



CITY COUNCIL MEETING

VOTING MEETING MINUTES

TUESDAY, JANUARY 9, 2018, 3:00 PM

Council Chambers, 201 South Cortez Street

Prescott AZ 86303

(928) 777-1100

Greg Mengarelli, Mayor

Billie Orr, Mayor Pro Tem

Steve Blair, Councilman

Phil Goode, Councilman

Jim Lamerson, Councilman

Alexa Scholl, Councilwoman

Steve Sischka, Councilman

MINUTES OF THE VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON JANUARY 9, 2018, in the COUNCIL CHAMBERS located at 201 SOUTH CORTEZ STREET, Prescott, Arizona.

1. CALL TO ORDER

Mayor Mengarelli called the meeting to order at 3:00 p.m.

2. INTRODUCTIONS

Mayor Pro Tem Orr introduced Steve Irwin and the new APS Director McKenzie.

3. INVOCATION

Pastor Sokoloski with American Lutheran Church

4. PLEDGE OF ALLEGIANCE

Councilman Blair

5. ROLL CALL

Greg Mengarelli	Mayor
Billie Orr	Mayor Pro Tem
Steve Blair	Councilman
Phil Goode	Councilman
Jim Lamerson	Councilman
Alexa Scholl	Councilwoman
Steve Sischka	Councilman

6. ANNOUNCEMENTS

Speaker Cards and Timing Process

Mayor Mengarelli reminded citizens to fill out comment cards to speak on any agenda items. There is also a three (3) minute limitations and give the cards to the Deputy City Clerk Cindy Pemberton.

7. PROCLAMATIONS

- A. Martin Luther King Jr. Day

Councilwoman Scholl read the proclamation.

- B. Youth Mentoring Month

Mayor Pro Tem Orr read the proclamation.

8. CONSENT AGENDA

Councilman Goode asked for Consent Agenda items 8.E, 8.H. and 8.I pulled for discussion.

In discussing Items 8.E and 8.I, the Accela software program was originally \$250,000 and now it has gone up to \$375,000 and adding an additional \$43,000 to the cost of the system. He is concerned about the escalating cost of this program and when will the increases end.

Information Technology Director Nate Keegan understands his concerns. He has the same concerns. These are bleed over costs. Item E consists of additional licenses for the Fire Department to use Accela. Item I is a services contract for the Public Works Department which were outside the scope. Councilman Goode asked if there is an additional cost when users are added. Mr. Keegan said yes.

Mr. Keegan stated Item I is driven by the Public Works Department. Councilman Goode said Accela looks like a very strong software program. Some of these costs can grow out of control and sometimes may need to be reviewed and looked at to see if there are other programs that are less expensive. Mr. Keegan said this contract expires at the end of this fiscal year.

MAYOR PRO TEM ORR MOVED TO APPROVE AGENDA ITEMS 8.A, 8.B, 8.C, 8.D, 8.F, 8.G, AND 8.J.; SECONDED BY COUNCILMAN SISCHKA: PASSED 7-0.

- A. Approval of draft minutes for the October 10, 2017 Study Session, the November 14, 2017 Voting Meeting, the November 28, 2017 Study Session, and the November 28, 2017 Voting Meeting.
- B. Approval of an Amendment to City Contract No. 2016-049 A1 with Engineering & Testing Consultants, Inc. (ETC), for Quality and Assurance Testing Services for City Capital Improvement Projects, in the amount of \$40,000.00.
- C. Approval to Purchase Fire Department 1¾ inch Nozzles from United Fire Equipment Company in an Amount not to exceed \$19,567.55 (City Contract No. 2018-136).
- D. Award of City Contract Nos. 2018-137 and 2018-138 to Fann Contracting, Inc. for Driveway Improvement Projects, in the total amount of \$42,041.00.

- E. Approval of City Contract No. 2018-142 for purchase of Accela Civic Platform User Licenses from Carahsoft, in an Amount Not to Exceed \$12,676.60 Using GSA Contract GS-35F-0119Y Pricing. Funding is available in the General Fund.
- F. Approval of the Memorandum of Understanding with the Yavapai-Prescott Indian Tribe for the pass-through of funding to various community non-profits. (City Contract No. 2018-134).
- G. Award of Contract for Ken Lindley Field Light Pole Replacement with Musco Sports Lighting (City Contract No. 2018-129) and A Team Electrical Services (City Contract No. 2018-139) for a total amount not to exceed \$90,000.00.
- H. Award of contract for professional services to Emergency Services Consulting International (ESCI) in the amount of \$64,328.00 (City Contract No. 2018-059).

Councilman Goode asked why is the city going outside for professional consulting services for a strategic plan that seems like it could be done by the capabilities of the Fire Chief and his staff. Fire Chief Light said shortly after his arrival, the International City Manager Association (ICMA) presented to the existing Mayor and Council at that time and provided an ICMA report to create a twofold document for comprehensive community risk assessments standards which is the primary services provided by Emergency Services Consulting Inc. A follow on to that is a Strategic Management Plan. Over the last eight to ten years, Fire senior staff has been reduced. His preference would be to do in-house but current staff have heavy workloads and aren't able to take on this project.

- I. Approval of City Contract No. 2018-141 for Accela Civic Platform implementation services from The Sidwell Company, in an amount not to exceed \$30,720.00 using GSA Contract GS-35F-0119Y pricing.
- J. Approval to Purchase Fire Department Thermal Imaging Cameras (TIC) from LN Curtis in an Amount not to exceed \$31,168.20 (City Contract No. 2018-141).

COUNCILMAN SISCHKA MOVED TO APPROVE AGENDA ITEMS 8.E, 8.H, AND 8.I.; SECONDED BY COUNCILMAN LAMERSON: PASSED 7-0.

9. ORDINANCES (CONSENT)

- A. Adoption of Ordinance No. 5061-1601 amending the City Code to update Title IV, Chapter 4-7 (Alcoholic Liquor).

ADOPT ORDINANCE NO. 5061-1601 OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE IV, CHAPTER 4-7 ("ALCOHOLIC LIQUOR"), RENAMING CHAPTER 4-7, DELETING SECTION 4-7-2, AMENDING SECTION 4-7-6, AND RENUMBERING AS

APPROPRIATE OF THE PRESCOTT CITY CODE; ADDING A SEVERANCE CLAUSE; AND PROVIDING FOR PENALTIES.

COUNCILWOMAN SCHOLL MOVED TO ADOPT AGENDA ITEM 9.A; SECONDED BY COUNCILMAN SISCHKA: PASSED 7-0.

- B. Adoption of Ordinance No. 5057-1597 authorizing the second amendment to commercial lease agreement No. 2001-257, between the City of Prescott and Arizona Public Service Company.

ADOPT ORDINANCE NO. 5057-1597 OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE SECOND AMENDMENT TO COMMERCIAL LEASE AGREEMENT NO. 2001-257, BETWEEN THE CITY OF PRESCOTT AND ARIZONA PUBLIC SERVICE COMPANY.

Councilman Goode said there was an error in the contract calculations for a ratio consumer price index and he is not sure what the error is. City Manager Michael Lamar said the inflationary adjustment was mistakenly put at eight percent a year. City Attorney Jon Paladini said it was supposed to say not to exceed eight percent and instead it said not less than eight percent. APS (Arizona Public Service Company) would like something that is more market reasonable.

MAYOR PRO TEM ORR MOVED TO ADOPT AGENDA ITEM 9.B; SECONDED BY COUNCILMAN GOODE: PASSED 7-0.

10. REGULAR AGENDA

- A. Appoint three council members to the City Council Subcommittee for Water Issues.

MAYOR PRO TEM ORR MOVED TO APPROVE AGENDA ITEM 10.A; SECONDED BY COUNCILWOMAN SCHOLL: PASSED 7-0.

- B. Appoint three council members to the Council Subcommittee on Appointments.

MAYOR PRO TEM ORR MOVED TO APPROVE AGENDA ITEM 10.B; SECONDED BY COUNCILWOMAN SCHOLL: PASSED 7-0.

- C. Approve Amendment No. 1 for the Design-Build Services (City Contract No. 2018-037A1) with Amec Foster Wheeler (AMEC) for Stage 2 Construction for the Granite Creek Dam Outlet Rehabilitation Project in the amount of \$939,000.00.

City Engineer Steve Orosz presented. This is the second stage for the Granite Creek Dam Rehabilitation project. This item is for construction of the wet side of the dam for improvements to the gate valve on the smaller valve and some minor improvements on the dry side for the larger valve. Stage three will be coming shortly. They are finalizing

the design for the rest of the project but one of the items has about a nine month lead time to get the certain valve.

Councilman Blair asked how long will this valve last? Mr. Orosz said a long time. There is a normal two year warranty on the work. Public Works Director Craig Dotseth said the original valve has lasted 70+ years. Any work that has to be done on the dry side with maintenance on the valves will be done on the other side to allow work on the other side of the dam.

Councilman Goode said there aren't a lot of options and this has to be fixed.

Councilman Sischka asked, with road projects there is always an engineer's estimate of costs, do we do that with these type of situations. Mr. Orosz said not in the same format. When you do a design build type of project is done, the city, the designer and the contractor work collaboratively on a price.

Ralph Hess, citizen, had a question that applies to all three phases of this project. Are there any other fund sources paying for this project such as Watson Lake Recreation Fees? Mr. Lamar said the full burden will be on the Water Fund.

COUNCILMAN BLAIR MOVED TO APPROVE AGENDA ITEM 10.C; SECONDED BY COUNCILMAN LAMERSON: PASSED 7-0.

- D. Adoption of Ordinance No. 5060-1600, authorizing debt issuance through the Water Infrastructure Finance Authority of Arizona for the first phase of the wastewater centralization project, and declaring an emergency.

ADOPT ORDINANCE NO. 5060-1600 OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FROM ITS CLEAN WATER REVOLVING FUND PROGRAM; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE BUDGET/FINANCE DIRECTOR OF THE CITY; PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS ORDINANCE AND DECLARING AN EMERGENCY.

Finance Director Mark Woodfill presented. This item is to fund three major wastewater projects primarily the centralization project. The benefits of using WIFA (Water Infrastructure Finance Authority) is using an index of a AAA bond rating which is better than AA bond rating. There is also a subsidy of twenty percent which means they are using EPA Funds to pay twenty percent of our interest costs. If we were able to close this loan today for a thirty year loan, it would have an interest rate of 2.1 percent. They hope to close at the end of the month and as soon as the comment period is done. There is an emergency clause on this ordinance so we can act prior to the thirty days.

Mayor Pro Tem Orr thanked Mr. Woodfill for negotiating the thirty years because it does save citizens money.

Councilman Goode asked why we have to go thirty years. Mr. Woodfill said the projection at the time this was put together it has only moved a little bit. The index is at 2.63 which brings us down to 2.1%. These are fifty year assets and allows stretching out the costs of the assets. At 2%, it is a good time to get into a thirty year loan.

Ralph Hess, Prescott citizen, asked if this loan will impact affluent rates that will be charged for the debt service. Also, with regard to the emergency clause and closing the loan in thirty days. Does closing the loan within thirty days meet that emergency clause criteria listed in the Charter?

Mr. Woodfill said all of the debts of the Wastewater Fund are used when a rate study is done. Affluent rate is looked at and how it will directly impact affluent sales which are significantly small. The cost directly associated with those are significantly low. The last time a rate study was done there were set at comparable rates of other municipalities which is the way it has to be done when having such a small factor of the overall utility. They will be figured in all of the rates that are put together.

City Attorney Jon Paladini said emergency clauses are allowed under state law which is broader than our Charter to protect the safety and public welfare of the citizens. This includes the fiscal welfare which would allow us to adopt an emergency clause for financial advantages of being able to close in less than thirty days. This does fall under the state law provisions.

MAYOR PRO TEM ORR MOVED TO APPROVE AGENDA ITEM 10.D; SECONDED BY COUNCILMAN SISCHKA: PASSED 7-0.

11. ADJOURNMENT

Mayor Mengarelli read a quote from Martin Luther King, Jr.: Darkness cannot drive out darkness: only light can do that. Hate cannot drive out hate: only love can do that.”

There being no further business to discuss, the Voting Meeting adjourned at 3:35 p.m.

GREG MENGARELLI, 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 Voting Meeting of the City Council of the City of Prescott, Arizona held on the 9th day of January, 2018. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2018.

AFFIX
CITY SEAL

Maureen Scott, City Clerk