

PRESCOTT CITY COUNCIL
COUNCIL BUDGET WORKSHOP
WEDNESDAY, MAY 25, 2017
PRESCOTT, ARIZONA

Minutes of Council Budget Workshop of The Prescott City Council held on May 25, 2017, in the Council Chambers located at City Hall, 201 South Cortez Street, Prescott, Arizona.

1. CALL TO ORDER

Mayor Oberg called the meeting to order at 9:00 a.m.

2. ROLL CALL:

Present:

Absent:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

3. PLEDGE OF ALLEGIANCE

Councilman Lazzell

4. DISCUSSION ITEMS

A. FY 18 Budget Workshop Part 2

Lars Johnson, Budget and Privilege Tax Manager, presented an overview of the Fire department budget.

Dennis Light, Fire Department Chief, presented an overview of the Fire department personnel.

Councilwoman Wilcox asked how the 19 employees were distributed in each of the battalions. Chief Light said there are three people at each of the five fire stations and one engineer was stationed at the airport with the Aircraft Rescue and Firefighting (ARF) truck. The battalion chief runs the entire shift.

Councilman Sischka asked if they had adequate coverage in the north area, as it continues to grow. Chief Light said with the current model and staff, they would be able

to fulfill the demands for the next thirty-six months.

Councilman Lazzell asked if the variable (seasonal) employees on the organizational chart for Equivalent Full Time (EFT) are in a community risk reduction. Chief Light said no, only the managerial employees would stay under Fire. The variable (seasonal) employees would be under the Parks and Recreation. It worked well for Parks and Recreation to have the seasonal employees under them to help with other non-fire related jobs.

Chief Light presented the response time for year 2016. He said the national average was eight minutes and the City's response time was closer to nine minutes and forty-eight seconds making adequate response time for the area. Councilwoman Wilcox asked if brain damage occurs between four to six minutes of an event, did it include the medical emergency time. Chief Light replied yes, however, there was a control measure through the 911 call to help add time for the response team to get there.

Councilman Lazzell asked if the fire stations were in the right area for the growth in Prescott. Chief Light replied yes.

Councilwoman Wilcox asked if they did staff anything lower would the response time be longer and create safety concerns for the community. Chief light replied yes. Councilwoman Wilcox said in order to maintain the current staff levels, the sales tax needed to pass.

Mayor Pro Tem Lamerson asked if a medical emergency station would be more effective than a full time fire department. Chief Light said it took both parts to make up the response team to work efficiently. He said the system was strained, but they needed to maintain the status quo.

Councilwoman Orr asked how the Computer Aided Dispatch (CAD) system would help. Chief Light said from the call would identify the correct response team to send. Councilwoman Orr asked when the CAD system would be implemented. Chief Light responded January 2018.

Chief Light presented on the Fire administrative services:

- Office of the Fire Chief
 - Departmental budget development
 - Disaster planning
 - Arizona Wildfire and Incident Management Academy
 - Management of Intergovernmental Agreements
 - Council action memorandums
 - Strategic planning
 - Prescott Area Wildland-Urban Interface Commission (PAWUIC)
 - Liaison
 - Prescott Firefighter Charities Liaison

- Trauma Intervention Program (TIP) Point of Contact
- Fire Department Auxiliary (Community Service Unit Volunteers)

Mayor Pro Tem Lamerson asked if they had reached out to the retired firefighters auxiliary to help with inspections and free up qualified personnel for emergencies. Chief Light replied yes, and when the volunteer capability model was implemented it would free up time for community outreach.

Chief Light presented an overview of the Fire emergency services:

- Paramedic level emergency medical services (EMS) response
 - “Life-net regional response” telemetry direct to cardiologist
- Tactical EMS response embedded with PPD Swat Unit
- Public Service Responses Water Breaks/emergency flooding of public and private property
 - Electrical hazard concerns of citizens
 - Non-domesticated animal concerns (venomous/non-venomous snakes, bears, etc.)
 - Unsafe conditions as reported by citizens
 - Smoke alarm assistance
 - Lift assists
- Motor vehicle accident response with extrication and stabilization
- Technician level hazardous material response on regional basis
 - Water/swift water
 - Trenching/shoring/breaching
 - Confined space
 - High/low angle and wilderness rescues
 - Fire suppression Structural
 - Wildland
 - Vehicle
 - Refuse
- Aircraft Rescue Firefighting
 - 80 hours airfield operations training and FAA required live fire training annually
- Professional Services
 - 400 hours combined fire suppression/EMS based training annually
 - 40 hours hazardous material based training annually
 - 40 hours technical rescue based training annually
 - Firefighter wellness services (medical/behavioral/physical components)
 - Non-wildland grant application and administration (AFG/SAFER/SHSGP/Others)

Councilman Lazzell asked if there was improvement with the lift assist, and did the facilities have standards to uphold. Were they supplementing their understaffing? Chief

Light responded yes, and it was an ongoing cycle. Michael Lamar, City Manager, said he had spoken with the Executive Director of the Touchmark facility about partnering up and wanted to speak to the other home health facilities.

Councilwoman Wilcox asked Matt Podracky, Assistant City Attorney, if they could charge for a lift assist or was it considered a public service. Mr. Podracky said Arizona did not allow charging a fee for regular police and fire response; they would have to research it.

Mayor Pro Tem Lamerson said he hoped Touchmark would become a good thing for the City.

Mayor Oberg said other services in town should be called to service fire alarms, and not the fire department.

Chief Light continued with an overview on community risk reduction services:

- Application of the International Fire Code
- Application of the International Wildland-Urban Interface Code
- New and existing construction reviews
- Community outreach/public educations/media relations
- Community based fuels reduction and chipping services
- CPR/First Aid training for citizens
- Fire investigation services
- Internal affairs (citizen, employee, other complaint investigations)
- Wildland Nexus grant application and administration
- Department wide payroll review submission
- Hydrant system access and aesthetics

Mayor Pro Tem Lamerson asked if a succession plan was in place for the community Risk Reduction Division Chief and Building Official if they decide to move on or retire. Chief Light replied yes.

Councilman Lazzell asked what was the difference between the fire investigation and internal affairs, and if the state did investigations. Chief Light said inspections are purely proactive and the investigative piece was very technical. The state did have an umbrella for inspections, yet they mainly inspected schools and mom and pop facilities. Municipalities investigate their own.

Chief Light presented an overview on the public safety capital outlay/projects.

Mayor Oberg appreciated the Fire department implementing the volunteer capability model and how it aligns with the national model. He commended Police and Fire for their great grant writing skills and encouraged them to continue their grant funding opportunities. He appreciated them flattening the organization, but felt it was too top

heavy. He questioned if an assistant chief was necessary. Councilman Sischka asked what an assistant chief did. Chief Light said they provide direct oversight, assist in incident command situations, human resource and promotional testing and anything else needed. Councilman Sischka asked if it was a new position or a reclassification. Chief Light said it was a reclassification.

Councilwoman Orr asked what the cost was for the reclassification. Chief Light said about \$6,500.00, but would get back to them on the actual amount.

Mayor Pro Tem Lamerson said relying on grants to supply the needed equipment was not a good idea. What would happen if they did not receive the grant? Chief Light said it was budgeted, yet if the grant was approved, it would relieve the General fund of the expense. Mayor Pro Tem Lamerson asked if they did get the grants, what would happen to the money in the General fund. Chief light replied it would be up to Council to decide.

Councilwoman Wilcox said with the City's population of over 40,000, she was opposed to turning the Fire department into a volunteer agency. She said it worked well in rural areas, and was concerned with keeping the current response time.

Mayor Oberg asked Mr. Lamar about the volunteer fire department they had in Georgia. Mr. Lamar said it worked well, but the key to the whole volunteer fire department was what the community expected and wanted. Mayor Oberg asked how many volunteers they had. Mr. Lamar said they had 150 volunteers and nine fulltime employees.

Mark Woodfill, Finance Director, answered Councilwoman Orr's question regarding the assistant fire chief reclassification; it would cost \$9,600.00 a year.

Mr. Lamar said they may want to wait to make a decision on the reclassifications until the end of the day, there were two in the fire department and one in community development.

The Council recessed at 10:22 a.m.

The Council reconvened at 10:31 a.m.

Mr. Johnson continued with the overview of the recreation services.

Mayor Pro Tem Lamerson asked if personnel in Fuels Reduction were part of the Fire department and would they be paying into the PSPRS, even if they were housed under Parks and Recreation. Mr. Lamar replied no. Councilwoman Orr asked, if the seasonal employees would not be doing firefighter duties. Mr. Lamar replied correct.

Joe Baynes, Recreational Services Director, continued with the overview of the organization chart and the recreation services capital.

Mayor Oberg asked if the vehicle replacements were reviewed by the Review Board because the amount seemed high. Eric Befort, Maintenance Technician, said it was reviewed by the Review Board and the cost reflected emergency vehicles only and did not include the vehicles City wide. The main cost was for two pump truck rebuilds. A new pump truck would have cost over \$500,000.

Councilwoman Orr asked if the \$3.8 million for open space was set aside from the prior tax. Mr. Baynes replied yes.

Councilman Lazzell asked if \$19,800.00 was coming out of the General fund and the remainder of the \$4.6 million for Parks and Recreation capital improvements was grant funded. Mr. Baynes replied yes.

Councilman Lazzell said he would have liked to see a line item added for the rodeo grounds like they did for the Goldwater Lakes design. Mr. Baynes said that was a great idea and they would incorporate one. Mayor Oberg asked if impact fees could be used for the project. Mr. Baynes said they would look into it for Fiscal Year 2019.

Mayor Pro Tem Lamerson asked what open space had been targeted for the budgeted \$3.8 million. Mr. Lamar said they looked at a few places, since this was a real estate transaction, it would be better to discuss it in an executive session.

Mr. Baynes presented an overview on the golf course.

Councilwoman Wilcox asked why Billy Casper Golf had an increase of 9.2%. Mr. Baynes said it was debt service for the carts and the minimum wage increase. Councilman Sischka asked how much Billy Casper Golf was requesting for management operations. Mr. Baynes replied 9.2%. Mr. Johnson explained if they took out the \$110,000 for debt service, \$50,000 would be for the increase of minimum wage.

Mayor Pro Tem Lamerson asked why the City paid for the Billy Casper golf employees. Mr. Baynes said they do manage the golf course yet the City was ultimately responsible for the cost of the golf course. Mayor Pro Tem Lamerson said he did not agree. Mr. Podracky asked what formula they used to pay Billy Casper Golf. Mr. Baynes said it was a flat fee and incentives based on creating revenue.

Councilman Sischka asked was it advantageous for the City golf course to be privatized since management companies like Billy Casper Golf had to make money. Mr. Baynes said yes.

Mr. Johnson presented an overview on the transient lodging (bed) tax.

Councilwoman Wilcox asked why the support of the arts line item had dropped from \$35,000 to \$13,000. Mr. Lamar explained it was leftover money they had not spent this

fiscal year. Councilwoman Wilcox asked if they did come back and spend it, could they request the usual budgeted amount. Mr. Lamar replied yes.

Mayor Oberg asked if the fees from the parking garage went to the General fund and what was the \$20,000 transferred into the parking garage. Mr. Johnson replied yes, and the transfer was to help subsidize the parking garage.

Councilman Lazzell asked why \$30,000 was budgeted for tournaments and not used. Mr. Baynes said they were in the process of making the request.

Councilman Lazzell asked what the airport events line was for. John Cox, Airport Manager said it was for fly ins and the partnership events with Embry Riddle Aeronautical University.

Mr. Johnson presented the grants fund.

Mayor Pro Tem Lamerson asked about the Community Development Block Grant (CDBG) fund. Tom Guice, Community Development Director said they received \$245,000 per year and as they work on the back log of projects plus current year's CDBG grant it will be a total of \$500,000 in projects when completed. He went over the process and said it was for brick and mortar projects, and infrastructure.

Mayor Oberg asked what the Alzheimer grant was. Mr. Woodfill said to train the police how to deal with Alzheimer's and identify Alzheimer's patients.

Mr. Johnson presented the FY 18 Budget Other Funds balance.

Councilman Lazzell asked about the Greater Prescott Regional Economic Partnership (GPREP) membership fee. Mr. Lamar said he reached out to them and asked if the City portion could be waived due to an executive director not being hired, and they said yes. He asked Council if they wanted it removed from the budget. The consensus of Council was to have it removed.

Mr. Woodfill reviewed the Public Works department.

- Public Works Department
 - Expenditures and funding sources
 - Organizational charts
 - Streets & open space fund
 - Water fund
 - Wastewater fund
 - Utility rate comparison
 - Solid waste fund
 - Public works capital-streets
 - Public works capital-utilities and solid waste
 - Public works department-wastewater centralization

➤ Public works department-Capital total funding

Councilman Lazzell asked why the total expenditures and total revenue funds did not align and was it because the \$19 million would be rolled over. Mr. Woodfill said yes, if the project was not complete by June 30th, it would roll over to the next fiscal year which would hit the projected projects of \$22 million for next fiscal year.

Mayor Oberg asked if the Highway User and Revenue Fund (HURF) was the total amount they would receive from them. Mr. Woodfill replied yes.

Mayor Oberg asked in the miscellaneous fund does the interest accumulate in the fund. Mr. Woodfill replied yes. Mayor Oberg asked how the funds were invested. Mr. Woodfill said they use the Local Government Investment Pull (LGIP) through the Treasury's Office and independent investments. They are based on keeping the principal amount and not on the yields.

Henry Hash, Public Works Director, presented the budget process and thanked the Finance department for all of their work. He introduced Steve Orosz, Program Development Manager, who will be presenting the capital projects.

Mr. Orosz said they have 37 projects in design and they have \$37 million committed. He said they have approximately 69 projects total. There were 13 projects coming up as soon as the budget was approved. The Centralization project had three years to go before they would see any activity. They were moving forward with all these projects.

Mayor Oberg asked how they prioritize projects. He has heard a lot of complaints regarding the Schemmer Drive construction. He said it started in 2015 and the cost to complete it would be \$2 million. Mr. Orosz explained Schemmer Drive's original design was for a rehabilitation project but when they started evaluating it they realized it was going to have to be a reconstruction project. They had to re-evaluate the design development so it would take longer to complete and they had not budgeted for a reconstruction cost.

Prioritizing Projects:

For roads:

- Quality of pavement
- Preservation
- Rehabilitation
- Reconstruction

Water and sewer

- Age
- Capacity

Mayor Oberg said he understood if something breaks it takes them away from other projects. Councilman Lazzell asked when Schemmer Drive construction would begin again. Mr. Orosz said they prioritize by drainage issues, the tourism area downtown, and keeping the fund balanced. Councilwoman Orr said she noticed a bottleneck in completion and was it because of manpower. Mr. Orosz said yes, and sheer effort in design. He said they wanted to ensure when the projects were complete so they did not have to address it again for 20 to 30 years. Mr. Lamerson said he appreciates all they do, and the safety and welfare of the community was priority.

Councilman Sischka said he would like Schemmer Drive addressed. They had received a lot of complaints and they want to know when the project would be completed. He asked how they would mark McCormick Street between Goodwin and Gurley since it is a dangerous intersection. Mr. Hash said they had that area slated for completion in 2021. Mr. Lamar said when they begin a design evaluation; people think they were going to start doing working on the road soon. Streets may have to rethink when they go out to do an evaluation design so people do not think they are going to be fixing the road. Mr. Hash said they would re-address the Schemmer Drive and do maintenance to it to look and last longer.

Mayor Oberg asked if they could be more realistic in the project fund. Mr. Hash said by the end of the year they would be spending \$50 million on various projects.

Councilman Blair suggested to remove the pavement and fix the underneath problem on Schemmer Drive and keep it bladed and graded until they had the money. Mr. Orosz said they would rather move Schemmer Drive up on the list; it would be more cost effective. Councilman Blair agreed with Mr. Orosz to move Schemmer Drive up on the list. Mr. Hash said they would re-evaluate the list per there recommendation. Mr. Lamar said Council needed to think about the next level and give staff direction on how to prioritize the list. Councilwoman Orr said she would like to see the streets and Centralization Improvement Project (CIP) split up as it muddies the waters and is confusing. Mayor Oberg said if they had known the Centralization would hike up the rates 40 to 60 percent, they would not have approved to move forward. They would have asked for a longer period of time for completion. He did appreciate Mr. Lamar's comment of them going to the next level and help prioritize the streets projects.

Mr. Woodfill presented the airport expenditures and funding sources.

- Airport funds
- Airport Capital-grant funding
- Airport Capital-City only funded and summary of total

Councilwoman Wilcox asked why the facilities rentals had gone down 7.6 percent. John Cox, Airport Manager, said the value of the square foot had decreased. Councilwoman Wilcox asked if it was still renting out at fair market value. Mr. Cox replied yes.

Mr. Cox presented an overview of the Airport capital grant funding. Mayor Oberg asked if the design for security upgrade was complete and was the Federal Aviation Administration (FAA) for security upgrades a sure thing. Mr. Cox replied yes, but the FAA grant had not been confirmed.

Mr. Cox presented on the airport capital City only funded projects. Councilman Sischka asked if airports were negative revenue producers. Mr. Cox said most airports required subsidizing by the local community. Councilwoman Orr asked who would be doing the economic impact study. Mr. Cox said a firm was doing the master plan.

Mayor Oberg thanked everyone for their presentations and they would set up a time for next week to do part three of the budget work session.

ADJORNMENT

There being no further business to discuss, Mayor Oberg adjourned the meeting of May 25, 2017 at 12:01 p.m.

Harry B. Oberg, Mayor

ATTEST

Maureen Scott, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Council Budget Workshop of the City Council of the City of Prescott, Arizona held on the 25th day of May 2017. I further certify the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2017.

AFFIX
CITY SEAL

Maureen Scott, City Clerk