

PRESCOTT CITY COUNCIL
SPECIAL VOTING MEETING
TUESDAY, JUNE 15, 2017
PRESCOTT, ARIZONA

MINUTES OF THE VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON JUNE 15, 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 11:17 a.m.

2. PLEDGE OF ALLEGIANCE

Mayor Pro Tem Lamerson

3. ROLL CALL:

Present:

Absent/Excused:

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

4. REGULAR AGENDA

- A. Consider Resolution No. 4390-1599 to extend the Amortization Period From 20 years to 30 years for the City's Public Safety Personnel Retirement System (PSPRS) Unfunded Liability.**

Item died for a lack of a motion.

- B. Adopt Resolution No. 4388-1597 requesting approving transfer of certain fiscal year 2017 appropriations.**

Mark Woodfill, Finance Director, presented. He said the departments are required, per City Charter, to move appropriations to where they should be located within the budget.

Councilwoman Orr said the reorganization saved the City money. Mr. Woodfill said there was a savings about \$700,000 from the reorganization.

**COUNCILMAN LAZZELL MOVED TO ADOPT RESOLUTION NO. 4388-1597;
SECONDED BY COUNCILWOMAN ORR; PASSED 7-0.**

C. Adoption of Resolution No. 4387-1596, adopting the Tentative Budget For Fiscal Year 2018, and setting the Public Hearing for the Final Budget, Expenditure Limitation and Tax Levies for the City of Prescott.

Lars Johnson, Budget and Tax Manager, said the Tentative Budget sets the cap for what the budget can be. The public hearings for the tax levy and final budget are required to be published. The budget schedules are standard forms that all cities and towns need to complete.

Mayor Pro Tem Lamerson said last year the City budgeted \$168 million and spent \$115 million. He said it is out of line due to Capital Improvement Projects not getting done. When they move forward on the tentative budget, he hopes that it won't hinder other things if Proposition 443 doesn't pass. The Council will have to meet and discuss how to function in the immediate future. He thinks there are other options that can be done to address the PSPRS issue. They could possibly use assets in the reserves. He said if Proposition 443 does pass, the money will pay for the PSPRS liability and the City will get it paid as quickly as possible.

Councilwoman Wilcox asked if the FY18 property tax rate will go down and is it the lowest in the state of Arizona. Mr. Woodfill said it is low, but not the lowest in the state. Councilwoman Wilcox said that is why we need sales tax to raise revenue.

Councilwoman Orr said citizens are saying that Council isn't going to pay down the PSPRS unfunded liability and that is the number one priority.

Councilman Blair said if Proposition 443 doesn't pass, the City may have to close another day at the library and lay-off employees which could impact future years. The quality of the community is associated with the City to pay off the bills.

Councilman Sishcka asked what the spending was in FY16. Mr. Johnson said the FY16 budget was \$148 million and the City spent \$106 million. Mr. Woodfill said they hope to get 90% of the capital projects done this year.

Pro Tem Lamerson said if \$10 million is used from the reserves, along with the \$6 million that needs paid, it is demonstrating to the public that the City is serious. Citizens need evidence that the problem will be taken care of.

Mayor Oberg said the FY18 budget would be \$188 Million. Public Works is going to do a concerted effort to meet their schedule to complete projects. Mr. Lamar said it will come down to which projects Council doesn't want to do in 2018.

Councilman Sischka asked what the future priorities for the Capital projects are. Will the money still be there five years from now? Mr. Lamar said the money has to be spent wisely, and if Council wants to pay off PSPRS, they can.

Councilman Blair commented this is getting beat to death. All we are doing is confusing the public. From his standpoint, Proposition 443 needs to pass. If it doesn't pass, then we will need to look at possibilities to pay the PSPRS unfunded liability. If more money can be put towards it, then that can happen, but there are other projects that need completed.

Mayor Pro Tem Lamerson said they haven't done everything they can do. There other options to consider.

Mayor Oberg liked the idea of working with Public Works and look at the capital projects.

**COUNCILMAN LAZZELL MOVED TO ADOPT RESOLUTION NO. 4387-1596;
SECONDED BY COUNCILWOMAN WILCOX; PASSED 7-0.**

5. ADJOURNMENT

Mayor Oberg made closing comment and read a statement from Patrick Henry, "The Constitution was not an instrument for the government to restrain the people, it was an instrument for the people to restrain the government unless to dominate our lives and interests."

There being no further business to discuss, Mayor Oberg adjourned the Special Voting Meeting at 11:49 a.m.

Harry B. Oberg, Mayor

ATTEST:

Maureen Scott, City Clerk

11. 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 15th 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