

PRESCOTT CITY COUNCIL
REGULAR VOTING AND
SPECIAL MEETING
TUESDAY, JUNE 21, 2016
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING AND SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL HELD ON JUNE 21, 2016, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Oberg called the meeting to order at 5:30 p.m.

Mayor Oberg announced that this would be the last meeting held at 5:30 p.m. He said starting in July the regular voting meetings would begin at 3:00 p.m.

◆ **INTRODUCTIONS** - none were given.

◆ **INVOCATION** by Jonathan Millet, Church of Jesus Christ of Latter-Day Saints

◆ **PLEDGE OF ALLEGIANCE** by Councilman Blair

◆ **ROLL CALL:**

Present:

Absent/Excused:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox (attended telephonically)

◆ **ANNOUNCEMENTS**

Craig McConnell, City Manager, said several Council Members had requested that a sales tax increment for public safety be considered at the July 12, 2016, voting meeting. In preparation for that meeting a special study session had been scheduled for Tuesday, July 5, 2016, starting at 1:00 p.m.

I. CONSENT AGENDA

A. Approved minutes for the City Council meetings held on June 7, 2016

- B. Adopted Resolution No. 4339-1548 authorizing the disposal and conveyance of surplus water reclamation facility equipment to Page Utility Enterprises (PUE), City Contract No. 2016-314
- C. Adopted Ordinance No. 4985-1523 authorizing the sale of real property to the Smoki Museum, Inc., (City Contract No. 2016-313)
- D. Approved the purchase of one (1) Trimble S5 robotic total surveying station from Allen Instruments & Supplies using Arizona State Contract pricing in the amount of \$29,886.39 (City Contract No. 2016-318; Engineering Fund)
- E. Awarded City Contract No. 2016-310 to Lyon Engineering & Surveying, Inc., for engineering services for the Wills Street and Cortez Street Intersection Repair Project in the amount of \$59,932.00 (Water and Streets Fund)

City Clerk Dana DeLong stated the project schedule in the Council memo stated engineering services were scheduled to be completed within ten (10) months of the Notice to Proceed. The project schedule was ten (10) weeks.

- F. Approved (1) assignment of City Contract No. 2015-068A2 for SCADA Citect Services and Licensing from Controls West, Inc., to Relevant Solutions, LLC; and (2) extension of the contract completion date to November 1, 2016.
- G. Awarded City Contract No. 2016-286 with Sterling Infosystems, Inc., for background checks of prospective employees, board and commission appointees, and volunteers in an estimated amount of \$15,600.00 (Various Funds via cost recovery)
- H. Approved City Contract No. 2016-319 for the purchase of security cameras and a recording device from Transource Services Corporation, in the amount of \$11,296.46, using State of Arizona Contract No. ADSPO16-098200 pricing (Police Vehicle Impound Fee Fund)
- I. Approved City Contract No. 2016-315 with Prescott Newspapers, Inc., for annual legal advertising services in an estimated amount of \$14,500.00 (Cost recovered from various funds)
- J. Approved employment contract with City Attorney (City Contract No. 2016-316)
- K. Approved employment contract with City Clerk (City Contract No. 2016-317)
- L. Approved Drainage Easement and Drainage Easement Agreement with Ricky and Sue Willinger re property at 7 Perkins Drive, Prescott

- M. Approved the appointment of Anthony Teeters to the Board of Adjustment, and to the Prescott Preservation Commission
- N. Adopted Resolution No. 4341-1550, approving Amendment No. 1 to the Development Agreement with Prescott Animal Hospital and America First Federal Credit Union, to enable construction of a new animal hospital (City Contract No. 2003-233A1)

MAYOR PRO TEM LAMERSON MOVED TO APPROVE CONSENT AGENDA ITEMS I.A THROUGH I.N.; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

II. LIQUOR LICENSE CONSENT AGENDA

A. Application for a Series 15 Special Event Liquor License

Mile High Brewfest
Boys and Girls Club of Central Arizona
Cortez Street between Goodwin & Gurley
Applicant: Kristen Michelle Kerns
City Application No. 16-0046S
Date/Time of Event Liquor Sales: Saturday, August 13, 2016, 4:00 pm – 8:00 pm

B. Application for a Series 15 Special Event Liquor License

Arizona Wildfire Council, Inc.
Captain Crossfit
420 N. 6th Street
Applicant: Elizabeth A. Reiman
City Application No. 16-0049S
Date/Time of Event Liquor Sales: Saturday, August 27, 2016, 8:00 am – 6:00 pm

Dana DeLong, City Clerk, presented. She said there were two Series 15 Special Event Liquor License applications on the liquor license consent agenda. Both applications had been determined to be in compliance with City requirements and were being recommended for approval.

COUNCILMAN SISCHKA MOVED TO FORWARD SPECIAL EVENT LIQUOR LICENSE APPLICATIONS II.A. AND II.B. TO THE ARIZONA STATE LIQUOR BOARD WITH A RECOMMENDATION OF APPROVAL; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

III. REGULAR AGENDA

- A. Public Hearing and consideration of a new liquor license application for a Series 12, Restaurant liquor license from Gidgette Rene Moshier, applicant for English Garden Tea Room, located at 220 W. Goodwin, Suite 1

Dana DeLong, City Clerk, presented. She said the Police Department had reviewed the application and found it to be in compliance with state law. The Community Development Department had reviewed the application and found it to be in compliance with zoning requirements and building safety issues. The application and license fees had been paid and the application had been posted at the proposed location for the required twenty days.

Gidgette Renee Moshier, applicant, addressed the Council and provided information about the business.

COUNCILMAN BLAIR MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

COUNCILMAN BLAIR MOVED TO APPROVE LIQUOR LICENSE APPLICATION NO. 12133659, FOR A SERIES 12 RESTAURANT LIQUOR LICENSE, FOR ENGLISH GARDEN TEA ROOM, LOCATED AT 220 W. GOODWIN, SUITE 1; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

- B. Walden Ranch Planned Area Development

Tom Guice, Community Development Director, presented. He said James 110 Investments, LLC, was requesting to rezone three parcels totaling 227 acres from Rural Estate 2 Acre (RE-2), Single-family 18 (SF-18), Single-Family 9 (SF-9), and Business Regional (BF) to Single-Family 6 (SF-6) and Natural Open Space (NOS) for a 215 lot single-family residential PAD subdivision entitled Walden Ranch.

Jim Chamberlain addressed the Council. He talked about his history with Prescott and projects his company had developed over the past 25 years. He said the City of Prescott was the best city in the State of Arizona. He talked about Vinyl Visions, the office/manufacturing facility within Centerpoint West. He said the building design for Vinyl Visions was being entered into a state-wide architectural contest. He said he was proud to have been part of that project.

Mr. Chamberlain said he hoped to be before the Council with proposals for workforce housing at Deep Well Ranch, but the discussion tonight was about Walden Ranch. He said he had owned the property for a long time and believed now was the right time to develop. He said a planning company was hired to help design the project and they were partnering with Dorn Homes. He talked about changing the number of lots. Mr.

Chamberlain said the current zoning would allow for 720 units, but in reality there was not enough water for 720 units. The proposal was for 215 lots on 227 acres. He said a commitment has been made to Phippen Museum to provide landscaping and the project would pay its pro-rata share of the round-about. He gave kudos to staff.

Vic Chapman addressed the Council. He said Walden Ranch presented a lot of challenges. He said the original plan was for 286 lots, but in light of the water shortage that number had been reduced down to 215 lots. He said another challenge was the large flood plain area, and they had decided not build in the flood plain. He talked about open space and connection to the trails.

Ellen Carpenter, Dorn Homes, addressed the Council. She said Dorn Homes had been building in Arizona for 46 years. She showed plans for Walden Ranch, which included a community gathering place, a dog park, health and wellness amenities, and different models.

Jim Gumby, Dorn Homes, addressed the Council. He talked about the features of the homes, star level 3 energy savings, organic homes, and EPA certifications. He said the company investigated low water usage and rain water harvesting.

Jerry Smith-Fornara, citizen, addressed the Council. She understood the energy ratings of homes. She talked about the past leadership of Prescott and how they had given away the farm. She was there to talk about the round-about. She said the other round-about did not work, and she did not support the installation of the round-about. She talked about her disappointment with citizens being appointed to commissions and committees that had only lived in Prescott for a year. She said citizens should be able to speak at study sessions and asked the Mayor to consider allowing comments.

Daniel Matteson, citizen, addressed the Council. He said he did not support the round-about. He said if a round-about was determined necessary because of the housing development, then the housing development should pay for the round-about.

Jon Paladini, City Attorney, said the discussion tonight consisted of the developer paying pro-rata share and not whether a round-about should be constructed.

Mr. Matteson reiterated if a round-about was determined necessary because of the housing development, then the housing development should pay for the round-about.

Judith Merrill, citizen, addressed the Council. She said she had four concerns: the approval of preliminary plat overriding the final plat; water; availability of trails to the entire community and parking; and taxpayers should not pay for the round-about.

Bruce Senkow, citizen, addressed the Council. He did not support the City paying for the round-about. He said there were other priorities to spend taxpayer dollars. He

would like to see the traffic impact report for the development. He said he would also like someone to address the speeding issue in his neighborhood.

COUNCILWOMAN ORR MOVED TO ADOPT RESOLUTION NO. 4342-1551, AMENDING GENERAL PLAN AND SPECIFIC AREA PLAN MAPS; SECONDED BY COUNCILMAN LAZZELL; PASSED UNANIMOUSLY.

COUNCILMAN SISCHKA MOVED TO ADOPT ORDINANCE NO. 4986-1524, REZONING 227 ACRES TO SINGLE FAMILY 6 AND NATURAL OPEN SPACE; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

COUNCILMAN LAZZELL MOVED TO ADOPT RESOLUTION NO. 4343-1552, DEVELOPMENT AGREEMENT AND WATER SERVICE AGREEMENT; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

Councilwoman Wilcox asked for a staff member to explain to the general public a bigger picture regarding the round-about. Mr. Paladini said the discussion tonight consisted of the developer paying pro-rata share and not whether a round-about should be constructed in that area.

COUNCILWOMAN ORR MOVED TO APPROVE PRELIMINARY PLAT 15-001; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY.

- C. Approval of an Animal Sheltering Service Agreement with Yavapai Humane Society in the annual amount of \$69,762.00 (City Contract No. 2016-320; General Fund)

Andy Reinhardt, Deputy Police Chief, presented. He said the request was to approve a one-year contract to allow time to explore a longer-term renewal.

Councilman Lazzell asked if the Police Department wanted to perform animal control services. Deputy Chief Reinhardt said the duties are set forth in the state statutes. He said Yavapai Humane Society had offered to provide personnel to operate City-owned facilities for animal shelter and animal control services.

COUNCILMAN SISCHKA MOVED TO APPROVE CITY CONTRACT NO. 2016-320; SECONDED BY COUNCILMAN LAZZELL; PASSED UNANIMOUSLY.

- D. Award of City Contract No. 2016-312 to Asphalt Paving & Supply, Inc., for the Crystal Lane Realignment Project in an amount not to exceed \$572,709.50 for the Base Bid (Streets and Water Funds)

Steve Orosz, Program Development Manager, presented. He said the base bid work included grading of the new alignment, construction, pedestrian improvements, water and sewer line modifications, and drainage improvements. The solicitation included a

bid alternate for construction of a retaining wall and parking lot along the northeast side of the realigned street. The bid alternate was not recommended to be awarded at this time.

John Stonecipher, Guidance Aviation, addressed the Council. He asked for the Council to consider awarding the base bid plus alternate bid. He said the company had been affected by a serious erosion issue by the back three hangars, which are leased from the City. He said this had been addressed with the City three or four times over the past 15 years. The problem had exasperated and the realignment of the road would accelerate the erosion. He said this needed to be addressed immediately.

Bret Painter, General Manager, Guidance Aviation, addressed the Council. He had sent a letter to the Mayor and City Manager, and received a response from Jeff Burt, Economic Initiatives Director. The letter stated that Mr. Burt understood the problems and would like to address the issues. Mr. Painter said a year ago the retaining wall and fixing the erosion issue had been included in the plans, and the base bid was advertised without the retaining wall. He said Mr. Burt apologized for not keeping Guidance Aviation apprised of any changes, and they would keep Guidance Aviation better informed as the process moved forward. Mr. Painter said that they had not been informed that the item was on tonight's agenda. He talked about the erosion and damage to the hangars. He asked who was responsible for removing the retaining wall from the base bid. He said the erosion needed to be addressed and asked the Council to award the base bid plus alternate.

Mayor Oberg said he saw the letter. He said Jeff Burt was the Director of Economic Initiatives, which oversees the Airport, and that staff was aware of the problem and planned on addressing the issue.

Craig McConnell, City Manager, said the project did not surface during the budget discussions. He said the bid process had three components: realignment of the road; erosion issue; and parking lot installation. He said during the budget process it was communicated to Council that anything that was not necessary would not be included. He said the bid should have been structured in three parts: base bid for the realignment; second bid alternate for the erosion; and parking lot construction. He said staff was going to address the erosion issue immediately.

Councilman Blair asked if the City owned the buildings being leased. Mr. McConnell said, yes. Councilman Blair asked why the City would not protect its buildings. Mr. McConnell said the recommendation for this item was to award the base bid. Staff would then proceed with stabilization and fixing the erosion issue separately. He said Council could defer awarding the contract and investigate a deductive change order to remove the parking lot costs from the bid. He said with a deductive change order they would not get the best pricing and that was why the recommendation was to award the base bid. He assured the Council the erosion problem would be dealt with immediately.

Councilman Lazzell said he understood the funding for the realignment was through the street funds, but the erosion funding was through the general fund. Mr. McConnell said the realignment of Crystal Lane was being funded through street funds, but the funds to fix the erosion problem would be appropriated from the general fund. He said streets funds were restricted and staff could make no finding to use street funds for the erosion project. He reiterated fixing the erosion problem would be dealt with immediately.

Councilman Blair asked if the erosion was tied to the realignment of the road and if it was, why street funds could not be used to correct the problem. Mr. McConnell said staff could not make the findings to justify spending street funds on the erosion project.

Councilman Sischka asked staff if the Council should defer awarding the contract or proceed. Mr. McConnell said to include the parking lot was the question. He said had the parking lot not been included in the bid, staff would be recommending a contract be awarded for the road realignment and erosion project. He said staff got out ahead of the process and should have structured the bid documents differently. He said there was no authorization to use general fund money or include the parking lot project. He said there had been numerous talks, but nothing was approved.

Councilman Sischka and Councilwoman Orr asked if this was something that needed to be awarded right away or if it could wait. Mr. McConnell said deductive change orders cause problems because the other bidders have not had the chance to bid. He said deferring the awarding of the contract delays the project.

Councilwoman Orr asked if the \$718,060.00 included the realignment of the road, fixing the erosion problem, and construction of the parking lot. Mr. McConnell said that was correct. He said from a priority stand point on the use of general fund monies, the parking lot should not have been included at this time.

Mayor Pro Tem Lamerson said he was not happy about the situation. He understood what was before them was to award a contract for the realignment only; or award a contract for the realignment, erosion fix, and parking lot. He said Council could vote to award the contract, vote to defer this item, or vote no.

Jon Paladini, City Attorney, said there were two bid items; the base bid and the base bid/bid alternate. He said the bids had to be awarded as presented. If the Council wanted to drop the parking lot, the Council would need to reject all bids and rebid each item as a single bid project. He said if Council awarded the contract for the base bid only, nothing stopped staff from rebidding the erosion work as a separate project.

Henry Hash, Public Works Director, said the base bid would be paid out of street funds. The alternate bid would be paid out of the general fund. He said if the contract was not awarded tonight the entire project would be delayed. He said the base bid could be awarded tonight, and then direct staff to coordinate a bid package for the erosion project.

Mayor Oberg asked if the money had been appropriated in the budget for the erosion project. Mr. McConnell said, no.

Tom Juliani, General Manager Legend Aviation, said he took offense to the situation. He said there had been numerous discussions with staff that soil stabilization and fixing of the erosion problem was a needed aspect of the project. He said the parking lot was not a necessary aspect, and he did not support delaying the project. He said when the road was realigned there would be an increase in traffic which would only exacerbate the erosion problem. He said there was a huge event planned for September 30 and he would like the erosion problem addressed before that event.

Councilwoman Orr said she heard staff state the erosion problem would be addressed immediately.

Mayor Pro Tem Lamerson said the erosion problem was an immediate issue with the upcoming Monsoon season.

Mayor Oberg asked the time frame for coordinating the bid package, advertising, and awarding the contract for the erosion project. Mr. Hash said two to three months.

Councilman Lazzell asked if the contract was approved when would the contractor begin work. Mr. Orosz said work would start next week and the road would be opened by September 15, 2016.

Councilman Sischka asked if staff could be creative and find the money in the general fund to get the job done. Staff responded, yes.

COUNCILWOMAN ORR MOVED TO AWARD CITY CONTRACT NO. 2016-312 TO INCLUDE THE BASE BID AND THE ALTERNATE BID; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

- E. Award of City Contract No. 2016-299 to Darcor, Inc., for professional engineering services for the Rodeo Grounds Electrical Improvement Project – Phase 1 in an amount not to exceed \$239,814.00 (Facilities Management Fund)

Stephanie Miller, Field and Facilities Director, presented. She said the project consisted of rehabilitating the dilapidated 2,400-volt electrical system servicing the rodeo grounds. She said the project would bring the system up to code and was planned to be completed in two phases. She said Phase I would focus on the grandstands, rodeo, arena lighting and controls, the Mackin Building, mitigation of lead paint and asbestos, and improving the infrastructure for future needs. She said Phase I would also include surface preparation and painting of the roof trusses, structures, and replacing the roof.

Councilwoman Wilcox asked if the Facilities Maintenance Fund was part of the general fund. Ms. Miller said, yes.

Councilwoman Orr said the repairs had been needed for a long time.

COUNCILMAN SISCHKA MOVED TO APPROVE CITY CONTRACT NO. 2016-299; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

- F. Public Hearing for the FY 2017 Budget Expenditure Limitation, Tax Levies, and Truth in Taxation Notice; at Special Meeting, Adopted of Resolution No. 4340-1549 adopting the Final FY 17 Budget, Expenditure Limitation, and City Job Roster

Mark Woodfill, Finance Director, presented. Mr. Woodfill recapped the budget process.

- FY 17 Budget Items on Today's Agenda
- Proposed FY 17 Final Budget

Mayor Pro Tem Lamerson asked as single line items came before the Council in FY 17, if he could vote no, without having to vote no on the whole budget. Jon Paladini, City Attorney, said that was correct.

Councilman Lazzell asked if the motion to raise the primary property tax over the Fiscal Year 2016 level by \$66,187.00 was to raise property taxes. Mr. Woodfill said the vote would approve staff to proceed with the recommended levy that was in the "Truth and Taxation" hearing. He said the property tax ordinance would set the levy for FY 17, which would come before the Council on July 12, 2016.

Daniel Matteson, citizen, addressed the Council. He said this was the first time the public had been allowed to comment on the proposed budget. He would like the public to be able to comment sooner in the process. He would like the Library to be able to be open on Sundays.

Mr. Woodfill recapped the past budget meetings/workshops.

Ron James, citizen, addressed the Council. He asked the Council to not remove SR89 road improvements and round-about at Phippen museum. He said he lives in the area and a round-about had been needed for many years.

Mayor Oberg said tonight the Council either approved or disapproved the entire budget. If the budget was approved then in the future, as line items came before the Council, discussion and approval or disapproval for a particular item would take place at that time.

Councilwoman Orr said she served on the ADOT Board and would pass along Mr. James' comments. She said she would keep the Council informed of ADOT's discussions regarding the SR89 and round-about at Phippen museum.

Mayor Pro Tem Lamerson said certain things were included in the overall budget. He talked about round-about being part of the highway system that people needed to accept.

Councilwoman Wilcox said she wanted the public to understand there was a bigger picture regarding the round-about.

Bruce Senkow, citizen, addressed the Council. He asked if the general fund was part of the operating budget. Mr. Woodfill said, yes. Mr. Senkow asked if the erosion project was approved without knowing where the money was coming from. Mr. Woodfill said in reference to the parking lot and retaining wall, the funding would come out of the FY 17 general fund budget. He said the budget included proposed grant monies being awarded. He said if not all the grant money was used, staff should be able to find the needed money. Mr. McConnell said there were also general fund reserves. Mr. Senkow was concerned a contract was being awarded without having the funding to award the contract.

COUNCILWOMAN ORR MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY.

COUNCILWOMAN ORR MOVED TO RAISE THE PRIMARY PROPERTY TAX OVER THE FISCAL YEAR 2016 LEVEL BY \$66,187 AS SET FORTH IN THE TRUTH IN TAXATION NOTICE; SECONDED BY COUNCILMAN SISCHKA;

ROLL CALL VOTE:

MAYOR OBERG	Aye
MAYOR PRO TEM LAMERSON	Aye
COUNCILMAN BLAIR	Nay
COUNCILMAN LAZZELL	Nay
COUNCILWOMAN ORR	Aye
COUNCILMAN SISCHKA	Aye
COUNCILWOMAN WILCOX	Aye

MOTION TO RAISE THE PRIMARY PROPERTY TAX OVER THE FISCAL YEAR 2016 LEVEL BY \$66,187 PASSED 5-2; COUNCILMAN BLAIR AND COUNCILMAN LAZZELL DISSENTING.

IV. ADJOURNMENT

There being no further business to be discussed, the Regular Voting Meeting of June 21, 2016, adjourned at 7:05 p.m.

SPECIAL MEETING

A. CALL TO ORDER

Mayor Oberg called the Special Meeting to order at 7:06 p.m.

Present:

Absent/Excused:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox (attended telephonically)

- B. Adoption of Resolution No. 4340-1549 A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, DETERMINING AND ADOPTING FINAL ESTIMATES OF PROPOSED EXPENDITURES FOR FISCAL YEAR 2017, DECLARING THAT THE SAME SHALL CONSTITUTE THE BUDGET FOR THE CITY OF PRESCOTT FOR SAID FISCAL YEAR, ESTABLISHING THE EXPENDITURE LIMITATION, AND APPROVING AND UPDATING THE JOB ROSTER FOR THE CITY OF PRESCOTT.

COUNCILMAN SISCHKA MOVED TO ADOPT RESOLUTION NO. 4340-1549; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

C. ADJOURNMENT

There being no further business to be discussed, the Special Meeting of June 21, 2016, adjourned at 7:08 p.m.

HARRY B. OBERG, Mayor

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 Voting Meeting of the City Council of the City of Prescott, Arizona held on the 21st day of June, 2016. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2016.

AFFIX
CITY SEAL

DANA R. DeLONG, City Clerk