

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, JUNE 10, 2014
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON JUNE 10, 2014, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

u **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 3:00 P.M.

u **INTRODUCTIONS**

u **INVOCATION** by Pastor Jack Shannon, American Lutheran Church of Prescott

u **PLEDGE OF ALLEGIANCE** by Mayor Kuykendall

u **ROLL CALL:**

Present:

Absent:

Mayor Kuykendall
Mayor Pro Tem Lamerson
Councilman Arnold
Councilman Blair
Councilman Kuknyo
Councilman Lazzell
Councilwoman Wilcox

None

u **ANNOUNCEMENTS**

No announcements were made

u **PRESENTATIONS**

A. Presentation by Yavapai County regarding the Yavapai County Jail District

Phil Bourdon, Yavapai County Administrator, Sheriff Scott Masher, John Russell, Chief Deputy and Supervisor Craig Brown were available to answer questions throughout the presentation.

Mr. Bourdon gave a PowerPoint presentation about the history and financial analysis of the Yavapai County Jail District. The presentation included:

- JAIL DISTRICT OVERVIEW
- JAIL DISTRICT HISTORY
- JAIL DISTRICT BENEFITS
- ADULT DETENTION POPULATION
- ADULT DETENTION POPULATION PROJECTIONS
- PRESCOTT JAIL FINANCIAL ANALYSIS
- JAIL DISTRICT SUMMARY
- JAIL DISTRICT PUBLIC INFORMATION PROGRAM

Mr. Bourdon said one half of the General Fund supports courts and law enforcement. He said the Board of Directors anticipated placing a request on the November 2014 ballot for approval of an increase in the Jail District sales tax, up to one half cent for a twenty year period.

Sheriff Scott Masher noted that it was a huge burden when the Prescott jail closed. Since the Prescott jail reopened, the staff was still not able to take the violent offenders at the facility because of the shortage of staff. The Prescott facility did not fit the County's short or long-term needs. He asked the Board to look at the site on Prescott Lakes Parkway, where the current Juvenile Detention Center was, to consider building a jail with 300 beds and room for future expansion. He said they were trying not to warehouse people, but to provide mental health treatment and transition services to lessen recidivism.

Sheriff Masher said the County spent over \$1 million per year to transport inmates. They were at capacity in Camp Verde and needed to get a jail open in the Prescott area, which was the hub of the criminal justice system. The Board of Supervisors had unanimously supported the project.

Mayor Pro Tem Lamerson asked why they were looking at a temporary tax hike, when they knew that they would still be in the jail business twenty years from now. Sheriff Masher said that was a good point and it would be brought up to the Board of Supervisors.

Councilwoman Wilcox said she thought the City of Prescott needed to support a sales tax increase for a well functioning jail, with trained officers and a safe environment.

I. CONSENT AGENDA

Mayor Pro Tem Lamerson asked that items I.E and I.F be removed from the consent agenda and discussed separately.

- A. Approval of minutes for the Council meetings held on May 13, 2014; May 15, 2014; May 27, 2014; and May 29, 2014

- B. Approval of a grant application to the U.S. Department of Justice through the Edward Byrne Memorial Justice Assistance Grant for the purchase of SWAT equipment in the total amount of \$14,561.00
- C. Approval of (1) acceptance of 100 Club Safety Enhancement Stipend in the amount of \$10,500.00 and (2) purchase of one (1) Polaris Ranger utility vehicle and EMS slide-in unit in the total amount of \$19,507.38 (grant and Wildland Gift Fund; City Contract No. 2014-200)
- D. Approval of Resolution No. 4231-1440, authorizing an Economic Development Agreement between Prescott Historical Society, Inc., (Sharlot Hall) and the City of Prescott (City Contract No. 2014-199; General Fund)
- G. Adoption of Resolution No. 4232-1441 approving transfers of certain Fiscal Year 2014 appropriations

MAYOR PRO TEM LAMERSON MOVED TO APPROVE CONSENT AGENDA ITEMS I.A. – I. D. and I.G; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

- E. Approval of Contract No. 2014-197 with Freedom Station in the amount of \$11,744.72, and Contract No. 2014-198 with AZ Bounce Pro in the amount of \$18,796.50, for various rides and activities for the City's 4th of July Celebration (General Fund: Special Events)

Mayor Pro Tem Lamerson objected to spending any unnecessary General Fund Money until he knew the financial responsibilities of the City regarding the Yarnell Hill fire.

Councilman Kuknyo noted that entrance fees were charged at the 4th of July celebration for those going on the rides and the City usually came out even on the event. He said he would support this item.

COUNCILMAN ARNOLD MOVED TO APPROVE CONSENT AGENDA ITEM I.E.; SECONDED BY COUNCILMAN BLAIR; PASSED 6-1 (MAYOR PRO TEM LAMERSON DISSENTING)

- F. Approval of City Contract No. 2014-196, with Prescott Pro Sound, LLC, in the amount of \$14,300.00 for Summer Concert Series sound reinforcement services (General Fund: Special Events)

Mayor Pro Tem Lamerson objected to spending any unnecessary General Fund Money until he knew the financial responsibilities of the City regarding the Yarnell Hill fire.

Councilman Kuknyo said that Ted Leonard came in with a very low bid at approximately \$250 per event. He noted that the events added to the quality of life for the Prescott community.

COUNCILMAN ARNOLD MOVED TO APPROVE CONSENT AGENDA ITEM I. F.; SECONDED BY COUNCILMAN BLAIR; PASSED 5-2 (COUNCILMAN LAZZELL AND MAYOR PRO TEM LAMERSON DISSENTING)

II. REGULAR AGENDA

- A. Public Hearing for ANX14-001, a request for annexation of 37.35 acres of residentially zoned land, comprising 5 existing lots in Senator Heights Subdivision (Owners/Applicants are Bud Beshers of Stone Creek Investment, LLC, and the Candoli Trust

Tom Guice, Community Development Director, presented, noting the purpose of the annexation request was to obtain water for the four remaining vacant properties. The Planning and Zoning Commission recommended unanimously that, if annexed, the property should be zoned Single-family 35 at the time of annexation.

Councilman Blair gave a brief history of the property and said he supported the agreement and felt it went back to a verbal agreement in 2003, based on the completion of Senator Highway.

Councilwoman Wilcox said it was bad public policy to annex land and not require a City sewer connection. She asked where the closest City sewer line was to this property. Mr. Guice said it was to the west of the property near Haisley Homestead.

Councilwoman Wilcox said she wanted a provision in the ordinance that the landowner may be required to connect to City sewer if the density was increased in the future.

Mayor Pro Tem Lamerson asked about the pre-annexation agreement that would preclude lot splitting, once the property was within the City limits, thus enabling the development of 27-30 lots, needing more water in the City.

Jon Paladini, City Attorney, said the option was there for a pre-annexation agreement. He said that it was essentially a development agreement and one of the items that could be agreed upon was the density of property, despite the zoning. Mr. Paladini suggested that any kind of conditions or agreements be done in an agreement instead of in the ordinance.

The Public Hearing opened at 3:44 p.m.

Yvonne Dorman, citizen, asked what the difference was in providing water to the lot in comparison with the annexation and water agreement that was made in 2003 to Mullen

Way. Mr. Guice said the owner of the current property would be responsible for expending water, which was similar to Mullen Way.

Ms. Dorman said the initial cost to the residents in 2003 was \$20,000.00 per property and there were 42 properties. She said the City changed the price and it went to \$67,000.00 per property. Now, to bring water 500 feet from Copper Basin Road, it was \$414,000.00. She asked if there was any cost to the City to provide water to those residents. She noted that they were sort of promised that water a long time ago.

Councilman Arnold asked where the current lines were. Mr. Guice said the water lines were currently in Haisley Road. Councilman Arnold asked if the applicant were to extend services, would he also have to pay for the services. Mr. Guice said yes. Councilman Arnold said the only cost to the City would be providing the supply of water which was paid for through the rate structure. Mr. Guice agreed.

Craig McConnell, City Manager, said there would be a water resource development fee. The citizen asked how much that would be per property. Mr. McConnell said there were existing fees in the City Code to hook up water service, which could be found on-line.

Mayor Kuykendall noted there needed to be a pre-annexation agreement regarding division of the lots.

COUNCILMAN LAZZELL MOVED TO CLOSE THE PUBLIC HEARING FOR ANX14-001, ANNEXATION OF SENATOR HEIGHTS SUBDIVISION; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

- B. Adoption of Resolution No. 4227-1436 amending certain subdivision plat and other related fees

Tom Guice, Community Development Director, presented saying the City commenced review of the fee schedule for processing of preliminary and final subdivision plats in October 2013. The evaluation revealed a need to better align fees with regional governmental peers, as Prescott was currently charging the highest fees.

Craig McConnell, City Manager, said that it was indicated in the staff report that the City of Prescott had not updated these fees since 2002. He said there needed to be a reasonable correlation between the effort for which there was an associated cost and the service being provided. Staff presented recommendations for fees of subdivision plats and engineering reviews.

Councilwoman Wilcox said she could not support refunding the fees based on a letter sent out by staff in October 2013, without Council direction.

Councilman Arnold recalled staff discussing the item with Council regarding the refunding date. Mr. McConnell said it may have happened at a public meeting, but it was not one where he was present. He said the Council had been informed in writing.

COUNCILMAN BLAIR MOVED TO ADOPT RESOLUTION NO. 4227-1436; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED 6-1 (COUNCILWOMAN WILCOX DISSENTING)

C. Determinations regarding inclusion of various items in the Fiscal Year 2015 Final Budget

Craig McConnell, City Manager, presented, noting that Council identified various items during the Budget Workshops to be voted on separately for inclusion/non-inclusion in the FY15 Budget and others for which additional information and/or discussion were requested.

Mr. McConnell talked about List A, FY15 Budget Requests for Council Actions and List B, FY Budget Requests. He noted that the items on list A had been included in the Tentative Budget and List B was created for additional discussion.

There was a discussion concerning the items on List A.

List A, Item 1a:

Councilwoman Wilcox spoke to item 1a, the Bicycle-Pedestrian Coordinator. She noted that it could be funded as a half-time position in addition to any benefits that may accompany that position. She said the City government should accept the responsibility to provide safe transportation routes throughout the City of Prescott. Public safety was a fundamental governmental responsibility, which included all forms of transportation, including walking. The idea was to place a person inside our city government that would be the expert, a person that the engineer could consult with every time the City put specifications together for construction. She noted that this person would be able to provide for more grants and public education.

COUNCILWOMAN WILCOX MOVED TO INCLUDE THE BICYCLE-PEDESTRIAN COORDINATOR IN THE FY15 BUDGET FOR \$25,000.00 BASIC SALARY, PART-TIME, PLUS REQUIRED BENEFITS FOR THE POSITION; SECONDED BY COUNCILMAN ARNOLD;

Mayor Pro Tem Lamerson agreed that the streets were unsafe for bikes, but felt there was an enforcement issue with bikes, skateboards, cars and pedestrians.

Councilman Arnold said Prescott Alternative Transportation (PAT) had been working with staff concerning alternative transportation. He would like to continue working with them and move the Master Plan forward. He said the Plan would dictate to the Public

Works Department, what type of expectations there were regarding alternative transportation planning.

Councilman Lazzell agreed that the streets were not safe for bicyclist and he would like to see one or two employees trained in best practices.

Councilman Blair said opportunity existed to have someone from PAT serve in the coordinator capacity.

Councilman Arnold withdrew his second on the motion.

Mayor Kuykendall asked if Council would support funding a portion of the PAT meetings. Councilman Arnold said yes.

MAYOR KUYKENDALL SAID THAT DUE TO A LACK OF A SECOND ON THE MOTION, THE MOTION DIED.

Councilwoman Wilcox said she had no objection working with PAT. Her concern was that staff may not listen to their recommendations.

List A, Item 1b:

Mr. McConnell presented Item 1b for Lead fuels Technicians. He noted that \$165,486.00 was in the budget, but it would also rely on grant funding. There were two active grants for Wildland vegetation removal. Staff recommended the continuation of the budgeted amount, but not to fill the positions until the Public Safety Retirement Systems were issued. He noted that the City of Prescott was maintaining progress with existing personnel.

COUNCILMAN LAZZELL MOVED TO INCLUDE ITEM 1B FOR LEAD FUELS TECHNICIANS IN THE FY15 BUDGET; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.

List A, Item 1c:

Councilman Arnold discussed Item 1c, Job-Related Educational Assistance. He noted that staff recommended providing job related travel and training expenses for \$292,000.00. He said the City lacked the ability to fund elective education for staff that related to their jobs, but not necessarily a part of their job obligations. Councilman Arnold said he would like to see the City fund opportunities for the staff to become cross-trained.

COUNCILMAN ARNOLD MOVED TO INCLUDE ITEM 1C FOR JOB-RELATED EDUCATIONAL ASSISTANCE FOR \$20,000.00 IN THE FY15 BUDGET; SECONDED BY COUNCILMAN KUKNYO; PASSED UNANIMOUSLY.

List A, Item 2a:

There was a discussion about the benefits of paying the dues to the League of Cities.

COUNCILMAN ARNOLD MOVED TO INCLUDE ITEM 2A, ARIZONA LEAGUE OF CITIES, IN THE FY15 BUDGET; SECONDED BY COUNCILMAN KUKNYO; PASSED 5-2 (COUNCILMAN LAZZELL AND MAYOR PRO TEM LAMERSON DISSENTING)

List A, Item 2b:

Steve Rutherford, citizen, discussed the Greater Prescott Regional Economic Partnership (GPREP) plan. He said the GPREP mission was to attract base industries to the Prescott region. He was not concerned with retail or tourism. The three target industries were manufacturing, aerospace and aviation, and defense and security.

Councilman Kuknyo said he would like to fund the partnership for one year and look at the returns on investment at that time.

COUNCILMAN KUKNYO MOVED TO INCLUDE ITEM 2B, GPREP CONTRIBUTION IN THE FY15 BUDGET; SECONDED BY COUNCILWOMAN WILCOX, PASSED 6-1 (MAYOR PRO TEM LAMERSON DISSENTING)

List A, Item 2c:

Councilman Kuknyo said the City of Prescott should not be supporting the Sister Cities Program with taxpayer dollars. He would like to see the funding go down to \$500 per city in 2015 and to \$0.00 in 2016. He noted that the Eagles Club in Prescott had been active with Sister Cities. The City of Caborca had a fundraiser in Prescott and raised \$1,900.00, and the Zeitz sister city raised \$4,100.00 at an event.

Councilwoman Wilcox was opposed to reducing the funding to the Sister Cities. She said it was very important for the city of Prescott to be a financial contributor to the Sister City effort. She said it was seed money for annual activity.

Mayor Kuykendall noted that the Sister City Program was people to people. The Council has added money to the program over the years, as there was more money to spend. When Zeitz came along, he was positive that it should be a people to people program and Zeitz agreed. He said the City of Prescott should just be a catalyst for the organization.

Councilman Kuknyo noted that there was no money given to Zeitz this year and there had been student exchanges. Citizens and politicians from Zeitz came to Prescott as well as citizens and politicians from Prescott visiting Zeitz.

COUNCILMAN KUKNYO MOVED TO DROP THE SISTER CITY SUPPORT TO \$1500, \$500 PER CITY, FOR FY15; SECONDED BY COUNCILMAN ARNOLD; PASSED 5-2 (MAYOR PRO TEM LAMERSON AND COUNCILWOMAN WILCOX DISSENTING)

List A, Items 2d and 2e:

Councilman Blair presented Items 2d, Yavapai County Water Advisory Committee dues and Item 2e, Upper Verde Watershed Protection Coalition Dues. He said the two water items addressed basic services. The dues for the County Water Advisory Committee had been reduced by 50 percent. That group may be combined with the Upper Verde Watershed in 2015 and the Upper Verde Watershed may not be managed by a consulting company in 2015. He said that coalition may be managed in-house by Leslie Graser and Jon Munderloh.

COUNCILMAN BLAIR MOVED TO APPROVE ITEMS 2D AND 2E FOR FY15; SECONDED BY COUNCILMAN ARNOLD; PASSED 6-1 (MAYOR PRO TEM DISSENTING)

Mr. McConnell said Items 2f, 2g and 2h were miscellaneous, minor items.

COUNCILMAN ARNOLD MOVED TO APPROVED ITEMS 2F, 2G AND 2H FOR FY15; SECONDED BY COUNCILMAN BLAIR; PASSED 6-1 (MAYOR PRO TEM LAMERSON)

Items 3a, 3b, 3c and 3d were discussed at the end of the agenda.

D. Adoption of Resolution No. 4233-1442 adopting the Tentative Budget for Fiscal Year 2015 and setting the Public Hearing for the Final Budget, Expenditure Limitation, Tax Levy and Truth in Taxation for the City of Prescott.

Mark Woodfill, Finance Director, presented. He noted that the Tentative Budget had all of the items in it. Items could be removed when the Final Budget was created.

Dana DeLong, City Clerk, noted that she had one correction to Resolution 4233-1442, Section II.B. She said the wording "at a Special Meeting" should be stricken. Section II.B should read, "that the City Council will further meet on the eighth day of July 2014, at 3:00 P.M. in the Council Chambers of the municipal building 201 South Cortez Street, Prescott, Arizona, for the purpose of adopting the property tax levy for Fiscal Year 15 for the City of Prescott."

Mayor Pro Tem Lamerson asked if the proposed tentative budget had any inclusion of the potential fiscal accountability for what took place on Yarnell Hill. Mr. Woodfill said there was not a line item.

Mr. Woodfill said the Tentative Budget was set at \$170,390,239.00, compared to last year which was \$173,123,611.00.

COUNCILMAN ARNOLD MOVED TO ADOPT RESOLUTION NO. 4233-1442; WITH THE CHANGES; SECONDED BY COUNCILMAN BLAIR; PASSED 6-1 (MAYOR PRO TEM LAMERSON DISSENTING)

- E. Preliminary Plat PP13-002, Special Use Permit SUP13-001, Development Agreement (City Contract No. 2014-191, Resolution No. 4229-1438), and Water Service Agreement No. WSA13-012 (City Contract No. 2014-192) for "Touchmark at the Ranch PAD" (Owner: Lee, Ltd., P.O. Box 471, Prescott, AZ 86302; Applicant/Agent: Touchmark Development & construction Company, 5150 SW Griffith Dr., Beaverton, OR 97005)

Tom Guice, Community Development Director, presented, saying the Development Agreement was included in the packet. He said the development will be built in two phases, Phase I will be 243 units, with Phase II being approximately 136 units. The water allocation was increased to 83 acre feet from 53 acre feet. The impact fees for Phase I were adopted by Council on May 13, 2014, effective August 2, 2014. The impact fees for Phase II will go into effect when that portion is developed. Payment of the impact fees will be deferred to the issuance of Certificate of Occupancy.

Mr. Guice noted there was a provision about City participation of the new water main connecting Lee Boulevard to Bar A Circle. Touchmark would do this using the public bid process, to make water available to the project and upgrade the service to other water customers in water zone number seven. The Development Agreement also provided for waiving the City Development Fees.

Mr. Guice said the Planning and Zoning Commission gave a unanimous recommendation on the Planned Area Development preliminary plat. The Special Use Permit had been reduced to a "not to exceed 70".

Craig McConnell, City Manager, said the Touchmark representatives would like to review some additional representations which explained the measurement of the maximum height and the invisibility of the proposed improvements.

The Touchmark representative addressed the Council. He noted that the petition submitted by the Yavapai Hills Home Owner's Association, partially stated that they were against the approval for the Special Use Permit to extend the height from 50 feet to 80 feet for the Touchmark at the Ranch project. He noted that the petition was based on a different rendering of the building. He said it was as a result of the vote of the Planning Commission and the input of the public that sent them back to do more work on the design of the project with a reduced height from 80 feet to 70 feet, and a significant change in the look and feel of the building. He noted that the 70 foot height included 13 feet of basement.

There was a discussion about the building height, safety, traffic and parking.

Ian Mattingly, City Traffic Engineer, said he reviewed the plans and they were satisfactory. He noted that as far as developments went, Touchmark at the Ranch would generate about the lowest number of trips possible.

Councilman Arnold said that if the project passed, it would be important to keep an eye on the intersection for safety, especially regarding the fire station. Mr. McConnell said that on State Route 69, those intersections were monitored by the City and by ADOT.

Councilwoman Wilcox had serious concerns with the Development Agreement and the waiver of the permit fees. She noted the City of Prescott had been struggling with the budget and had been told by the City Manager that there was not enough money for various items. She did not understand why the City of Prescott was giving away \$500,000.00 dollars to a developer. She asked for a financial analysis to see what the City of Prescott was getting in exchange for waiver of the fees. She said the City would be getting, what they would get without the waiver, construction sales tax and property tax increase.

Councilwoman Wilcox was also concerned with setting a precedent for going over the 50 foot height. The Special Use Permit was reserved for very special circumstances. She would like to see the building designed into the hill, not on top of the hill.

Councilman Kuknyo said this was the industry of the future. He noted that the City of Prescott was looking for economic development and this would bring in jobs and revenue to the City. He talked about other developments that could go in that area. He thought the measurement should be from the ground up to encourage more underground parking. He would like the building to come down to 50 feet.

Rich Kaplan, citizen, said that this was a tough issue. Scale and harmony were important considerations. Granting a waiver and giving free money made no sense. He asked that the Council turn the Special Use Permit down and hope that Touchmark would learn to live within the boundaries.

Ben Valentine, citizen, said he thought he had the piece of property closest to the lot line. He did not mind the building, but did not know why Touchmark was building something taller than they had built before and why the City was giving away \$500,000.00. He said there was no reason to give money away for a prime piece of property.

Joe, a citizen, said he collected a lot of signatures for the petitions. It showed that the City did not like to break rules. The citizens wanted to be peaceful and have a nice life.

Mayor Kuykendall said there were advantages and disadvantages to being in the City of Prescott a long time. He talked about the ordinance from 1973, when he was on the

Council, which granted the annexation of Yavapai Hills. He voted for it, because that area was the right place for a community to grow.

He showed a publicity pamphlet for a special election that was held on October 22, 1974. The community did not want Yavapai Hills to be in the City limits. It was taking up ranching land, amongst other problems. Yavapai Hills was de-annexed. It was not until 1987 that Yavapai Hills started developing in the County. In 1987 Yavapai Hills and The Ranch were annexed into the City because the developers wanted to have a better quality subdivision.

He agreed that a basement was necessary instead of spreading the parking lot over the area. He discussed the convention center that was going to go in on that same property and the money the City offered to the project. He said that he thought the community would be proud of the development when it was completed.

MAYOR KUYKENDALL MOVED TO APPROVE SPECIAL USE PERMIT SUP13-001 FOR A MAXIMUM HEIGHT OF 70 FEET; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED 5-2, (COUNCILMAN KUKNYO AND COUNCILWOMAN WILCOX DISSENTING)

MAYOR KUYKENDALL MOVED TO APPROVE PRELIMINARY PLAT PP13-002 FOR THE TOUCHMARK AT THE RANCH PAD; SECONDED BY COUNCILMAN ARNOLD; PASSED 5-2, (COUNCILWOMAN WILCOX AND COUNCILMAN KUKNYO DISSENTING)

MAYOR KUYKENDALL MOVED TO ADOPT RESOLUTION NO. 4229-1438 APPROVING THE DEVELOPMENT AGREEMENT (CITY CONTRACT NO. 2014-191) FOR TOUCHMARK AT THE RANCH; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED 5-2 (COUNCILWOMAN WILCOX AND COUNCILMAN KUKNYO DISSENTING)

KUYKENDALL MOVED TO APPROVE WATER SERVICE AGREEMENT NO. WSA13-012 (CITY CONTRACT NO. 2014-192) FOR TOUCHMARK AT THE RANCH; SECONDED BY COUNCILMAN LAZZELL; PASSED 5-2 (COUNCILWOMAN WILCOX AND COUNCILMAN KUKNYO DISSENTING)

Council returned to Item II.C, number 3a.

C. Determinations regarding inclusion of various items in the fiscal Year 2015 Final Budget

List A, Item 3c:

Councilman Blair asked if the money mentioned in 3c for Goldwater Lake Park Land Acquisition was already in the impact fees. Mr. McConnell said Recreation Services

proposed that \$385,000.00 be budgeted in the One Percent Streets and Open Space to purchase additional land at Goldwater Lake Park. He said Councilwoman Wilcox proposed to fund the park expansion from the balance of park impact fees instead of the One Percent Streets and Open Space where it was currently in the Tentative Budget. He said staff questioned whether Council wanted \$385,000.00 in the budget at all for the expansion of Goldwater Lake, and if so, should it be One Percent Streets and Open Space or should it be impact fees.

Councilman Blair asked what the fund balance was. Mr. Woodfill said \$700,000.00 to \$800,000.00, but there were other projects.

List A, Items 3a and 3b:

Councilwoman Wilcox spoke to Item 3a, Open Space Acquisition (Granite Dells/Wirth) and 3b Open Space Acquisition (Other open space TBD), together. She noted that Council had a special meeting when Mark Wirth made an offer to sell 83 acres to the City. The Council dedicated \$500,000.00 to the Granite Dells property. She said her motion was to make clear that it was not to be a tap on the allocation toward the Granite Dells. Item 3A was to clarify that the Council carry over the \$500,000.00 and budget and additional \$500,000.00, which did not have to be allocated to the Granite Dells.

She said it looked like there would be a sale negotiated between the property owner and a private foundation. There would be a role for the City to play to acquire trail conservation easements on approximately 80 acres. She said the \$500,000.00 should be reserved for that purpose. Since this was the last year that the City would be able to collect open space tax, she hoped the City could allocate more money and reserve it for open space acquisitions.

On Item 3B she picked out two projects that were funded out of the Streets and Open Space Fund, but she would leave the decision up to staff as to which projects to roll over into the sixth year period. She thought the City would lose credibility with the voters when Council tried to go back for additional sales tax approval, if they needed to increase street tax or get approval on a revenue bond. She said there was a lot more to be done on the Open Space Program.

Councilman Arnold said that as far as 3B went, he did not want to delay a street project if any money had already been spent on it.

There was a discussion about delaying street projects

COUNCILWOMAN WILCOX MOVED TO CARRY OVER \$500,000.00 BUDGETED IN FY14 AND BUDGET AN ADDITIONAL \$500,000.00 IN FY 15 FOR OPEN SPACE TRAIL CONSERVATION ACQUISITION; SECONDED BY COUNCILMAN LAZZELL; PASSES 4-3 (MAYOR KUYKENDALL, MAYOR PRO TEM LAMERSON AND COUNCILMAN LAZZELL DISSENTING.

COUNCILWOMAN WILCOX MOVED TO REPROGRAM FUNDS FROM STREETS TO OPEN SPACE IN THE AMOUNT OF \$2,905,000.00 WITH THE DECISION OF WHICH STREETS PROJECTS LEFT UP TO STAFF; MOTION DIED FOR LACK OF SECOND.

COUNCILMAN ARNOLD MOVED NOT TO INCLUDE ITEM 3B IN THE FY15 BUDGET; SECONDED BY COUNCILMAN BLAIR; PASSED 6-1 (COUNCILWOMAN WILCOX DISSENTING)

List A, Item 3c:

Councilman Blair discussed item 3c, Goldwater Lake Park Land Acquisition. He said there was money from the impact fees to purchase Goldwater Lake land. He was not ready to take more money from roads.

Mr. McConnell noted that impact fees were collected for growth related impacts. He said the rules had changed but the funds were collected for the purpose of providing additional capacity relative to growth.

Joe Baynes, Recreation Services Director, discussed Kiebler Field and the use of impact fees. He said they would do as much as they could with partners in the community and did not know how much money they would need from the impact fee fund.

There was a discussion about using impact fee money for the Goldwater Lake expansion.

Councilwoman Wilcox said Goldwater Lake park was a heavily used park and the use was increasing. She said that she would have to assume that the increase was due to the growth in Prescott. She said this park could justify the use of an impact fee. It was more appropriate to use impact fees for this project than money from the Streets and Open Space Fund.

Mr. McConnell said that you can acquire property, but if there was intent to develop the property with amenities in the future, there would be impact fees left to do that.

COUNCILMAN ARNOLD MOVED TO CONTINUE ITEM 3C IN THE FY15 BUDGET AS PRESENTED; SECONDED BY COUNCILMAN KUKNYO; PASSED 5-2 (COUNCILWOMAN WILCOX AND MAYOR PRO TEM LAMERSON DISSENTING)

List A, Item 3d:

Councilman Arnold talked about the Yavapai College Tennis Project contribution. He noted that Yavapai College originally requested \$150,000.00 from the City to participate

in the complete remodel and expansion of the tennis courts at Roughrider Park. He noted that Yavapai College was going to add an additional court and make all of the courts tournament size. The City of Prescott had the most to benefit from a tournament style tennis facility. He would like the City of Prescott to participate in the expansion of the tennis courts.

Councilman Blair said that he could see placing money in the budget for a placeholder, but he wanted to see who was paying for the lights, landscape maintenance and court maintenance, prior to voting. Mr. Baynes responded that the courts were on Yavapai College property. He said there was an Intergovernmental Agreement (IGA) with the county, where the City participated with the tennis courts. That was written out of the IGA in 2010. The current IGA does not include the tennis courts. The college was responsible for all maintenance and utilities. Councilman Blair said he wanted to see that in writing.

Councilman Kuknyo said he also wanted to see what type of access the citizens of Prescott would have and what kind of priority they would have. He noted that the City of Prescott was giving \$80,000.00 worth of pavement to the project.

COUNCILMAN ARNOLD MOVED TO INCLUDE ITEM 3D IN THE FY15 BUDGET FOR \$25,000.00; SECONDED BY COUNCILMAN KUKNYO; PASSED 6-1 (COUNCILMAN LAZZELL DISSENTING)

List B:

Mr. McConnell discussed List B and noted that the focus was on the budget for FY15. He noted that the items on the list had been identified, but some could not be quantified for the budget.

Councilman Arnold asked if, concerning Item 1, there was an opportunity to keep any millings from the Arizona Department of Transportation (ADOT), County and City projects. Mr. McConnell said yes.

Mr. McConnell noted that Items 2 and 3 were contingent on grant funding. He noted that the General Fund was down to the bottom.

Councilman Arnold said, regarding Item 4, Public Service Retirement System, he would like to see the City hire an expert to evaluate the current retirement system and make recommendations to the Council, deal with unfunded liabilities within the retirement funds and look for alternatives in the state.

Councilman Blair spoke about Item 5, Library Funding. He noted that the Library District would have a special meeting in Cottonwood next month. He said the Director was working up numbers to see how much property tax would have to be increased to make the fund solvent, rather than a partial fund.

Regarding Item 9, Consolidation of Wastewater Treatment, Councilman Arnold asked when Public Works would be in a position to begin discussing consolidation with the Council. Mr. McConnell said staff would like to get the airport water reclamation facility plant up and running and then they would talk about consolidation in three to six months.

III. ADJOURNMENT

There being no further business to be discussed, the Regular Voting Meeting of June 10, 2014, adjourned at 6:57 P.M.

JIM LAMERSON, MAYOR PRO TEM

ATTEST:

DANA R. DeLONG, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Voting Meeting of the City Council of the City of Prescott, Arizona held on the 10th day of June, 2014. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2014.

AFFIX
CITY SEAL

DANA R. DeLONG, City Clerk