
- * Budget is the means to an end, original estimates were created to develop the tax percentage proposal
- * Commitment to community
- * Tax provided both capital and operating; prioritizing capital infrastructure upfront
- * Goals - meet the needs and be responsible for dollars spent, end the 0.2% tax increment early

Mayor Pro Tem Fruhwirth commented that she would like to see a full reconciliation on all the items related to this tax initiative. She is concerned that the station remodels haven't even been looked at yet. At the very least, she would like to see inflation factors included in some of the older numbers.

Police Chief Amy Bonney continued with an overview of the scope regarding police facilities through the tax initiative, currently at 30% of design for storage/evidence and additional substation co-located which will be close to where the primary growth is anticipated to be in Prescott.

Mayor Rusing commented that she is concerned about the location of the new facility.

Chief Bonney responded that every piece of property the city owns for this facility, and it will be quite industrial in nature and the Rosser area is surrounded by residential areas so it wasn't an appropriate fit.

Police Facilities:

- * Project cost estimates have increased modestly, with adjustments strategically reallocating funds to maximize long-term value for both the Police Department and community
- * Design team advised that reducing the facility size or scope by approximately 50% would leave the building inadequate within 5-8 years
- * Current design is based on projected community and Police Department growth over the next 20-30 years
- * Reducing scope now would likely result in higher long-term costs through future expansion or renovation needs
- * Additional site improvements and facility enhancements are envisioned beyond the initial construction project
- * Planning for these future capital needs within the first 10-years of the initiative will help avoid future funding shortfalls

Mr. Johnson reviewed the 10-year capital plan funding related to projects associated with the sales tax initiative as well as the 10-year historical annual growth percentages.

Councilman Gambogi commented that there are multiple increases in the funding, so he doesn't understand how the additional tax could be sunset early.

Mr. Johnson responded that this will all have to be monitored regularly because everything is in flux.

Solid Waste Fund:

* Council Direction Needed

- Internal Study with Rates Adjusted as soon as possible: refine scenario 2 rates and calculate for other ancillary rates; issue 60-day notice with internal fee study documentation by June 26, 2026; Council consideration on August 25, 2026; rates effective October 1, 2026; continue with consultant-led rate study afterward to identify future rate increases and timing, service delivery policy decisions, timing flexibility

- Consultant-led Rate Study with rates adjusted likely earliest during Spring 2027: full consultant study, including service delivery analysis and review of self-hauling impacts; more compressed schedule but provides deeper evaluation of services and costs, adoption of at least a three-year rate schedule

Council consensus for Internal Study option.

Mr. Johnson stated that Council can provide feedback on the AEL to Finance staff, and they can make adjustments in advance of the meeting on June 9.

Community Development Personnel:

Operations Manager Will West provided a presentation to the Council with details regarding the department analysis recommendations and additional positions proposed within that analysis.

* Staff is proposing a phased implementation of the recommendation

- Water Resources Analyst: September 2026
- Administrative Specialist: March 2027
- Management Analyst: FY28.

Mayor Pro Tem Fruhwirth commented that we need to tighten purse strings elsewhere in order to gain positions and asked that the City Manager find where other departments could go down a head or two in order to accommodate Community Development.

Councilman Grady stated that he agrees with elements of comments from Mayor Pro Tem, but added that if the city is going to seek out assessments like this than the Council needs to value what they present and recommend.

Councilwoman Frederickson commented that, right now, there are technical people doing clerical work and that seems like poor use of city resources. The city needs to focus on fixing the existing issues with efficiencies. She is not in favor of pushing things off.

Councilman Gambogi agreed, this is miniscule in the overall scheme, and if it brings efficiencies the Council should do it.

Mr. Johnson reviewed the fiscal impacts to the budget for each position recommended.

Councilman Ruby said that this is a good investment in efficiencies.

Staff requested direction from the Council regarding how they would like to proceed with the three recommended positions:

Councilman Ruby, Councilwoman Frederickson, Mayor Rusing, Councilman Garing, and Councilman Gambogi - yes to all three in FY27

Councilman Grady - one in FY27, the other two in FY28

Mayor Pro Tem Fruhwirth - one in FY27

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 3:04 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