CITY OF PRESCOTT
Everybody's Hometown

AGENDA

PRESCOTT CITY COUNCIL
WORKSHOP
Tuesday, August 6, 2013
3:00 PM

Prescott Council Chambers
201 South Cortez
Prescott, Arizona
(928) 777-1100

The following Agenda will be considered by the Prescott City Council at its **Workshop** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

- ♦ **CALL TO ORDER**
- ♦ **INVOCATION**
- ♦ **PLEDGE OF ALLEGIANCE** Councilman Scamardo
- ♦ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall
Councilman Arnold
Councilman Blair
Councilman Carlow
Councilman Kuknyo
Councilman Lamerson
Councilman Scamardo

- ♦ **PROCLAMATIONS**

"Drowning Impact Awareness Month" – August 2013

I. PRESENTATIONS

Any individual or group wishing to make a presentation must submit a request form available from the City Clerk. In accordance with procedural rules of the Council, placement of a presentation on a meeting agenda requires the approval of the Mayor or two Council members.

A. Prescott Chamber of Commerce - Introduction of New Businesses

B. Todd Sadow – Economic impact from the 2013 Whiskey Off-Road events

C. Update on Sesquicentennial Plans by Neil Thomas, Chair of the Sesquicentennial Planning Committee

D. "Presentation of National Sister City Award", by State Sister City President Bob Greninger

II. OTHER CITY PRESENTATIONS AND DISCUSSION ITEMS

A. Sidewalk Preservation and Replacement Program

B. Council meeting types and monthly schedule

C. Public Safety funding

III. REPORTS

A. Board/Commission Liaison Reports

B. Legislative Update

IV. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

(i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
(ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
(iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
(iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
(v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
(vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);
(vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed $500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _______________at _______________m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

____

Lynn Mulhall, City Clerk

CITY OF PRESCOTT

Sidewalk Preservation and Replacement Program

August 6, 2013

Public Works Department

Presentation Topics

- City Code Amendment / FY 14 Budget
- Sidewalk Program Approach
- Limits of Initial Downtown Sidewalk Focus Area
- Sidewalk Conditions and Ratings
- Observed Conditions Quantified – Area Map
- Scope of Initial Project / Cost Estimate
- Project Schedule
- Questions

City Code Amendment / FY 14 Budget

In March, 2013, City Council adopted an amendment to City Code Title VIII, Chapter 8-1, Section 8-1-2.

The code change gives the City discretion to replace or rebuild sidewalks subject to the availability of funds in any given year.

The adopted FY 2014 Budget includes an allocation of $200,000 for sidewalk repairs and replacement.

Sidewalk Program Approach

- Initial Focus - High Use Areas - Downtown Outward
- Worst First - Replace Failed Deteriorated Sidewalks
- Eliminate Vertical Irregularities - Reduce Trip Hazards
- Improve Accessibility - Install ADA Compliant Ramps
- Minimize Impact - Prioritize Preservation of Trees

Limits of Initial Downtown Sidewalk Focus Area

- North - Sheldon Street
- East - Mount Vernon Avenue
- South - Leroux Street
- West - McCormick Street

Sidewalk Conditions and Ratings

A sidewalk rating (SWR) scale was developed from 1 through 5 and assigned to sidewalk segments based on the observed condition of deterioration.

SWR 1 - Example

sidewalk has failed and requires replacement

SWR 2 - Example

sidewalk has significant deterioration and requires replacement

SWR 3 - Example

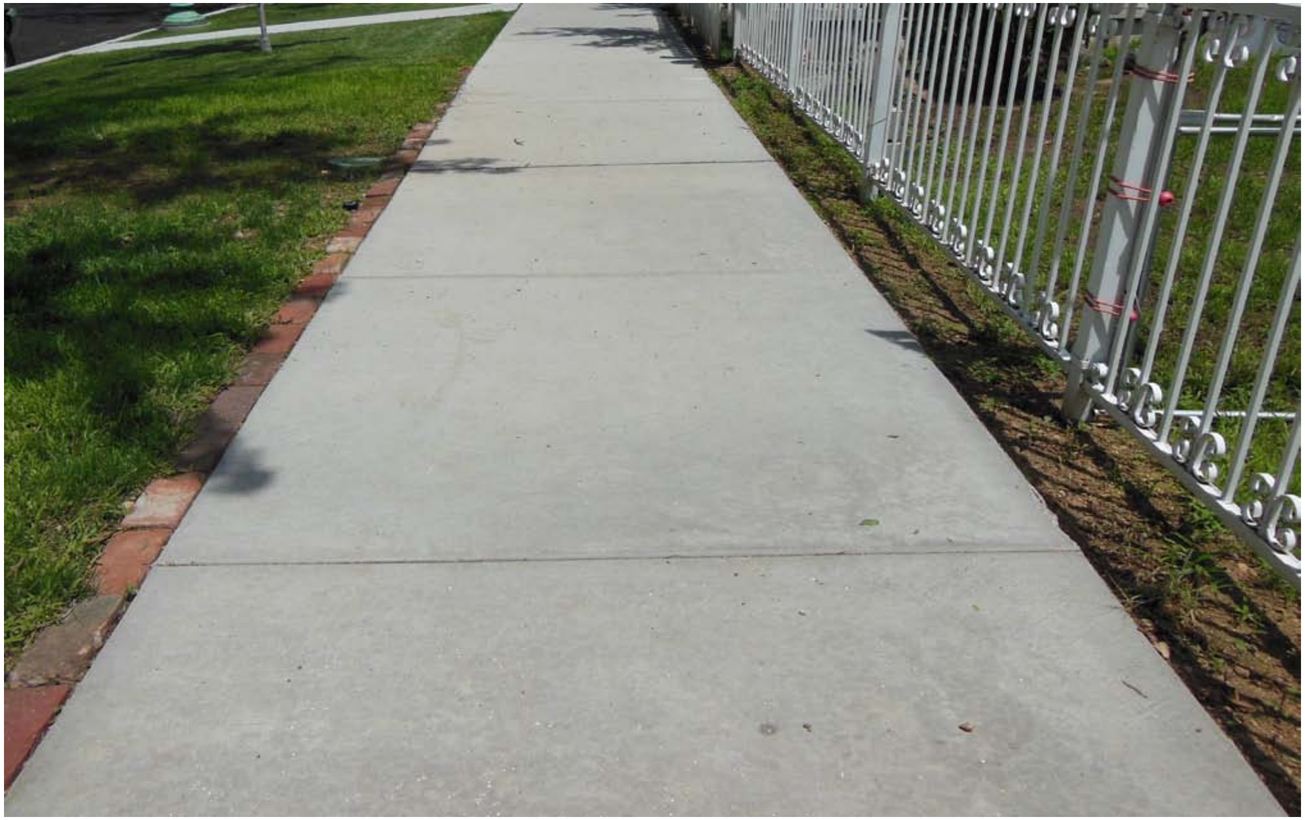
sidewalk is deteriorated requiring select panel replacement

SWR 4 - Example

sidewalk is in good condition but with vertical surface irregularities
grinding or precision cutting is required

SWR 5 - Example

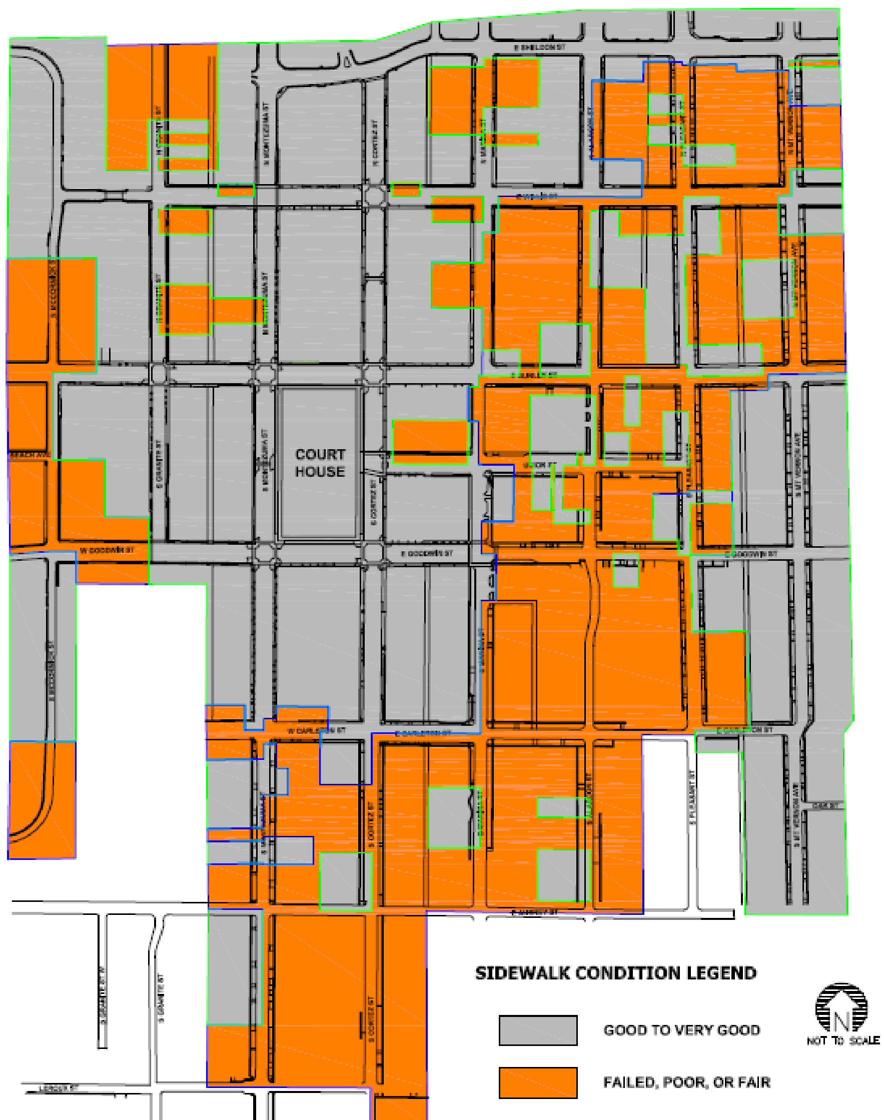
sidewalk is like new



Observed Conditions for Initial Downtown Sidewalk Focus Area

Quantification of Sidewalk Conditions June, 2013			
Standard Rating Scale - SWR		Linear Feet	% of Area Evaluated
SWR 1	Failed	2,101	3%
SWR 2	Poor	4,083	7%
SWR 3	Fair	18,407	30%
SWR 4	Good	24,822	41%
SWR 5	Very Good	11,875	19%
Totals		61,288	100%

FY 2014 DOWNTOWN SIDEWALK CONDITION ASSESSMENT



Sidewalk along Carleton Street

Scope of Initial Sidewalk Project

• Total Area	22,000 SF
• Total Length	4,200 LF
• ADA Compliant Handicap Ramps	8 Ea
• Grinding / Precision Cutting Locations	35 Ea
• Construction Estimate	$ 185,000

- The project will replace most failed sidewalk and a great amount of significantly deteriorated sidewalk in the downtown area.

Project Schedule

• Advertise for Bids	August 11, 2013
• Bid Opening	August 29, 2013
• Contract Award	September 10 or 24, 2013
• Construction Duration	45 calendar days

Questions ?

Public Safety

Police and Fire Programs, Models, and Funding

August 6, 2013

Purposes of Today's Discussion

- To frame the subject of public safety programs, models and funding, including the Wildland Division of the Fire Department
- To set forth and confirm some important assumptions and understandings
- To identify information necessary for addressing the policy issues
- To confirm the approach and timeframe which will lead to sound policy determinations

Topics

- Wildland Division of the Prescott Fire Department

  Going forward to rebuild wildland management and firefighting capabilities

- Funding to assure adequacy of public safety services

  Police, fire suppression, emergency medical, wildland

- Preserving community amenities, programs, and services other than public safety – are these really "non-essential"?

  The importance of Prescott's quality of life to its economy; halting erosion of non-public safety programs and services in direct competition for funding

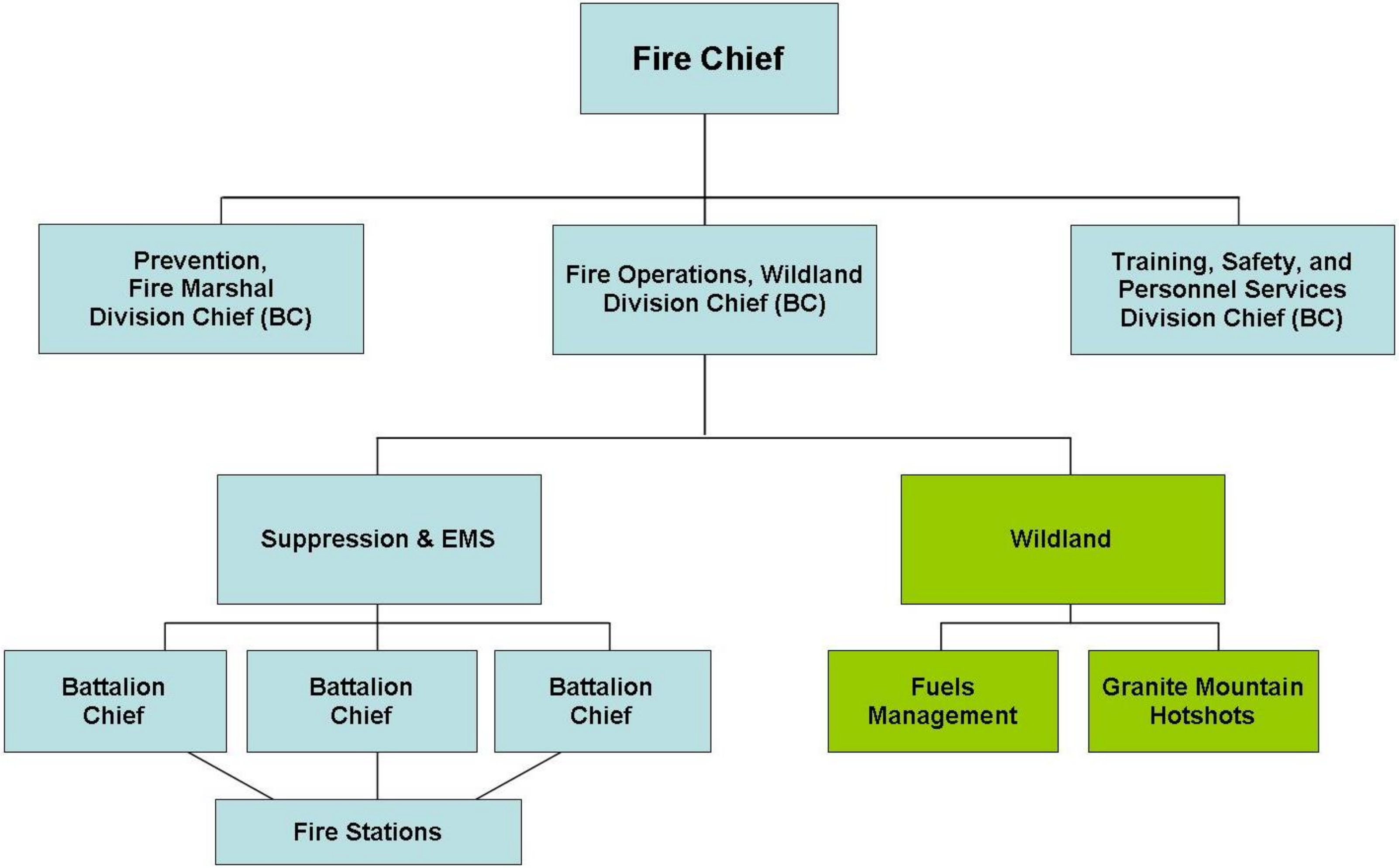
Wildland Division
of the
Prescott Fire Department

All of us have been emotionally affected by the loss of the Granite Mountain Hotshots.

Our challenge is to be able to stand back and objectively address rebuilding of the Wildland Fire Division and its programs.

Prescott Fire Department

Organization Chart

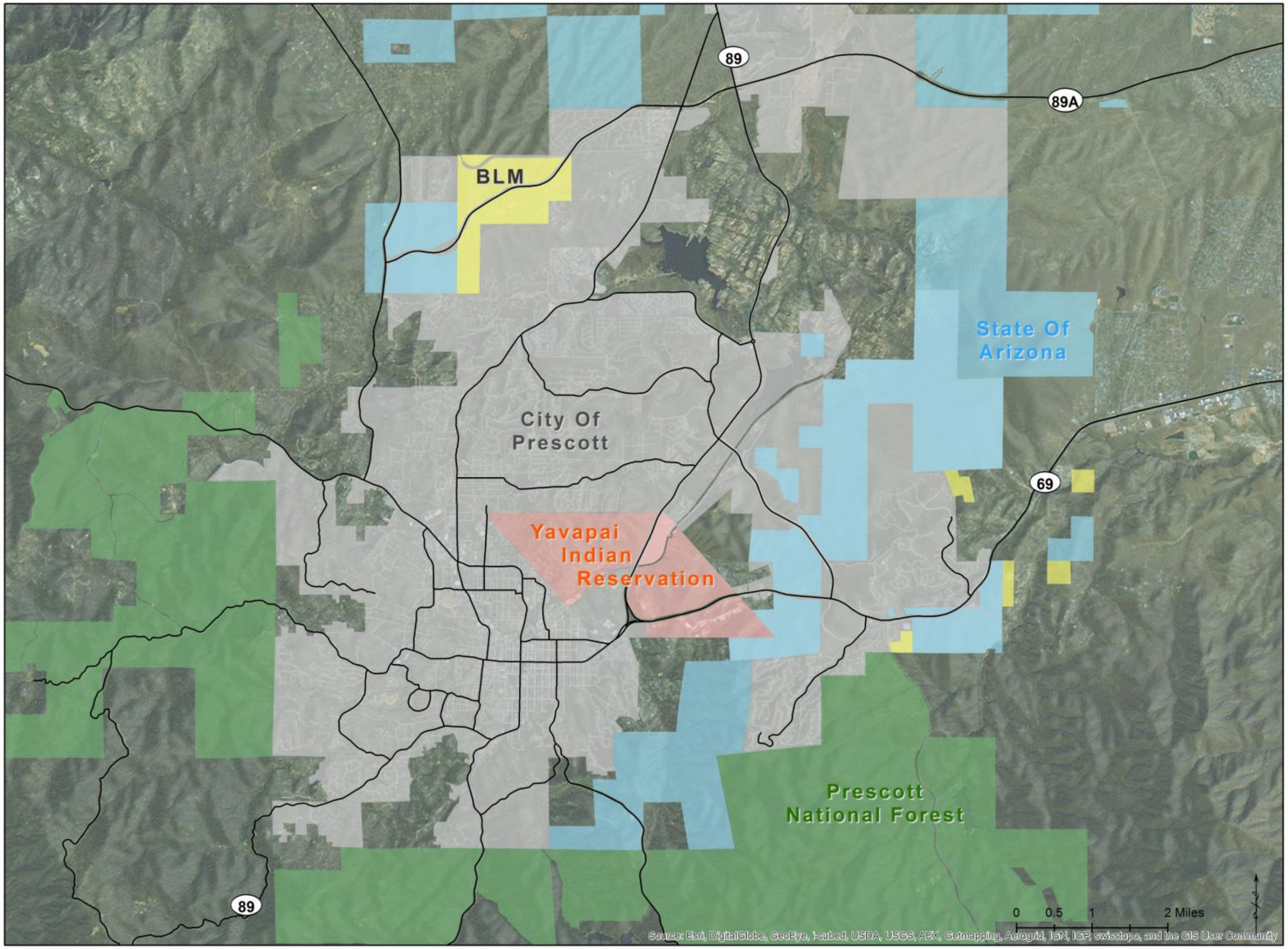


Prescott Needs a Wildland Division

Validating the type and how to rebuild it are the questions

- Exposure of the City to wildland fire hazard
  - *Geography, climate, forest*
  - *Adjacent public lands outside the City*
  - *Privately owned lands inside the City*
- The basis for City policy to actively address the wildland fire hazard
  - *Protection of our community*
  - *Fuel management and defensible space*
  - *Wildland firefighting capability*
- Confirming, adopting, and implementing policy
  - *Defining outcomes*
  - *Providing funding*
  - *Achieving the outcomes*

Exposure of Prescott to Wildland Fire Hazard



Wildland Division – History and Background

- The Granite Mountain Hotshots grew out of a need for wildland-urban interface fire prevention and public education on defensible space. From 1991-2000 the Prescott Fire Department (PFD) and Prescott National Forest (PNF) worked together on prescribed burns and fuels mitigation around the community.

- In 2001 PFD was awarded a State Fire Assistance Grant to begin defensible space treatment on private property. [The grant-funded field team became a crew (but not yet hotshots) in 2002.]

- Also in 2001 a community-wide vegetation management plan was completed by Hunt Research, identifying wildland hazards and how to address them.

- In 2002 the Indian Fire threatened the City; disaster was averted due to fuel reduction treatments and successful interagency cooperation.

- Subsequently, Prescott became the first city to adopt a Wildland-Urban Interface Code to reduce risk to life and structures from wildland fires.

Wildland Division – History and Background
(cont'd)

- ❑ The crew established in 2002 became a 20-person Type II Initial Attack hand crew in 2004, completing risk assessments, creating defensible space, and fighting wildland fires.
- ❑ In 2008 the Granite Mountain Hotshots were certified as an Interagency Hotshot Crew (IHC), the first and to date only municipal crew in the U.S. There are 110 IHCs nationally. They are the elite of wildland firefighting units, responding to incidents across the country.
- ❑ A typical annual work program for the Hotshots consisted of assessing up to thousands of properties for risk, fuel reduction treatment of hundreds of acres, and deployed 3-4 months to fire assignments.
- ❑ The adopted Wildland Division budget for the current fiscal year (FY 14) is $2,074,303. Although this is 6.8 % of the General Fund Operating Budget, the expense has been largely offset by external revenue.
- ❑ 19 of the 20-man Granite Mountain Hotshots were lost on June 30, 2013, while working under Incident Command on the Yarnell Hill Fire.

Types of Wildland Firefighting Crews

❑ Type I Interagency Hotshot Crew (IHC) – the Granite Mountain Hotshots were this type
Type I (includes CALFIRE inmate crews in California)
Type 2 - Initial Attack
Type 2 (includes Department of Corrections crews in Arizona)

❑ Type 1 crews have a continuing annual presence under permanent leadership

❑ The National Wildfire Coordinating Group sets standards for crews; Type 1 crews have more saws, more rigorous physical requirements and certifications; other standards relate to productivity (length of fire line which can be constructed in an hour in various types of vegetative cover, etc.)

❑ Depending upon qualifications and skill levels, crews may be divided into squads of 4-5 firefighters

❑ Type 1 IHC crews draw specialized assignments reflecting their higher levels of experience, training, and equipment, and are deployed nationwide

❑ **<u>All public agency crews rely upon a mix of permanent and temporary personnel</u>**

❑ **<u>Given standard reimbursement rates, Wildland firefighting crews must be cost-competitive to recover the expense of deployment to off-district fires</u>**

Given the Severity of Fire Hazard, the Following <u>Policy</u> Objectives/Assumptions are Recommended for Rebuilding the Wildland Division

- ❑ Prescott needs to do its part – wildland fires are of regional concern
- ❑ An active wildland fuels reduction program
  - Completion of current grant (400 acres target area to be treated); 3 temporary positions are being restored for this work
  - Future grants
- ❑ A wildland firefighting capability directly benefiting City residents and their property
- ❑ Effective relationships/relationships with federal, state, County agencies as they relate to prudently managing publicly owned property adjacent to/within the City
- ❑ Sufficient, assured funding to support City wildland efforts (local and grants)

Loss of the Granite Mountain Hotshots will Financially Impact the General Fund (not just the Fire Department) in Fiscal Year 2014 and Subsequent Fiscal Years

- ☐ Costs directly related to the emergency declaration
- ☐ Loss of revenue
- ☐ Continuing, nonreimbursed expenses
- ☐ Additional Public Safety Personnel Retirement System (PSPRS) costs?
- ☐ Investment required to rebuild Wildland Program capabilities

When these costs are in and/or can be estimated, a financial analysis will be a necessary input to deciding how to move forward with rebuilding.

Recap: Charting and Confirming the Course to Rebuild the Wildland Division

- ❑ Confirm outcome(s) desired for the Wildland Program
  - Fuel reduction
  - Wildland firefighting
  - Other (education, etc.)
- ❑ Identify and assess alternatives *- subsequent meeting(s)*
  - Most effective and efficient service delivery
  - Risk management/liability
  - Manpower
  - Revenue and expenses (with FY 13 full-year information); net cost/benefit to City residents
  - Time required to implement
- ❑ Select alternative(s) to achieve the outcome(s)
- ❑ Determine implementation steps and schedule
- ❑ Proceed with implementation

Funding to Assure Adequacy
of
Public Safety Services – Police and Fire

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Goals

- Preserve Prescott's superior quality of life
  - Safety of our community; security of our citizens
  - Importance of quality of life to the City economy
  - A thriving community is built on "essential" core services, and enhanced with "non-essential" amenities and programs
- Recognize important linkages between "essential and "non-essential" programs: for example, provision of community services (e.g., recreation and library) is correlated to lower youth crime rates
- Halt and reverse erosion of non-public safety programs and services in direct competition for General Fund resources
- Assure long term City financial health which will assure an appropriate balance of "essential" and "nonessential" programs and amenities

Total City Budget

	FY2013 Budget	FY2014 Budget	% Change
Revenues			
General Fund	$ 29,691,997	$ 31,127,384	4.8%
Streets	16,550,179	18,517,205	11.9%
Impact Fees	367,178	439,909	19.8%
Transient Lodging	559,184	601,500	7.6%
Grants	4,280,572	5,276,163	23.3%
Expendable Trust Funds	10,000	6,000	-40.0%
Debt Service (GO/Spec. Asses.)	2,977,610	576,734	-80.6%
Water	16,093,795	18,155,875	12.8%
Wastewater	9,840,700	10,598,000	7.7%
Solid Waste/Transfer Station	8,294,520	6,361,520	-23.3%
Airport	8,936,636	3,162,259	-64.6%
Golf Course	2,895,740	2,709,500	-6.4%
Internal Service Funds	6,935,661	6,112,913	-11.9%
Total Revenues	107,433,772	103,644,962	-3.5%
Debt Proceeds			
WIFA Loans	30,369,451	24,151,180	-20.5%
Debt Refunding	-	11,000,000	
Total Debt Issues	30,369,451	35,151,180	15.7%
Total Revenues and Debt Proceeds	137,803,223	138,796,142	0.7%
Total Expenditures	160,059,296	173,111,928	8.2%
Net Change in Fund Balance	(22,256,073)	(34,315,786)	
Fund Balance - Beginning	68,873,413	91,289,768	
Fund Balance - Ending	$ 46,617,340	$ 56,973,982	

General Fund Revenues

	FY 2013 Budget	FY 2014 Budget	% Chg Budget	% of Total
Local Taxes				
Sales/Use Tax	$12,625,000	$13,520,000	7.1%	43.4%
Primary Property Tax	1,095,856	1,518,465	38.6%	4.9%
Franchise Taxes	1,719,092	1,658,979	-3.5%	5.3%
Total Local Taxes	15,439,948	16,697,444	8.1%	53.6%
Intergovernmental Revenues				
State Sales Tax	3,331,681	3,442,737	3.3%	11.1%
State Income Tax	4,069,508	4,445,081	9.2%	14.3%
State Vehicle License Tax	2,070,382	2,073,120	0.1%	6.7%
Joint Dispatch	1,226,681	1,215,787	-0.9%	3.9%
Library	582,123	550,931	-5.4%	1.8%
Other	380,816	333,076	-12.5%	1.1%
Total Intergovernmental	11,661,191	12,060,732	3.4%	38.7%
Licenses and Permits	332,600	444,800	33.7%	1.4%
Service Charges	1,277,500	1,104,100	-13.6%	3.5%
Fines and Forfeitures	504,800	476,350	-5.6%	1.5%
Miscellaneous and Interest	475,958	343,958	-27.7%	1.1%
Total General Fund Revenue	$29,691,997	$31,127,384	4.8%	

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The General Fund Budget

- Balanced in FY 14, but still treading water
- Continued reliance on sales tax, state-shared revenue
- Highly susceptible to economic downturns, legislative "fixes"
- Not being adequately addressed
  - Personnel pay plan
  - Facilities needs, operations, and maintenance
  - Vehicle and equipment replacement (primarily public safety)
- "As goes the General Fund, so goes the City"
- The conclusion after several years of analysis and discussion: General Fund revenue is insufficient and too unstable to support the City's quality of life for the long haul

Sales Tax Revenue to the General Fund

		General 1% Sales Tax	Chg. from Prior Year	Chg. from FY 07
FY 07	$	15,810,057		
FY 08		14,975,742	-5.3%	-5.3%
FY 09		12,794,026	-14.6%	-19.1%
FY 10		12,177,884	-4.8%	-23.0%
FY 11		11,763,668	-3.4%	-25.6%
FY 12		12,593,700	7.1%	-20.3%
FY 13 Unaudited		13,528,595	7.4%	-14.4%
FY 16 Budget		13,520,000	-0.1%	-14.5%

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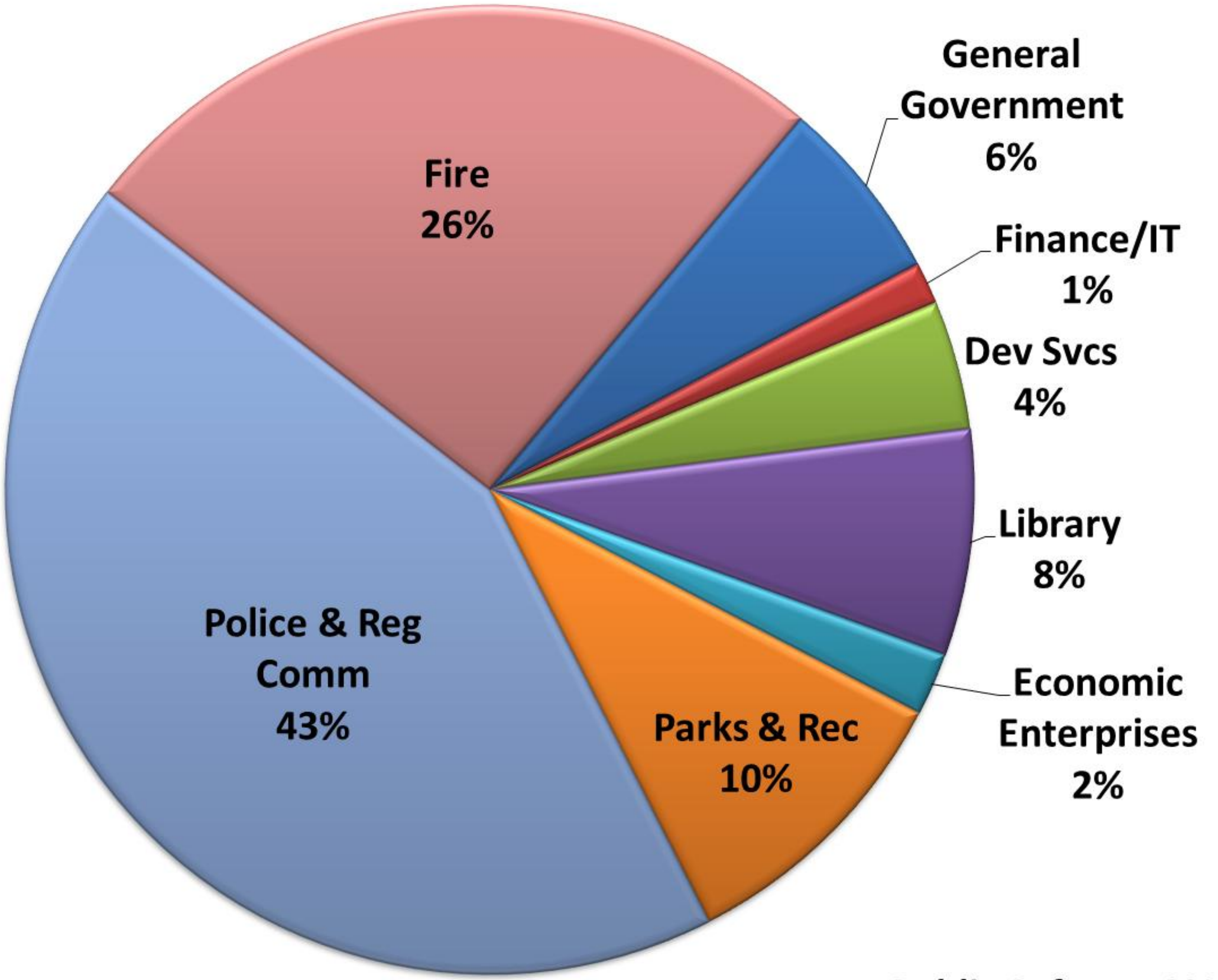
General Fund Operating Expenditures



Public Safety = 69%

Personnel Costs of Total = 76%

City PSPRS Cost of Total = 9.7%

Retirement Costs, Overtime, and Assignment Pay

	FY 13 Rate	FY 14 Rate	Increase in Contribution Rates	Estimated Increase in FY 14 Budget	Estimated Average Increase per Employee	Estimated Average **Annual Cost per Employee**	Average Overtime per Employee	Average Assignment Pay per Employee
Az State Retirement System								
(Employees 368)								
City	11.14%	11.54%	0.40%	$ 78,000	$ 182	$ 5,239	$ 1,643	(See Note 1)
Employee	11.14%	11.54%	0.40%		182	5,239		
Public Safety Retirement System								
Fire (Employees 66)								
City	33.92%	43.47%	9.55%	$ 303,000	$ 6,055	$ **27,560**	$ 3,491 (See Note 2)	$ 3,670
Employee	9.55%	10.35%	0.80%		507	6,562		
Police (Employees 71)								
City	41.18%	43.98%	2.80%	$ 119,000	$ 1,803	$ **26,294**	$ 4,576	$ 2,700
Employee	9.55%	10.35%	0.80%		515	6,188		
Total				$ 500,000				

Notes

1. Eleven non-PSRS employees each receive assignment pay up to $2,080 per year (1 bilingual in City Court; and 2 bilingual, 4 lead workers, and 4 trainers in Regional Dispatch)
2. $3,491 is for unscheduled overtime only. Average total overtime per employee consisting of [scheduled shift] + [unscheduled] = $5,456.

General Fund

Operating Expenditures by Department

	FY13 Budget	FY14 Budget	% Change
City Council	$ 39,104	$ 47,508	21.5%
City Clerk	78,451	109,317	39.3%
City Court	549,961	558,207	1.5%
City Manager (HR, Pub Comm)	697,175	665,299	-4.6%
Legal Department	246,865	373,999	51.5%
Field and Facilities (Rodeo, Pkg Gar)	103,381	104,338	0.9%
Economic Enterprises (Tourism,ED,Spec Events)	1,390,090	1,324,622	-4.7%
Finance/Information Technology	415,008	407,690	-1.8%
Development Services	1,288,728	1,289,307	0.0%
Parks and Recreation	2,926,449	2,896,679	-1.0%
Library	2,248,752	2,260,241	0.5%
Police Department	12,122,646	**12,944,215**	6.8%
Fire Department	7,045,229	**7,745,125**	9.9%
Total General Fund Operating	**$29,151,839**	**$30,726,547**	**5.4%**

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Easing Tension in the General Fund

Assuring the City Services Prescott Citizens Need and Enjoy

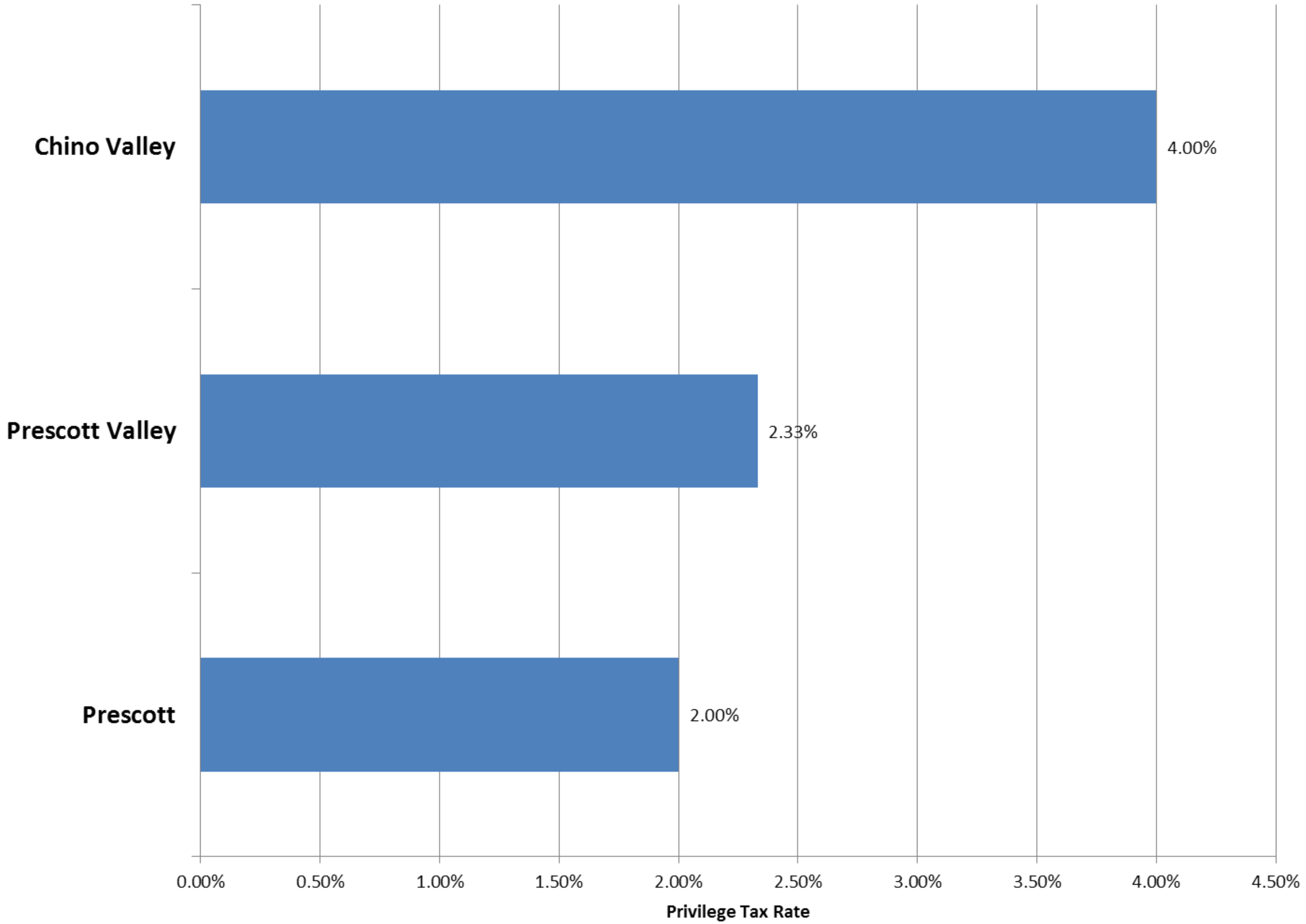
Considerations

- Revenue Yield
- Stability
- Partnering and Leverage (e.g., correcting deficiencies in PSPRS, the Public Safety Personnel Retirement System, regional approach to wildland management and firefighting, County Library District, etc.)

Tools

- Require legislative and/or voter approval
  - Public safety tax?
  - City fire district?
- Property Tax (other than joining CYFD, only very small annual increments of property tax are available under current law)
- Sales Tax (can be increased, but is relatively unstable)

Local Sales Tax Rate Comparison



Property Tax Rate Comparison

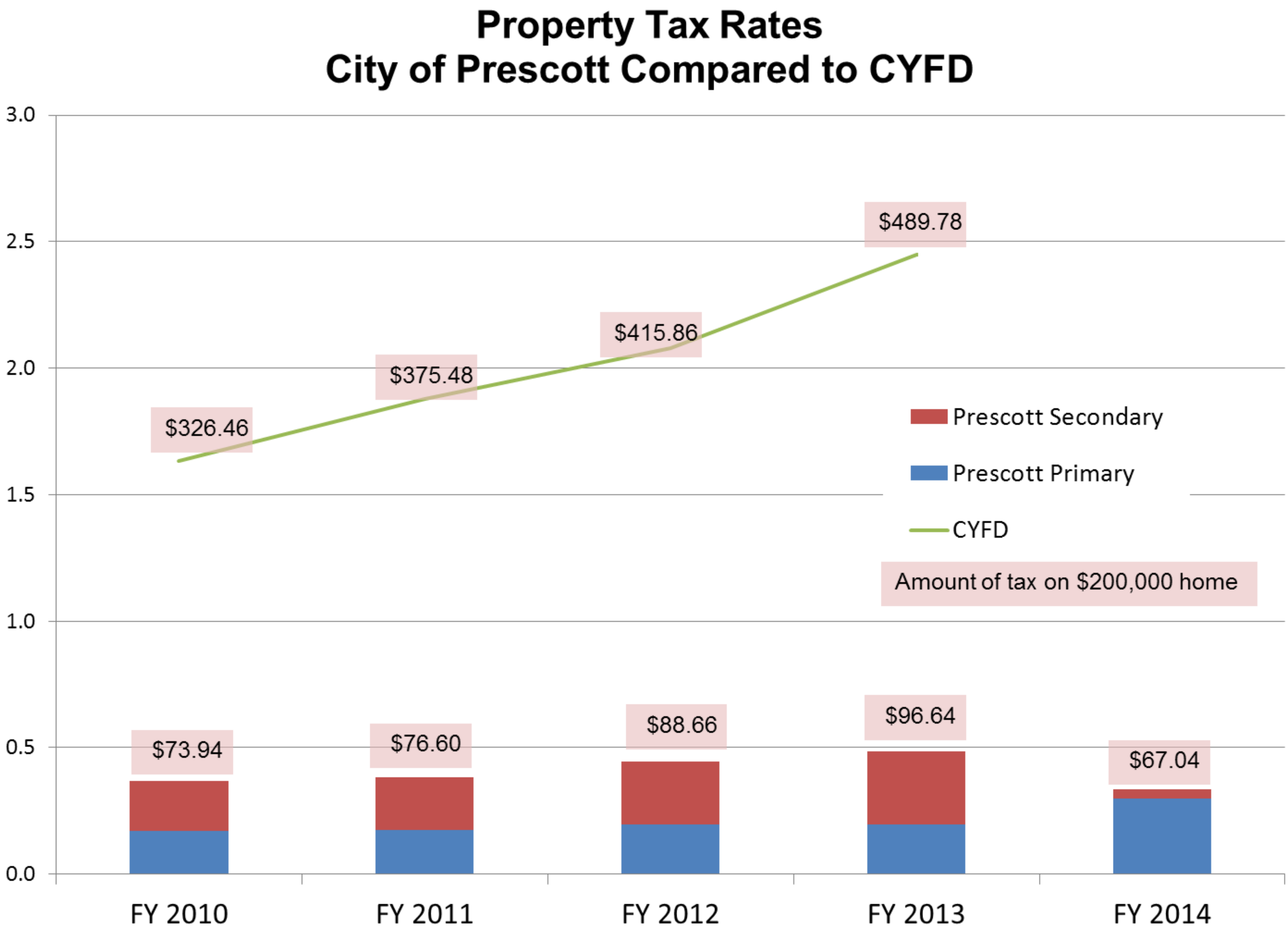
Property Tax on $200,000 Residence
Tax Year 2012

TAXING ENTITY	COUNTY RESIDENCE PRIMARY	COUNTY RESIDENCE SECONDARY	COUNTY RESIDENCE TAX DUE	CITY RESIDENCE PRIMARY	CITY RESIDENCE SECONDARY	CITY RESIDENCE TAX DUE	DIFFERENCE	
YAVAPAI COUNTY & AHCCCS/ALTCS	328.52	-	328.52	328.52	-	328.52	-	19.1%
SCHOOL EQUALIZATION	94.34	-	94.34	94.34	-	94.34	-	5.5%
PRESCOTT UNIFIED SCHOOL #1	625.96	76.78	702.74	625.96	76.78	702.74	-	40.8%
JTED	-	10.00	10.00	-	10.00	10.00		0.6%
YAVAPAI COMMUNITY COLLEGE	334.50	43.00	377.50	334.50	43.00	377.50	-	21.9%
FIRE DISTRICT ASSISTANCE	-	20.00	20.00	-	20.00	20.00	-	1.2%
YAVAPAI COUNTY LIBRARY DISTRICT	-	33.20	33.20	-	33.20	33.20	-	1.9%
YAVAPAI FLOOD CONTROL DISTRICT	-	59.26	59.26	-	59.26	59.26	-	3.4%
CENTRAL YAVAPAI FIRE DISTRICT	-	489.78	489.78	-	-	-	(489.78)	0.0%
CITY OF PRESCOTT	-	-	-	39.56	57.08	96.64	96.64	5.6%
TOTAL	1,383.32	732.02	2,115.34	1,422.88	299.32	1,722.20	(393.14)	100.0%

	FY12	FY13	DIFFERENCE
City Tax Rate per $100 Assessed Val.			
Primary Tax Rate	0.1978	0.1978	-
Secondary Tax Rate	0.2455	0.2854	0.0399
Total Tax Rate	0.4433	0.4832	0.0399

Note:

1. ***The total City property tax amount of $96.64 above has been reduced to $67.04 for Tax Year 2013, about 3.9% of the total property tax for this residence.***
2. ***The total amount of property tax in the City is nearly $400 less than in the unicorporated County.***
3. ***"Fire District Assistance" is a secondary levy prescribed by ARS §48-807; the proceeds are distributed to fire districts within the county. The purpose is not clearly stated by the statute.***


Property Tax Rates
City of Prescott Compared to CYFD
3.0
2.5
2.0
1.5
1.0
0.5
0.0
$489.78
$415.86
$375.48
$326.46
Prescott Secondary
Prescott Primary
CYFD
Amount of tax on $200,000 home
$73.94
$76.60
$88.66
$96.64
$67.04
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014

Recap: Assuring Adequate Funding of Public Safety Services – Police and Fire

- ❑ Confirm outcome(s) desired to be achieved *– separate meeting(s)*
  - Maintain service levels (response time, crime rates, other key public safety indicators)
  - Enhanced efficiency (response models, protocols)
  - Sufficient, stable funding
  - (others which may be defined)
- ❑ Identify and assess alternatives
  - Policy framework
  - Approaches, models, implementation timeframes
  - Most effective and efficient service delivery; net cost/benefit
  - Risk management/liability
  - Manpower
- ❑ Select alternative(s) to achieve the outcome(s)
- ❑ Define implementation steps and adopt schedule
- ❑ Proceed with implementation

Additional Council Comments/Questions

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