City of Prescott
City Council - Voting Meeting

July 14, 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 3:01 pm

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 provided the announcements.

Mayor Rusing requested a moment of silence to recognize the wildland firefighters who lost their lives on June 27th.

4. INVOCATION - Father Biju with Sacred Heart Roman Catholic Parish

5. PLEDGE OF ALLEGIANCE - Councilman Ruby

6. PRESENTATIONS

A. Presentation to Citizens Academy Graduates
Mayor Pro Tem Fruhwirth presented the graduates their certificates.

7. PROCLAMATIONS

A. 65th Anniversary of the Prescott Sunrise Lions Club
Councilmand Grady presented the Proclamation.

B. 38th Arizona Cowboy Poets Gathering - August 7
Mayor Rusing presented the Proclamation.

8. OPEN CALL TO THE PUBLIC

A. Walter Kosar addressed the Council regarding Willow Lake restoration and use of treated effluent to maintain water level.

9. CONSENT AGENDA

MOTION BY MAYOR RUSING TO APPROVE CONSENT AGENDA ITEMS 9.A. THROUGH 9.E., EXCLUDING 9.D; SECONDED BY MAYOR PRO TEM FRUHWIRTH: PASSED (7 - 0)

A. Approval of Meeting Minutes from the June 23, 2026 Executive Session, the June 23, 2026 Study Session and the June 23, 2026 Voting Meeting.

B. Adoption of Resolution No. 2026-1995 Designating the City of Prescott Chief Fiscal Officer for Fiscal Year 2027.

C. Approval for the Prescott Police Department to Apply for Various Fiscal Year 2027 Grant Funding Opportunities.

D. Approval of Multiple City Contracts for the Tourism Advisory Committee (TAC) Grant Awards Annual Marketing Support for Fiscal Year 2027 Events Run by Local Non-Profits as Follows: 1) City Contract No. 2027-006 for the 14th Annual Hope Fest; 2) City Contract No. 2027-007 for the 38th Arizona Cowboy Poets Gathering; 3) City Contract No. 2027-008 for the 48th Annual Whiskey Row Marathon; 4) City Contract No. 2027-009 for the 53rd Annual Phippen Museum Western Art Show & Sale; 5) City Contract No. 2027-010 for the 20th Annual Corvette Car Show; 6) City Contract No. 2027-011 for the Arizona Philharmonic Season 9; 7) City Contract No. 2027-012 for the Art in the Pines: 7th Annual Prescott Plein Air Festival; 8) City Contract No. 2027-013 for the Festival of Trees; 9) City Contract No. 2027-014 for the Hazeltine Theater Season; 10) City Contract No. 2027-015 for the Journeys in Spirit; 11) City Contract No. 2027-016 for the Mogollon Highlands Festival; 12) City Contract No. 2027-017 for The Nutcracker; 13) City Contract No. 2027-018 for the Prescott Area Artist Studio Tour; 14) City Contract No. 2027-019 for the Prescott Bluegrass Festival; 15) City Contract No. 2027-020 for the Prescott's Doc HolliDaze Weekend; 16) City Contract No. 2027-021 for the Prescott Film Festival; 17) City Contract No. 2027-022 for the Prescott Highland Games & Celtic Faire; 18) City Contract No. 2027-023 for the Prescott Indian Art Market (PIAM); 19) City Contract No. 2027-024 for the Prescott Jazz Summit; 20) City Contract No. 2027-025 for the Prescott Shootout; 21) City Contract No. 2027-026 for the Shakespeare in the Pines; 22) City Contract No. 2027-027 for the Solstice Flute Camp and Concert; 23) City Contract No. 2027-028 for the Watson Lake Car Show; 24) City Contract No. 2027-029 for the WildLights & Animals Sights; 25) City Contract No. 2027-030 for the Yavapai County Fair; 26) City Contract No. 2027-031 for the Yavapai Yuletide Event; 27) City Contract No. 2027-032 for the YES! Explorers Challenge; and 28) City Contract No. 2027-033 for Yuletide Feast and Song. Funding is Available & Budgeted Through Transient Occupancy (Bed) Tax Funds.

*****Councilman Ruby recused himself due to a conflict of interest on this item.*****

Councilwoman Frederickson pulled this item from the Consent Agenda for further details on the contracts.

Tourism Manager Mike Kelly provided an overview of the Tourism Advisory Committee (TAC) and its FY 2027 tourism grant program. He explained that TAC serves in an advisory role to the Mayor and Council on tourism marketing, promotion, programming, and grant recommendations. The city allocated $90,000 in bed tax funding for grants supporting nonprofit special events that promote tourism, generate overnight stays, and create economic impact. He reviewed the grant application timeline, eligibility requirements, funding criteria, and the evaluation process, noting that applications were scored based on economic impact, strategic marketing efforts, and community benefit, with 28 applicants receiving funding recommendations.

Mayor Rusing asked for clarification on the source of the tourism grant funding.

Mr. Kelly explained that the grants are funded through the City's 3% transient lodging (bed) tax collected on hotel stays and noted that the tax previously applied to certain long-term rentals before that provision was removed.

MOTION BY COUNCILWOMAN FREDERICKSON TO APPROVE CONSENT AGENDA ITEM 9.D.; SECONDED BY MAYOR PRO TEM FRUHWIRTH: PASSED (6 - 0) COUNCILMAN RUBY RECUSED.

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

F. Approval of Appointment of Members to the Pedestrian, Bicycle & Traffic Advisory Committee and the Tourism Advisory Committee.

Councilman Gambogi pulled this item from the Consent Agenda for further questions on who was chosen and who chose them.

Mayor Rusing reviewed the names of the two members chosen for the Committees and explained applications were reviewed and selections made by the Council Subcommittee on Appointments.

MOTION BY MAYOR PRO TEM FRUHWIRTH TO APPROVE APPOINTMENTS OF MEMBERS TO THE PBTAC AND TOURISM ADVISORY COMMITTEE; SECONDED BY COUNCILMAN GRADY: PASSED (6 - 1) COUNCILMAN GAMBOGI DISSENTING.

10. CONSENT ORDINANCE

A. Adoption of Ordinance No. 2026-1945 Setting the FY27 City Property Tax Levy.

Councilman Gambogi expressed concerns about the city's overall spending priorities, referencing recent tax and fee increases, infrastructure costs, and open space acquisitions. He stated that he did not support the proposed item, emphasizing that his concerns were directed at Council policy decisions rather than city staff.

Mayor Rusing expressed support for the proposed property tax, citing reductions in City revenues resulting from state legislative changes, including the elimination of the bed tax on certain long-term rentals. He stated that the additional revenue would remain in the community to help fund City services, including libraries and parks and recreation.

Mayor Pro Tem Fruhwirth explained that, after further consideration and feedback from the public, she could no longer support the proposed property tax. While acknowledging the fiscal challenges created by state actions, she expressed concern about the cumulative impact of upcoming fee increases and stated that, in her view, other funding priorities were more urgent at this time.

Councilman Ruby discussed the proposed property tax's impact on property owners, noting that renters would not be directly affected. He compared the estimated increase to other local taxes and stated that he supported the proposal because he believed it would lessen the burden on lower-income residents who do not own property.

Councilwoman Frederickson expressed support for the proposed property tax, stating that inflation has increased the City's operating costs and that the levy is one of the few available revenue sources. She characterized the increase as relatively modest and said it was necessary to help maintain City services despite rising expenses.

Councilman Grady expressed support for the proposed property tax, agreeing with Councilwoman Frederickson's comments. He stated that the increase was modest and represented a prudent approach to addressing the City's rising costs given its limited revenue options.

Councilman Garing expressed support for the proposed property tax, noting that his property taxes decreased significantly after relocating from California to Prescott and indicating that he viewed the proposed increase as reasonable.

Councilman Gambogi spoke in opposition to the proposed property tax, expressing concern that continued tax increases could place a greater financial burden on residents over time. He encouraged the City to prioritize economic growth as a means of increasing revenue rather than relying on higher property taxes.

MOTION BY MAYOR RUSING TO ADOPT CONSENT ORDINANCE ITEM 10A; SECONDED BY COUNCILWOMAN FREDERICKSON: PASSED (5 - 2) MAYOR PRO TEM FRUHWIRTH AND COUNCILMAN GAMBOGI DISSENTING.

11. LIQUOR LICENSE

A. Public Hearing and Consideration for a New Series 12 Restaurant Liquor License Application from Lauren K Merrett, Applicant, for Megh Indian Cuisine. Location: 220 W Goodwin Street Ste 1.

MOTION BY MAYOR RUSING TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN FREDERICKSON. (PASSED 7-0)

MOTION BY MAYOR RUSING TO APPROVE LIQUOR LICENSE APPLICATION NO. 401061 FOR A NEW SERIES 12 RESTAURANT LIQUOR

LICENSE FOR MEGH INDIAN CUISINE. LOCATION: 220 W GOODWIN STREET STE. 1; SECONDED BY COUNCILMAN RUBY. (PASSED 7-0)

B. Public Hearing and Consideration for a New Series 12 Restaurant Liquor License Application from Jesus Manuel Altamirano, Applicant, for Filiberto's Mexican Food. Location: 555 Miller Valley Road.

MOTION BY MAYOR RUSING TO CLOSE THE PUBLIC HEARING; SECONDED BY MAYOR PRO TEM FRUHWIRTH. (PASSED 7-0)

MOTION BY MAYOR RUSING TO APPROVE LIQUOR LICENSE APPLICATION NO. 397301 FOR A NEW SERIES 12 RESTAURANT LIQUOR LICENSE FOR FILIBERTO'S MEXICAN FOOD. LOCATION: 555 MILLER VALLEY ROAD; SECONDED BY COUNCILMAN GRADY. (PASSED 7-0)

12. REGULAR AGENDA

A. Public Hearing & Discussion and Possible Action Regarding the Opening of a Public Comment Period in Accordance with Resolution No. 2023-1862 or Adoption of an Amendment to Resolution No. 2023-1862 & Revised Public Comment Period and Process Related to the Adoption of the Rodeo Master Plan.

City Manager Dallin Kimble introduced the topic and explained that the Rodeo Fairgrounds planning process has shifted from the sequence outlined in Resolution No. 2023-1862, with the master plan now being completed before zoning and leases. He recommended amending the resolution to reflect the revised process, including a 45-day public comment period beginning August 5, along with an open house and public hearing, before Council considers the master plan on October 13. He noted these changes would allow the public to review and comment on the final draft while ensuring compliance with the amended resolution.

Mayor Rusing commented that an amendment to the date makes sense.

Councilman Ruby supported the revised public comment process and emphasized that public input on the draft master plan should be meaningful and considered before Council takes final action. He also expressed concern that describing the draft as "final" could suggest the plan is no longer subject to change.

Councilman Gambogi expressed support for beginning the 45-day public comment period on August 5 with the final draft of the master plan. He encouraged the community to work toward resolving ongoing disagreements regarding the Rodeo Fairgrounds so the City could move forward.

Member of the public Sundrop Carter addressed the Council urging them to ensure transparency and public input regarding the use of the $15 million in state funding for Rodeo Fairgrounds improvements, emphasizing that the funds are taxpayer dollars and should benefit the broader community.

Member of the public Kym Lopez addressed the Council and requested that

Council postpone action on the proposed statue until the design could be reviewed by their organization and insurance carrier to ensure it would be covered under the existing insurance policy.

Member of the public Rosalee Darby addressed the Council and expressed support for the 45-day public comment period and encouraged preserving the heritage and historic purpose of the Rodeo Fairgrounds throughout the planning process.

MOTION BY COUNCILMAN GAMBOGI TO ADOPT AN AMENDMENT TO RESOLUTION NO. 2023-1862 AND UPDATING THE PUBLIC COMMENT PERIOD FROM 60-DAYS TO 45-DAYS BEGINNING AUGUST 5, 2026; SECOND BY MAYOR PRO TEM FRUHWIRTH. (PASSED 7-0)

B. Presentation, Discussion & Possible Approval of the Revised Design and Purchase Order for Installation of the Horse Statute at the Prescott Rodeo Grounds.

Mayor Rusing commented on the significance of the Centennial Cowboy Horse Statue, noting its historical connection to the Rodeo and its previous location at Old City Hall. She expressed support for relocating the statue to the Rodeo Fairgrounds, stating the proposed location would better showcase the artwork and provide greater visibility. She recommended incorporating lighting to enhance visibility during nighttime Rodeo events and suggested a drip irrigation system to help establish and maintain the surrounding landscaping.

Deputy Recreation Services Director Tim Legler presented the proposed relocation and installation plan for the statue from Old City Hall to the Rodeo Fairgrounds. The design was developed in coordination with Rodeo representatives and includes features to discourage climbing, improve safety by setting the statue back from the roadway with protective boulders, and provide solar lighting. He explained that newly installed landscaping would be irrigated using a temporary water tank until established. The concept was reviewed with Rodeo management, revised based on feedback, and solicited for bids from local landscaping contractors, with three responsive proposals received.

Mayor Pro Tem Fruhwirth expressed support for the revised statue design, stating she preferred it over the previous concept. She asked about the proposed “World’s Oldest Rodeo” lettering shown in the rendering and whether it was included in the bids.

Mr. Legler clarified it would be metal lettering and added as a separate element from the landscaping contract.

Councilman Grady asked why a separate landscaping bid was solicited when a previous contract with Ridgeline Builders included landscape materials and installation.

Mr. Legler clarified that the original Ridgeline Builders contract included funding for both the bleachers, sound system and the statue installation. After the initial statue design was rejected and a new design was developed, the statue installation portion was removed from Ridgeline's contract through an amendment, resulting in the need for a separate landscaping proposal and contract.

Councilman Garing asked about the statue's proposed location and clarified that it would be along Rodeo Drive rather than the main entrance. Discussion followed regarding future consideration of traffic patterns and whether Rodeo Drive should be evaluated as a primary entrance to the Rodeo Grounds.

Mayor Pro Fruhwirth commented she preferred the R.E. & Sons bid due to the design and level of detail provided. She highlighted the detailed specifications regarding plant sizes, wall dimensions, and project elements, stating that the additional cost was justified by the clarity of the proposal. She encouraged Council to review all bid options and expressed support for creating a visually appealing, western-themed entrance feature that reflects Prescott's heritage as the World's Oldest Rodeo.

Mayor Rusing agreed.

Councilwoman Frederickson asked for clarification on the prior bid and questioned whether the original amount included additional work beyond what was included in the current landscaping proposals, noting the difference between the original budgeted amount and the current bid amounts.

Mr. Legler clarified that the project had a different scope previously and that contract was amended.

Councilman Ruby asked for clarification regarding ownership of the statue and questioned why the Rodeo would be responsible for insurance coverage if the statue was located on city property.

Mayor Rusing clarified that the statue is owned by Prescott Frontier Days/Rodeo, not the city, and that while it was previously located at Old City Hall, ownership remained with the Rodeo.

Councilman Garing asked about the traffic study timeline and statue location.

Public Works Director Gwen Rowitsch provided an update regarding the potential realignment of the Rodeo Drive entrance as part of the Miller Valley Road sidewalk project. She explained that the City is evaluating options to create a more direct intersection with Miller Valley Road and improve access for larger vehicles, including semis entering the Rodeo Grounds. She noted that the review is ongoing and includes challenges related to topography, property ownership, and overhead utilities. A final solution has not yet been identified.

Mr. Kimble added that the statue's location has been reviewed as part of the Rodeo Grounds master planning process and has remained consistent through each design iteration. He expressed confidence that the proposed location will continue through the final master plan drafts.

Council discussion and review of bid submissions.

MOTION BY MAYOR PRO TEM FRUHWIRTH TO APPROVE RODEO STATUE PURCHASE ORDER WITH R.E. & SONS LANDSCAPING IN THE AMOUNT OF $77,111.13; SECONDED BY MAYOR RUSING: PASSED (6 - 1) COUNCILMAN GAMBOGI DISSENTING.

C. Approval of Multiple City Contracts with CORE Construction, Inc. for Construction Manager at Risk (CMAR) Pre-Construction Services for Multiple Fire Station Projects as Follows: 1) City Contract No. 2027-002 for Fire Station 76; 2) City Contract No. 2027-003 for Fire Station 73; and 3) City Contract No. 2027-004 for Fire Station 72. Funding in the Total Amount of $352,743.00 for all Three Contracts is Budgeted & Available Through Public Safety Tax Initiative Funding.

Capital Program Manager Tim Sherwood presented the proposed CMAR contracts for three fire station projects.

Mayor Rusing thanked staff for the work completed on the fire station projects but expressed concern that the item contained significant information and would have benefited from a study session discussion beforehand. She requested additional clarity regarding projected project costs and noted the importance of fiscal responsibility. She also questioned why architectural and engineering design services were being contracted separately rather than included in the CMAR contract.

Public Works Director Gwen Rowitsch clarified that the CMAR contract is for construction management services during the design phase, including value engineering, constructibility review, and cost estimating as the project progresses. She explained that the projects are currently in the early design phase and the CMAR will assist the architect and engineers in developing plans that are cost-effective and ready for construction. The initial guaranteed maximum price is only for pre-construction services and does not include construction costs. Architectural and engineering services are separate contracts because those professionals are responsible for design work, while the CMAR provides construction expertise and guidance.

Mayor Rusing discussed the Police Department’s future needs, including a property and evidence center and police substation. She suggested evaluating whether a police substation could be co-located with one of the planned fire stations to reduce costs, noting the significant site development expenses associated with the current Prescott Lakes Parkway property. She recommended that the design team consider potential co-location opportunities, including near the Phippen Roundabout or other proposed fire station locations.

Ms. Rowitsch responded that while co-locating a police substation with a fire station could have been considered earlier in the process, the current fire station sites are not large enough to accommodate both facilities. She noted that significant progress has already been made on the current fire station projects, including land acquisition and design work, and changing direction at this stage would create delays. She added that the Prescott Lakes Parkway property includes additional acreage that the city has first right of refusal to purchase if future expansion is needed.

Councilman Grady asked when the city would receive the first project cost estimates to compare against the costs presented to voters as part of the Proposition 478 public safety tax initiative.

Ms. Rowitsch explained that the CMAR will provide cost estimates throughout the design process, with the first detailed estimate expected at approximately the 30% design phase. The CMAR scope includes multiple cost estimates as the project advances, allowing the City to evaluate costs, identify potential savings, and compare projected expenses with the amounts presented during the Proposition 478 public safety tax initiative.

Mayor Pro Tem Fruhwirth asked for an update on the potential annexation of the property purchased for the Phippen location fire station, noting that Council had previously discussed annexing the property when approving the land purchase. She also requested an update on the potential annexation of the nearby trailhead property, which is adjacent to city-owned land.

City Attorney Joseph Young responded providing an update on the potential annexation of the Phippen fire station property and adjacent city-owned trailhead property. He explained that previous annexation requirements would have required including neighboring properties; however, recently approved state legislation will allow city-owned properties to be annexed without including adjacent parcels once the updated statutes take effect. He anticipated the annexation process would have minimal costs, primarily related to any necessary surveying, and noted the city could waive its own fees.

Mayor Pro Tem Fruhwirth raised public concerns regarding potential flooding at the Sundog Ranch Road fire station site and asked staff about planned measures to address drainage and flood mitigation.

Ms. Rowitsch addressed drainage concerns at the Sundog Ranch Road station site, explaining that an existing major drainage channel through the property will be incorporated into the design. The current plan is to create an earthen channel to direct water flow rather than allowing it to sheet across the site. Staff noted that drainage improvements will consider pre- and post-development flows to ensure water continues to leave the site at historical rates. Flood control district funding may be used to help offset related costs, and staff will continue refining the design as the project progresses.

Fire Chief Holger Durre provided background on the selection of the Sundog Ranch Road site, noting that evaluations were conducted over several years through public discussions and multiple locations were considered. The site was selected based on response time goals, including achieving an 8-minute 90th percentile total response time, and other factors such as location constraints and feasibility. He also noted coordination with Recreation Services regarding the nearby trailhead, including plans to relocate the trailhead before construction begins to avoid disruption. Proposed improvements include relocating parking closer to the trailhead, with parking capacity expected to remain the same or improve.

Councilman Gambogi explained that approximately seven to eight potential sites were evaluated before selecting the proposed fire station locations. The analysis included computer modeling and simulations focused primarily on improving emergency response times and meeting public safety goals. He emphasized that the site selection process was extensive and centered on saving lives through improved response capabilities.

Member of the public Joanne Oellers commented that, as a representative of Save the Dells, she feels the public involvement has been less than desired.

Member of the public Walt Anderson commented that he has a lot of concern with station 76 and there has not been sufficient public participation in site selection. He has been part of the effort for the Willow Lake Management plan and feels that has been a good process.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CITY CONTRACT NO. 2027-002, 2027-003 AND 2027-004; SECONDED BY COUNCILMAN GRADY: PASSED (7 - 0)

D. Approval of City Contract No. 2027-005 with Willmeng Construction for Construction Manager at Risk (CMAR) Pre-Construction Services for the Police Substation & Property/Evidence Project in the Amount of $534,042.00. Funding is Budgeted & Available Through Public Safety Tax Initiative Funding.

Capital Program Manager Tim Sherwood provided an overview of the proposed CMAR contract for the Police Substation & Property/Evidence Facility. He explained that seven sites were evaluated before selecting the Prescott Lakes Parkway location based on police response times, proximity to the Yavapai County Justice Facility, and the site's ability to meet current and future operational needs. Following a qualifications-based selection process, Willmeng Construction was recommended for pre-construction services under a $534,042 contract.

Mayor Rusing expressed support for constructing a new police substation and property and evidence facility but questioned the proposed combined project at the Prescott Lakes Parkway site due to the estimated $8 million in site excavation and retaining wall costs. She suggested separating the police substation from the property and evidence facility, stating the latter could be located on flatter City-owned property to reduce costs. She encouraged staff to explore more cost-effective alternatives, citing examples from other municipalities, and suggested the current property could potentially be repurposed for other development.

Councilman Gambogi expressed support for the proposed Prescott Lakes Parkway location, noting its proximity to the courts and detention facility would provide operational benefits. He also emphasized confidence in staff's recommendation and questioned whether relocating the facility would result in comparable site development costs, asking staff about the potential excavation costs at an alternative City-owned site.

Mr. Sherwood responded that an alternative city-owned site would likely not provide significant cost savings due to similar grading and drainage challenges. He noted that early site preparation estimates are refined as design progresses, explaining that the preliminary retaining wall estimate had already been reduced from approximately $8 million to $4.5 million at the 30% design stage. Mr. Sherwood added that the CMAR process is intended to identify additional cost-saving opportunities as the project advances.

Mayor Rusing suggested evaluating additional alternatives for the police facilities, including locating the police substation on City-owned property near the Adult Center and relocating the property and evidence facility to flatter City-owned land near the airport. She stated that additional options analysis was warranted given the project's estimated cost and questioned whether the two facilities needed to be co-located.

Deputy Police Chief Jon Brambila explained that the proposed police substation and property and evidence facility is a long-term investment driven by the Police Department's current and future operational needs. He stated that staff evaluated multiple locations, including co-location options with fire stations, before selecting the Prescott Lakes Parkway site based on response times, operational efficiencies, proximity to the jail, justice facilities, police range, and other public safety partners. He emphasized that consolidating patrol, traffic, animal control, K-9, and property and evidence operations at one location would improve efficiency, while the existing downtown station would continue serving administrative, records, detective, and community service functions. He noted the department has outgrown its current facilities, existing evidence storage is inadequate, and the selected site provides room for future expansion. While acknowledging the site's construction challenges, he stated that the design process is still in its early stages and will continue to identify cost-saving opportunities.

Councilman Ruby asked whether project costs were considered during the Police Department's assessment of facility needs and site selection, and how cost factored into the planning process.

Deputy Chief Brambila confirmed that cost has been a significant consideration throughout the planning process. He noted that staff has focused on value engineering to reduce costs, while recognizing that construction costs have risen substantially in recent years. He added that the project team conducted extensive research, including touring comparable facilities and attending public safety design conferences, to balance operational needs with budget constraints.

Councilwoman Frederickson expressed support for the proposed police facility site, citing its compatibility with surrounding uses, proximity to public safety and justice facilities, and operational efficiencies. She acknowledged the site's topographic challenges but expressed confidence that the CMAR process would help identify value engineering opportunities to reduce costs. She also noted that the agenda item was focused on approving the CMAR contract rather than reconsidering site selection.

Mayor Pro Tem Fruhwirth stated that staff's explanations and the reduction in estimated earthwork costs increased her comfort with the proposed project. She encouraged staff to consider co-locating a future northern police substation with a future fire station where feasible to improve efficiency and maximize taxpayer resources.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CITY CONTRACT NO. 2027-005; SECONDED BY MAYOR PRO TEM FRUHWIRTH: PASSED (7 - 0)

E. Adoption of Resolution No. 2026-1996 and Ordinance No. 2026-1952, Authorizing Updates to Prescott City Code Section 2-1-8 Utilities Division; Provision of Water to Areas Outside the City Limits; Rules and Regulations.

Community Development Director Chelsea Walton presented a proposed code revision regarding City water service to properties outside city limits. She explained that the current code allows service to a single-family residence outside city limits only if the property is connected to both City water and sewer systems. Staff received numerous requests from properties adjacent to City water lines that could not feasibly connect to the sewer. Following direction from the Water Issues Subcommittee and City Council, staff prepared a code amendment and resolution identifying 53 specific eligible parcels that would be allowed to connect to City water service.

Mayor Rusing thanked staff for their work addressing the issue of water service for certain properties outside city limits. She noted that many of the affected parcels are older lots where records and documentation were incomplete, but existing infrastructure indicated an intent for City water service. She supported the proposed limited, one-time solution identifying eligible parcels and clarified that it would not establish a broader precedent.

City Attorney Joseph Young clarified that the proposed code revision does not change the intent of the 2022 Water Policy requirement for sewer connections, but provides a limited solution for 53 specific parcels where there was evidence of prior intent for city water service. He explained that the ordinance includes safeguards to prevent expansion beyond the identified properties, including a defined parcel list and review criteria. Additional provisions require abandonment of existing wells and prohibit turf grass installation for water conservation purposes. He also noted that an in-lieu fee for properties receiving city water without sewer service was considered but was not appropriate for this limited action.

Councilman Gambogi thanked staff and the City Attorney, stating that the proposed solution was a rational approach that addressed the issue for the identified properties. He expressed support for moving forward with the item.

Councilman Ruby emphasized the importance of maintaining the city's policy requiring sewer connections for new development to support wastewater recharge. However, he noted that the limited number of properties involved and the minimal potential impact on water resources made the proposed solution a practical and financially responsible approach. He expressed support for assisting the affected property owners while maintaining the city's broader water management principles.

Member of the public Arthur Klein addressed the Council and expressed support for the proposed water service solution, noting that some undeveloped lots would have little value without access to city water service. He thanked the Council for considering the matter.

MOTION BY COUNCILMAN GAMBOGI TO ADOPT RESOLUTION NO. 2026-1996 & ORDINANCE NO. 2026-1952; SECONDED BY MAYOR RUSING: PASSED (7 - 0)

13. ADJOURNMENT

There being no further business to discuss, Mayor Rusing adjourned the meeting at 6:11 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 July 14, 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