City of Prescott

City Council - Voting Meeting

June 23, 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 3:03 p.m.

2. ROLL CALL

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

3. INTRODUCTIONS / ANNOUNCEMENTS

A. Announcements

Councilwoman Frederickson discussed upcoming community events for the balance of the month of June. She also provided information regarding the July 4th America250 Celebrations and associated city closures on Friday, July 3 and Saturday, July 4.

B. Moment of Silence for the Granite Mountain Hotshots

Mayor Rusing requested a moment of silence to recognize the Granite Mountain Hotshots.

4. INVOCATION - Pastor Dan Hurlbert with Prescott United Methodist

5. PLEDGE OF ALLEGIANCE - Councilman Grady

6. PRESENTATIONS

A. Annual Presentation from Prescott Frontier Days Regarding the 2025 Rodeo Events

Prescott Frontier Days General Manager Jim Dewey Brown provided a presentation to the Council regarding the 2025 rodeo events and the upcoming 2026 rodeo week. He introduced rodeo staff and Board Members, and thanked city staff for the new seats and sound system that will be a great addition to this year's event. Mr. Brown introduced Manuel Lucero also addressed the Council as a representative for the Museum of Indigenous Peoples regarding a collaboration with the Prescott Frontier Rodeo.

7. PROCLAMATIONS

A. Rodeo Week - June 29-July 5, 2026
Councilman Gambogi presented the Proclamation.

B. Parks & Recreation Month - July 2026
Mayor Rusing presented the Proclamation.

C. PTSD Awareness Month - July 2026
Councilwoman Frederickson presented the Proclamation.

8. OPEN CALL TO THE PUBLIC

A. Nancy Burns addressed the Council regarding something that she read regarding fencing around the Peavine Trail. She is an avid hiker and she encouraged the Council not to do this.

B. Debra Ordway addressed the Council regarding parking issues for businesses in the downtown area. She also inquired about an Ordinance regarding RV parking.

9. CONSENT AGENDA

MOTION BY COUNCILWOMAN FREDERICKSON TO APPROVE CONSENT AGENDA ITEMS 9.A. THROUGH 9.G., EXCLUDING ITEM 9.B.; SECONDED BY COUNCILMAN GRADY: PASSED (7 - 0)

A. Approval of Meeting Minutes from the June 9, 2026 Executive Session, and the June 9, 2026 Voting Meeting.

B. Approval of Award of the FY27 Acker Trust Grant Program Funding.

Councilman Ruby pulled the Item for further discussion, he stated that he serves as the liaison for the Civic Enhancement Committee (CEC), who is responsible for funding requests for Acker Trust Grant funds. He commented that he would like to see the Council look at ways to increase funding for the Trust outside just the interest and stated that he felt that the budget provided by applicant Prescott Life School did not seem accurate or coherent. He does not feel that their request should be supported and made a motion to fund the other two recommendations but not Prescott Life School.

Mayor Rusing stated that she would like to have discussion before a vote is taken, and asked staff to address the process for Acker Trust grants.

City Clerk Sarah Thornhill provided an overview of the Acker Grant requirements and process, she reviewed the application provided by Prescott Life School and advised Council that this is the school's first time applying for grant funding. During their presentation to the CEC the applicants stated that any awarded funding would be used for the purchase of instruments for the students.

Councilwoman Frederickson asked if it would be possible to approve the funding with the requirement that the project funding be better outlined.

Staff confirmed that it would be.

Councilman Grady stated that he feels it should be sent back to the CEC for further review and evaluation.

MOTION BY COUNCILMAN RUBY TO APPROVE FUNDING AS RECOMMENDED FOR THE AZ PHILHARMONIC AND ONESTAGE FAMILY THEATER AND SEND PRESCOTT LIFE SCHOOL'S APPLICATION BACK TO CEC FOR FURTHER REVIEW OF PROGRAM FINANCIALS; SECONDED BY COUNCILWOMAN FREDERICKSON: PASSED (7 - 0)

C. Adoption of Resolution No. 2026-1992 Approving City Contract No. 2026-050A1, an Amendment to City Contract No. 2026-050 with Prescott Unified School District for Shared Use and Programming of the Prescott Community Nature Center.

D. Approval of Application for a Federal Emergency Management Agency (FEMA) Flood Mitigation Assistance (FMA) Grant.

E. Adoption of Resolution No. 2026-1994 Approving the Designation of Applicant's Authorized Representative for FEMA Hazard Mitigation Assistance Programs.

F. Approval of the July 2026 to December 2026 Residential & Non-Residential Water Budgets in Accordance with the Amended 2022 Water Management Policy.

G. Approval of Fiscal Year 2027 Contracts for Council Appointees: City Attorney, City Clerk and City Manager.

10. CONSENT ORDINANCE

Recommended Action: MOVE to adopt Consent Ordinance Item 10.A.

A. Adoption of Ordinance No. 2026-1950 Authorizing the Acceptance of the Dedication of Portions of Jenna Lane and James Lane by CDC Prescott, LLC.
MOTION BY COUNCILMEMBER RUBY TO ADOPT ORDINANCE NO. 2026-1950 ; SECONDED BY COUNCILMAN GRADY: PASSED (7 - 0)

11. LIQUOR LICENSE

A. Public Hearing and Consideration for a new Series 12 Restaurant Liquor License Application from Lauren K Merrett, Applicant, for Cowboy Kitchen. Location: 106 W Gurley Street.
MOTION BY COUNCILMAN GAMBOGI TO CLOSE THE PUBLIC HEARING; SECONDED BY MAYOR RUSING: PASSED (7 - 0)

MOTION BY COUNCILWOMAN FREDERICKSON TO APPROVE ITEM 11.A.; SECONDED BY COUNCILMAN GRADY: PASSED (7 - 0)

B. Public Hearing and Consideration for a Location/Owner Transfer Series 7 Beer & Wine Bar Liquor License Application from Steven Bruns, Applicant, for Prescott Indoor Golf and Social Club. Location: 3227 Lakeside Village #C.

MOTION BY MAYOR RUSING CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN RUBY: PASSED (7 - 0)

MOTION BY MAYOR RUSING TO APPROVE ITEM 11.B.; SECONDED BY COUNCILMAN RUBY: PASSED (7 - 0)

12. REGULAR AGENDA

A. Public Hearing for the FY2027 Budget, Expenditure Limitation, and Tax Levy; and At a Special Meeting, Adoption of Resolution No. 2026-1985 Approving the Final FY2027 Budget, Expenditure Limitation, Approved Expenditure List, and Adopting the City Authorized Position Roster.

City Clerk Sarah Thornhill provided an overview of the budget adoption process and introduced Finance Director Lars Johnson to provide the presentation.

Mr. Johnson provided a presentation with an overview of the budget process to date and the final total city budget for fiscal year 2027.

Final Total City Budget:
* $311,496,498
    - Operating Budget - $155,940,573
    - Capital Budget - $145,555,925
    - Contingency - $10,000,000

Property Tax:
* FY26 - $2,304,514 (0.2329 per $100 assessed)
* FY27 Proposed - $2,492,987 (0.2374 per $100 assessed)
* Total levy increase is $188,473

Council and staff discussion regarding the significant impacts of the Food Tax cuts on the city and how property tax changes can help offset those impacts.

Mr. Johnson continued with an overview of the resident calculation to provide an example of how much each change will impact citizens based on their property value rates.

Mayor Pro Tem Fruhwirth asked when the last time was that the city has increased the tax levy. She reiterated comments from City Manager Dallin Kimble regarding the impacts of the food tax cuts, there are not a lot of other options to make up for that funding.

Mr. Johnson responded that it was last done in FY24, with the intent to review every three years.

Mayor Pro Tem Fruhwirth asked about the county contribution to the parking garage, and stated that she has heard from business owners who pay $500 per marked spot on the first floor in the garage yet the city only receives $500/year from the County which doesn't seem balanced to her.

Mayor Rusing said this has been caught and will be cleaned up and is based on an old IGA with the County.

Floor was opened for public comment for the public hearing.

Member of the public Ken Fidyk addressed the Council regarding the approximately $188,000 property tax levy. He stated that on the surface, this doesn't seem like a lot of money, but not a lot of people can afford a cup of coffee so it is a lot. The last thing anyone needs is another increase and he challenged the Council not to approve the levy.

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

MOTION BY MAYOR RUSING TO APPROVE THE PROPERTY TAX LEVY BY ROLL CALL VOTE; SECONDED BY COUNCILMAN GRADY: PASSED (6 - 1) COUNCILMAN GAMBOGI DISSENTING

The regular Voting Meeting was recessed at 4:43 p.m.

Mayor Rusing called a Special Meeting to order at 4:44 p.m.

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

Finance Director Lars Johnson provided a presentation to the Council regarding the proposed AEL for FY27. There were requests for several items to be removed from the list for the year by members of the Council and that list has been provided. He added that anything over the amount of $50,000 is required to be approved by the Council, however, the city's procurement code allows the Council to approve via an AEL during the budget process so certain items do not have to come back individually throughout the year.

Mayor Rusing asked about the plan for solid waste fees and addressing the shortfall issues.

Mr. Johnson discussed previous direction from the Council to move forward with the option to do an internal study to get out of the deficit and then set those updated rates to be used while an outside consultant is engaged to do a more in depth study.

Field Operations Manager Brady Higgs also addressed the Council regarding the existing contracts for solid waste services and how those amounts are calculated. He stated that the contract for disposal fees ends in 2030 (with two five-year options) and the solid waste hauling agreement ends in 2027 (two one-year options). All agreements have CPI increases already built into them.

Mr. Johnson continued and stated that the Council can consider the three motion options and provide staff with direction regarding how they would like to approve the AEL which will be part of the Resolution adopting the FY27 Budget.

Mayor Rusing commented that her issues with the AEL were the following: 1) $48 million for the property and evidence facility for Police; 2) $8 million for the gateway park in the Dells, she believes in a light touch on the land; and 3) Solid waste fees.

Mayor Pro Tem Fruhwirth commented that her issues with the AEL were the following: 1) Items that reached a large dollar threshold; 2) Items that should include more public comment or education; 3) Changes in the way the city has been operating within the City Manager department budget; 4) The city court project which she would like to see better managed; 5) Anything associated with the rodeo grounds; and 6) Items related to the downtown parking garage.

Councilman Garing and Councilman Grady asked revisions to the AEL would impact any contracts.

Mr. Johnson responded that removing something from the AEL does not remove the funding for it from the budget, it simply requires that it comes back to the council for approval. So anything that is removed would have to have a contract approved at a future meeting and may delay depending on timing.

MOTION BY MAYOR PRO TEM FRUHWIRTH TO APPROVE THE AEL WITH HIGHLIGHTED REVISIONS EXCLUDING THE FOUR (4) SOLID WASTE ITEMS; SECONDED BY MAYOR RUSING: PASSED (6 - 1) COUNCILMAN GAMBOGI DISSENTING

MOTION BY MAYOR RUSING TO ADOPT RESOLUTION NO. 2026-1985; SECONDED BY COUNCILMAN RUBY: PASSED (7 - 0)

There being no further business to discuss, Mayor Rusing adjourned the Special Meeting and the Regular Voting Meeting of the City Council was reconvened at 5:15 p.m.

B. **<u>CONTINUED ITEM:</u>** Approval of Ballot Language as Revised for Amendments to the Prescott City Charter to be Included on the November 3, 2026 Special Election Ballot.

City Clerk Sarah Thornhill addressed the Council and advised that following the June 9 Voting Meeting staff made requested revisions to proposed ballot language for Charter Amendments, and these revisions are included in the attached proposals, additionally, City Attorney Joseph Young made one further proposed revision to Article VIII, Section 2 which he would address.

Mr. Young added that this revision was made following discussion with Real Estate Administrator Bryan Sparks, to only require these provisions if a property is greater than $100,000. He was informed by staff that this would double the cost of expenses and wouldn't make sense from a financial standpoint for property under $100,000 and Mr. Young stated that he agreed with this assessment.

Mayor Pro Tem Fruhwirth pointed out there are more "shallss in city judge sections which should be changed to "must".

Staff stated that it can make those revisions.

Mayor Rusing asked staff to provide details regarding the argument filing period.

Ms. Thornhill responded that the argument filing period would be opened following Council's action today and the public can expect to see a release with pertinent information on how to file their arguments. The filing period will be open for approximately six weeks.

MOTION BY MAYOR RUSING TO APPROVE ALL REVISED BALLOT LANGUAGE AS PRESENTED, WITH THE CHANGING OF "SHALL" TO "MUST" IN ARTICLE XI, SECTION 4; SECONDED BY COUNCILMEMBER RUBY: PASSED (6 - 1) COUNCILMAN GAMBOGI DISSENTING

C. **LDC26-004:** Adoption of Resolution No. 2026-1993 and Adoption of Ordinance No. 2026-1951 an Amendment to the City of Prescott's Land Development Code (LDC) Article 6, Section 6.8 Hillside Development Standards to Address Applicability for Single-Site Development of Multi-Family & Commercial Projects. Applicant: City of Prescott - Planning & Zoning Division.

Community Planner Jacob Lund provided a presentation to the Council regarding the proposed LDC26-004 related to Hillside Development Standards.

<u>Proposed Revisions:</u>
* LDC 6.8.2 Applicability - "residential land splits and subdivisions" has been the standard to this point
* Changes
  - Proposed residential land splits and subdivisions
  - For commercial or multi-family development on lots that are 2 acres are greater
  - For all areas of the lot or parcel with less than a 20 percent slope, these provisions do not apply
  - Modifications may be made to the Hillside Development Standards in accordance with Section 6.8.7
* Council or Board of Adjustment would have to approve changes, they cannot be done administratively
* LDC Table 6.8.3 as discussed
* Disturbance envelopes based on slope

Councilman Garing commented that there should be a language change related to density transfers, "greater than 20%" not "20% or greater".

Planning & Zoning Commission Recommendations:
* Recommended approval with modifications by a 6-0 vote
* Modifications
    - Consistency and inclusion of greater than signs and language within associated tables, figures and text
    - Labeling of the density transfer bonus table as 6.8.4
    - Changes to LCD 6.8.4.D.2 to read "the minimum driveway width shall be 10 feet. A single driveway that serves more than one residence shall be a minimum of 20 feet in width"
    - Changes to LDC 6.8.5.1 (Hillside Wall Standards) to be labeled as a figure for consistency within the entire section

Mayor Rusing commented on one minor change she would like to see 6.8.7 paragraph 1 "only city council..." in order to ensure that modifications or exemptions are not made administratively. Also, she asked if it is necessary to include the appeal process.

City Attorney Joseph Young stated that it helps with clarity.

Planning Manager Alex Bramlet clarified that there are two separate processes addressed within each section, one is for the Council and one is for the Board of Adjustment.

Councilman Gambogi stated that he would not support a change to the language, stating "only the city council...".

MOTION BY MAYOR RUSING TO ADOPT RESOLUTION NO. 2026-1993 & ORDINANCE NO. 2026-1951 WITH THE AMENDMENT TO ADD "ONLY THE CITY COUNCIL..." TO SECTION 6.8.7 PARAGRAPH 1; SECONDED BY COUNCILMAN GRADY: PASSED (6 - 1) COUNCILMAN GAMBOGI DISSENTING

13. ADJOURNMENT

There being no further business to discuss, Mayor Rusing adjourned the meeting at 5:51 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 June

23, 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