

PRESCOTT CITY COUNCIL
VOTING MEETING
TUESDAY, JUNE 27, 2017
PRESCOTT, ARIZONA

Minutes of the Voting Meeting of the Prescott City Council held on June 27, 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 3:11 p.m.

2. INTRODUCTIONS None

3. INVOCATION

Pastor Adam Marquardt-Heights Church

4. PLEDGE OF ALLEGIANCE

Councilwoman Wilcox

5. ROLL CALL:

Present:

Absent/Excused:

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

6. ANNOUNCEMENTS

Dennis Light, Fire Chief, updated on the Goodwin fire. Councilman Lazzell asked if White Spar was in any imminent danger. Mr. Light replied no.

Mayor Oberg announced a Public Safety Personnel Retirement (PSPRS) meeting would be held in Coconino County.

7. CONSENT AGENDA

Virginia A. Mefford, Deputy City Clerk, said the Amended Agenda was physically posted on the bulletin boards at City Hall at 2:50 p.m. and due to technical difficulties with the Accela program, they were posted on the City website at 3:20 p.m.

- A. Assign Virginia Mefford as Interim City Clerk through July 18, 2017
- B. Approval of City Contract No. 2017-360 with Prescott newspapers, Inc., for annual legal advertising services in an estimated amount of \$14,500.00
- C. Approval to Accept Grant from the Arizona State Library through the Library Services & Technology Act (LSTA) in the Amount of \$38,530.00. There Are No Matching Funds Required.
- D. Adopt Resolution No. 4389-1598 between the City of Prescott and Prescott Historical Society, Inc., to approve City Contract No. 2017-352 in an amount not to exceed the amount of \$10,000.00 per Fiscal Year
- E. Adopt Resolution No. 4392-1601 Amending the Development Agreement for Storm Ranch Subdivision Extending the Agreement Until July 10, 2018.
- G. Approve Amendment No. 1 to the Intergovernmental Agreement (City Contract No. 2010-137) Between the City of Prescott and the Prescott Unified School District
- H. Contract for Services with Martina Kuehl of Kuehl Enterprises, LLC for Research and Preparation of a Housing Demand Study (City Contract No. 2017-361), not to exceed \$13,000.00
- I. Approval of employment contract with City Attorney (City Contract No. 2017-364).
- J. Award of City Contract No. 2018-001 approving a supply contract for 65-gallon residential containers from Otto Environmental using Houston-Galveston Area Council (HGAC) contract pricing in the estimated annual amount of \$130,000.00
- K. Approval of Amendment No. 2 to City Contract 2015-029A2 with Charlie Pepper, Inc. for the purchase of coarse salt in an amount not to exceed \$23,000.00 per year.

COUNCILWOMAN ORR MOVED TO APPROVE CONSENT AGENDA ITEMS 9.A.THROUGH 9.K PULLING ITEM F FOR FURTHER DISCUSSION; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY.

- F. Approval of the Final Plat (FP 17-002) for Storm Ranch Subdivision

Councilwoman Wilcox said she did not receive background information in time on item F to make a responsible decision for the development. She would have liked a Work Study Session on the subject. Councilman Blair agreed.

Charlie Arnold, with Land Development Group, said the item was approved ten years ago and to complete the project by July 10th, they needed the item to be approved. They have met all the statutory requirements and Council has voted on the one-year water extension and development agreement. He said they have trails planned for the development and a parking lot and are willing to come back to Council and get their input on the trails. Councilwoman Wilcox said she would like the trails and the parking lot included in writing on the development agreement and on the plat.

Mr. Arnold said they worked with City staff with trail improvements. Councilman Sischka said on one level he agreed with Councilwoman Wilcox, but on another level, staff reviewed the plans and the preliminary plats and they were complete and aligned with the final plats and they deemed them as in substantial compliance. Mr. Arnold said they were comfortable with bringing back the trails for a presentation prior to the final plats being recorded.

Mayor Oberg asked Jon Paladini, City Attorney, what kind of time limits were they working with. Mr. Paladini said staff had deemed this to be in substantial compliance and Council had very little discretion. If the Council decides to wait they could vote to waive that requirement for July 10th and have a study session on the 11th.

Councilwoman Orr said she would like to move forward since they have met the standard and it had gone through staff. Councilman Lazzell said he agreed staff had done their due diligence and he would like to vote on it.

Councilwoman Wilcox said they should go through the process of Planning and Zoning and then brought back to Council. She said she would not vote for it. Councilman Sischka said if staff had reservations about the substantial compliance of the plats he would understand not approving it, but staff did approve it for substantial compliance and he would like to move forward.

Mayor Oberg asked Mr. Arnold, before the final plat was recorded, would some of the concerns regarding the trails be looked at. Mr. Arnold replied yes. He said they would have an exhibit to show Council of the trail plan. Mr. Paladini said there were no expiration dates on the preliminary plat and no factual basis for them to have to go back through the process. Mr. Arnold was willing to come back with an exhibit to show Council and the staff the ideas for trails.

Mayor Pro Tem Lamerson asked who sets the standard for substantial compliance. Mr. Paladini said the statutes. Mayor Pro Tem Lamerson said this meets the substantial compliance by state law. Mr. Paladini said in the opinion of staff they are in substantial compliance.

Councilwoman Wilcox said they were not given the opportunity to see the preliminary plat and the final plat. Mr. Paladini said in the staff opinion it was substantially in compliance, and it was up the Council to believe them or not when making their final decision.

COUNCILWOMAN ORR MOVED TO APPROVE THE FINAL PLAT (FP 17-002) FOR STORM RANCH SUBDIVISION; SECONDED BY COUNCILMAN SISCHKA; PASSED (6-1). COUNCILWOMAN WILCOX DISSENTING.

8. LIQUOR LICENSE AGENDA

A. NEW LICENSES

1. Public Hearing and consideration of a new liquor license application for a Series 10 Beer & Wine Store liquor license from Ankit S. Patel, applicant for Chevron Prescott, located at 2889 Willow Creek

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

COUNCILMAN LAZZELL MOVED TO APPROVE LIQUOR LICENSE APPLICATION NO. 10133314 FOR A SERIES 10 BEER & WINE STORE LIQUOR LICENSE, FOR CHEVRON PRESCOTT, LOCATED AT 2889 WILLOW CREEK; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY.

B. PERSON TO PERSON TRANSFER

1. Public Hearing and consideration of a Person to Person Transfer license application for a Series 6 Bar liquor license from Josh T. Makrauer, applicant for Whiskey R. LLC dba Jersey Lilly Saloon, located at 116 S. Montezuma Street

Susan Roberts, Owner, said she looked forward to doing business in Prescott.

Council thanked her for opening a business in the City.

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

MAYOR PRO TEM LAMERSON MOVED TO APPROVE LIQUOR LICENSE APPLICATION NO. 06130076 FOR A PERSON TO PERSON TRANSFER FOR A SERIES 6 BAR LIQUOR LICENSE, FOR WHISKEY R. LLC DBA JERSEY LILLY SALOON, LOCATED AT 116 S. MONTEZUMA STREET; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

2. Public Hearing and consideration for a Person to Person and Location Transfer license application for a Series 6 Bar liquor license from Guillermo Aldaco, applicant, for Los Pinos Mexican Food, LLC; Location: 1245 White Spar Road

Councilman Sischka asked if the business would be traditional Mexican food or would it be high end. Mr. Aldoca said it would be upper scale. Council thanked him for bringing his business to Prescott.

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

COUNCILMAN SISCHKA MOVED TO APPROVE LIQUOR LICENSE APPLICATION NO. 06130047 FOR A PERSON TO PERSON AND LOCATION TRANSFER FOR A SERIES 6 BAR LIQUOR LICENSE, FOR LOS PINOS MEXICAN FOOD, LLC; LOCATION: 1245 WHITE SPAR ROAD; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

C. SPECIAL EVENT

1. Approval of a Series 15 Special Event Liquor License Application for Stand for Prescott; Event Location: Holiday Courtyard at the Grand Highland Hotel, 150 South Montezuma Street; Applicant: Cecelia Ann Jernegan; City Application No. 17-055S; Date/Time of Event Liquor Sales: Thursday, July 13, 2017, 3:00 pm to 9:00 pm

COUNCILWOMAN ORR MOVED TO FORWARD SPECIAL EVENT LIQUOR LICENSE APPLICATION 10.A.1. TO 10.A.2 THE ARIZONA STATE LIQUOR BOARD WITH A RECOMMENDATION OF APPROVAL; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY.

9. REGULAR AGENDA

- A. Approval of Site Plan SI17-003 and Water Service Agreement 15-011 (City Contract No.2017-362) for Crown Point Apartments/Condominiums, a 102 Dwelling Unit Multifamily Complex Located at 609 Bagby Drive (Owner: Vista Point Partners; APNs: 113-03-071B and 113-03-054B)

George Worley, Planning Manager, presented the Site Plan. He said the concerns were how the site would be maintained during the winter months and would it be safe for residents, police and fire services. It did meet the requirement of the water service policy. Councilman Blair asked if there was a site plan for landscaping. Mr. Worley replied yes.

Councilwoman Wilcox asked how the concerns resolved for the steepness of the drive. Mr. Worley said the entrance would have a flat area to allow for emergency vehicles to enter for access.

Councilwoman Wilcox asked if storm barriers were discussed. Mr. Worley replied no, they would be discussed at the time of building. Councilwoman Wilcox asked about the traffic. Mr. Worley said there would be a traffic review of the street and access.

COUNCILMAN ORR MOVED TO APPROVE SI17-003; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

COUNCILMAN ORR MOVED TO APPROVE WSA 15-011 (CITY CONTRACT NO. 2017-362); SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

- B. Approval of Site Plan No. 17-001 and Water Service Agreement No. 17-006, City Contract No. 2017-363, for Pine Haven Apartments, a 42-Unit Complex. [Zoning: Multi-Family High (MF-H); APNs 107-15-049A and 107-17-003; Property Owner: Coalesce Properties, LLC.]

Mr. Worley presented the Site Plan No.17-01 and water service agreement No. 17-006.

Dottie Morris, citizen, said her concern was the road being too narrow for an emergency evacuation and water usage. Mr. Worley said the water service agreement reflects .05 acre feet (AF) and the development would use less water than the original development. The access was of some concern and Arizona Department of Transportation (ADOT) would reassess it.

Councilman Sischka asked if they were approving the water usage. Mr. Worley replied yes. Mayor Oberg asked if the traffic was going to be looked at by ADOT. Mr. Worley replied yes.

COUNCILMAN BLAIR MOVED TO APPROVE SITE PLAN SI17-001 AND WATER SERVICE AGREEMENT NO. 17-006 (CITY CONTRACT NO. 2017-363); SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

- C. Adoption of City Ordinance No. 5037-1577 authorizing the sale of surplus City property, known as the old south reservoir to Warren C. Kuhles in the amount of \$100,000.00, with buyer responsible to pay any and all closing/escrow costs

Donald Hersh, Real Property Specialist presented the sale of surplus property. He said they only received one bid for an all cash offer of \$100,000 from Mr. Kuhles.

Mayor Pro Tem Lamerson asked if the sale of the property would go to pay Public Safety Personnel Retirement System (PSPRS). Mr. Paladini, City Attorney, said it was a water site so it may have to go back to the Water Enterprise fund. They would look into what fund it was purchased from.

Councilman Lazzell thanked Mr. Kuhles for investing back into the community.

MAYOR PRO TEM LAMERSON MOVED TO ADOPT ORDINANCE NO. 5037-1577 SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

- D. Award of City Contract No. 2017-311 to Schofield Civil Construction, LLC for the Zone 12 Interconnect Pump Station Project in the amount of \$1,003,000.00

Steve Orosz, Program Development Manager, presented the Interconnect Pump Station project.

Councilman Lazzell said they received two bids and \$1.1 million came in as the lowest bid. He asked if it would they come back with a bunch of change orders. Mr. Orosz replied yes, and they were protected by the bid specification on the contract. He explained some of the manufacturers may have come in high and the bidder could have negotiated a lower price, so an under bid was not a concern.

Councilman Blair asked how big the property on the corner was. Mr. Orosz said it was a county right-of-way and they have an easement for access to the pump station.

COUNCILMAN SISCHKA MOVED TO APPROVE CITY CONTRACT NO. 2017-311; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

- E. Award of City Contract No. 2017-353 to RFI Consultants, LLC, for special inspection services for the Chino 5MG Tank Project, in the amount of \$47,500.00

Mr. Orosz presented the Chino 5MG Tank Project.

COUNCILMAN LAZZELL MOVED TO APPROVE CITY CONTRACT NO. 2017-353; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY.

- F. Adoption of Resolution No. 4394-1603, approving an Intergovernmental Agreement (City Contract 2017-365) with the State of Arizona, through Its Department of Transportation for the Design of the SR 69 Widening Project between Prescott Lakes Parkway and the Yavapai-Prescott Indian Tribe Reservation Boundary

Mr. Hash presented the Intergovernmental Agreement (IGA).

Councilwoman Orr thanked the City Attorney and staff for their work getting the IGA ready on time.

Daniel Matheson, citizen, asked if they were removing the roundabout. Mr. Hash replied yes.

MAYOR PRO TEM LAMERSON MOVED TO ADOPT RESOLUTION 4394-1603; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY.

- G. Approval of City Contract No 2017-092A1, amending the original contract with the Sidwell Company for Accela Land Management implementation services in the amount of \$50,000.00

Mr. Nate Keegan, Information Technology (IT) Director, presented the Accela Land Management implementation services.

Mayor Oberg asked if it was additional software. Mr. Keegan replied yes, but more for design purposes.

COUNCILWOMAN ORR MOVED TO APPROVE CITY CONTRACT NO. 2017-092A1; SECONDED BY COUNCILMAN LAZZELL; PASSED UNANIMOUSLY.

H. Award of City Contract No. 2017-303 for the S. Marina Street Pavement and Utility Upgrade Project to Fann Contracting, Inc., in the amount of \$1,747,716.00

Mr. Steve Orosz, Program Development Manager, presented the bid award to Fann Contracting, Inc.

Councilwoman Wilcox asked if they could push back the construction start date, and what would be the consequences if they pushed it back. Mr. Orosz said they had heard the concerns, but it was the best time of year to do the work. They needed the heat to do the project and if they waited until November it would be too cold. They would work during the week and evenings. Councilwoman Wilcox asked if the road would be closed. Mr. Orosz replied no, and if it was, it would be minimal. Councilwoman Wilcox asked if it was explained to the downtown business owners. Mr. Orosz replied yes.

Pete Thompson, Vice President of Asphalt Supply Inc., said he objected to the awarding of the bid. He said the timing of the letter they received did not give them an opportunity to ask why they were not given the contract. He knew there was an error on the figures and since it was their error they would make good on it. He read the correspondence he had received in regard of the bid process. He asked Council to not vote on the item until they had a chance to see why they did not receive the bid.

Mayor Oberg asked Mr. Paladini if they were in violation of City policy. Mr. Paladini deferred the question to the Public Works department. Mr. Orosz explained in the contract documents it states they may have a pre-bid conference they could talk on a variety of things or it could be skipped.

Mr. Thompson asked if this was a practice with other contractors then why not give them the opportunity to explain their bid. Mr. Orosz said there were a couple of unbalanced items that were identified and asphalt pavement was a major item identified as unbalanced, so they went with the other bid.

Mayor Oberg said based on your opinion the Public Works has not violated any policies. Mr. Orosz replied no.

COUNCILWOMAN ORR MOVED TO AWARD CITY CONTRACT NO. 2017-303; SECONDED BY COUNCILMAN SISCHKA; PASSED (6-0) COUNCILMAN BLAIR LEFT THE MEETING AT 4:35 P.M. AND RETURNED AT 4:45 P.M.

Mark Woodfill, Finance Director, presented the public hearing for FY2018 Budget.

Councilman Lazzell asked if approving the budget earmarks these projects but they may or may not happen but needed to be approved. Mr. Woodfill replied yes, he explained by approving the budget, allocates approving the appropriation, it would allow various funds to be moved to the new fiscal year.

Councilwoman Wilcox said she did not know they could move funds from Public Works Capital to the General fund. Mr. Woodfill explained it was a movement of budget appropriation and not a movement of cash.

Mayor Pro Tem Lamerson asked how much did they spend. Mr. Woodfill projected they had spent \$114 million this year. Mayor Pro Tem Lamerson commented they had a track record of not spending the Capital fund, and he had reservation of budgeting that way. He asked if they had a fund set up for PSPRS. Mr. Woodfill said they would have to move from capital to contingency if Proposition 443 passed, if Council wished to pay down PSPRS.

Mayor Pro Tem Lamerson asked if Proposition 443 passed would they be mandated to pay that amount as well as \$11 million, and what would be the total amount paid. Mr. Woodfill said it would be \$24.8 Million. Councilwoman Orr asked if it was an annual payment and if Option 2 would give them the flexibility to do it. Mr. Woodfill said the payment was for next year, and yes it would give them the flexibility.

Councilman Sischka said what the community needed to know was they had budgeted for \$167 million and spent \$114 million for fiscal year (FY) 2017, but not taxed on \$167 million. Mr. Woodfill explained the \$167 million and \$188 million both had a revenue component for revenues coming in and both had a fund balance for Capital projects. Councilman Sischka asked if they were using the money expeditiously. Mr. Woodfill replied yes.

Councilwoman Wilcox commented she did not see another code enforcer officer added. Mr. Woodfill introduced Mike Fleming, Chief Code Compliance Officer. Councilwoman Wilcox asked if he needed help in code enforcement. Mr. Fleming said it depended on what Council wanted for the City. He did not have a proactive approach for code enforcement and dealt with complaints as they were received. He said there were a lot of things they could do differently, but did not have the manpower to do it. Councilwoman Wilcox said she agreed.

Councilwoman Wilcox asked if there was flexibility adding another code enforcement officer. Mr. Woodfill replied yes, at anytime.

Councilman Lazzell asked Mr. Fleming if they added another code enforcement officer would the workload still be huge. Mr. Fleming said it would depend on what they expected from the code enforcement officer, either way they would have a huge workload since they could be more proactive. Councilman Lazzell asked if he would be able to clean up some of the code enforcement policies. Mr. Fleming replied yes.

Mayor Pro Tem Lamerson said they should prioritize, with a City this big they should have more than one code enforcement officer and fewer engineers, since it becomes a health and safety issue, contract out engineers.

Michael Lamar, City Manager, asked Council if they wanted to have 365 days of code enforcement officers. Mayor Pro Tem Lamerson said 365 days was extreme, but did a town this size need six engineers and one code enforcement officer. Mr. Lamar said it was prioritization and they needed to figure out where they needed the delivery service. He had not heard from Council collectively if they wanted to be more proactive. Councilman Blair asked more proactive on what, the code enforcement policy was old and needed updating, before they could enforce it.

Councilwoman Orr said she agreed with Councilman Lazzell. They needed to sit down and take a look at the code enforcement policy. Her concern was safety and welfare of the community and it needed be addressed.

Mr. Lamar said approving the tentative budget would not mean you could not add another code enforcement officer later.

Councilman Lazzell wanted to clarify, by taking out the engineering department was one bucket of money, and by getting rid of an engineer would mean they could hire a code enforcement officer, it was two different usages of public money.

Mayor Pro Tem Lamerson said it was General fund money, and the demographic of the City's population was age and a safety concern which needed to be addressed.

Mayor Oberg said they did have two code enforcement officers in the past and how well did that work. Mr. Fleming said when they had two code enforcement officers they had closed over thousand cases. When it went down to one code enforcement officer only 450 cases were closed. Mayor Oberg said he had concerns with Sober Living Holmes that needed inspections.

Mr. Lamar said not to ignore some of the problems, but the building inspectors could be the eyes, and ears and help identify any problems. Councilman Blair said what he had heard from Council was Mr. Fleming needed help. Councilman Orr said she agreed, and this was a good outreach and education opportunity. Mr. Lamar asked the code enforcement officer were there unsafe conditions. Mr. Fleming replied no.

Mayor Oberg commented they could come back and add a position, if they needed to.

Connie Cantelme, citizen, handed out several photos to Council on several homes that were not in compliance with code enforcement. She asked if they were not hiring another code enforcement officer then code enforcement department should prioritize code enforcement issues.

Campbell W. Smith, citizen, said before they proceeded with road construction, they needed to get total input from the neighborhoods.

- I. Public Hearing for the FY2018 Budget, Expenditure Limitation, and Tax Levies; at Special Meeting Adoption of Resolution No. 4393-1602 Adopting the Final FY2018 Budget, Expenditure Limitation, and City Job Roster

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

10. ADJOURNMENT

There being no further business to discuss, the Voting Meeting of June 27, 2017, adjourned at 5:20 p.m.

Harry B. Oberg, Mayor

ATTEST:

Maureen Scott, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes were 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 27th day of June 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