



# CITY COUNCIL MEETING

## STUDY SESSION MEETING MINUTES

**TUESDAY, DECEMBER 17, 2019, 1:00 PM**

Council Chambers, 201 South Cortez Street

Prescott, AZ 86303

(928) 777-1272

Greg Mengarelli, Mayor

Billie Orr, Mayor Pro Tem

Steve Blair, Councilman

Phil Goode, Councilman

Cathey Rusing, Councilmember

Alexa Scholl, Councilwoman

Steve Sischka, Councilman

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MINUTES OF THE STUDY SESSION MEETING OF THE PRESCOTT CITY COUNCIL HELD ON DECEMBER 17, 2019, in the COUNCIL CHAMBERS LOCATED AT 201 SOUTH CORTEZ STREET, PRESCOTT, ARIZONA.

### 1. CALL TO ORDER

Mayor Mengarelli called the meeting to order at 1:00 p.m.

### 2. ROLL CALL

Greg Mengarelli	Mayor
Billie Orr	Mayor Pro Tem
Steve Blair	Councilman
Phil Goode	Councilman
Cathey Rusing	Councilmember
Alexa Scholl	Councilwoman
Steve Sischka	Councilman

### 3. DISCUSSION

#### A. Open Meeting Law Training

Interim City Attorney Matt Podracky provided a presentation to Council regarding Open Meeting Law Training and directed Council and members of the City's Boards, Commissions and Committees present in the audience to review the video available online for a more detailed training as well. These laws are governed by Arizona State Statutes called the "Sunshine Laws" for meetings which are official deliberations to be done in public allowing for transparency and public access.

#### What is a Meeting:

- \* Gathering, in person or through technological devices of a quorum of a public body to discuss, propose, deliberate or take legal action
- \* Must have a quorum to conduct a meeting
- \* Must comply with notice, agenda and minute requirements and post with a minimum of 24-hours notice

Public Bodies:

- \* Any entity, however designated, officially established on motion or order of a public body or presiding officer of a public body
- \* Members are appointed for the specific purpose of making a recommendation concerning a decision to be made or considered or a course of conduct to be taken or considered by the public body
  - Standing Committees
  - Special Committees
  - Advisory Committees
  - Subcommittees

Executive Session:

- \* An exception to public meetings and may be done behind closed doors with the prior consent of City Attorney
- \* Seven legal reasons for convening into Executive Session
  - Personnel Matters
  - Discussion of Confidential Information
  - Legal Advice from the City's attorneys
  - Discussion of settlement, contract or property negotiations
- \* Persons able to attend Executive Sessions include members of the public body, persons subject to a personnel discussion, auditor general, and individuals whose presence is reasonably necessary in order for the public body to carry out its executive session responsibilities
- \* Matters discussed in Executive Session are not disclosable outside of Executive Sessions and no legal action may be taken in Executive Session

Outside of a Meeting Members May Not:

- \* Poll other members on commission business
- \* Send emails to each other, information to other members should be distributed through staff liaisons
- \* Continue a meeting when a quorum is not present
- \* Circumvent the Open Meeting Law
- \* Use any device to splinter the quorum through serial communications/polling/hub and spokes/daisy chaining
- \* Propose legal action

In meetings discussions are limited to what is on the agenda, members should not be polled in meetings, don't send emails to each other, etc. Serial communications (verbal, written, electronic, etc) are considered splintering the quorum, also called daisy chaining.

Mr. Podracky discussed that either the Mayor or two members of Council may add an item to the item for discussion and review by Council.

Councilmember Rusing asked about a situation where a member of Council is speaking at an event or if multiple members of Council are attending a function and how that impacts Open Meeting Law.

Mr. Podracky stated that in a situation like that Courtesy Quorum Notices are posted by staff and if necessary items are agendaized and posted as a public meeting. He continued the presentation to Council with an overview of the issues that social media can present related to Open Meeting Law and reminded Council and staff that the Social Media Policy for the City of Prescott was recently updated.

Social media can present similar issues to emails. Goes to content of communication. Social Media Policy has been updated to keep and track communications on social media.

During a Meeting Members Should Avoid:

- \* Passing notes
- \* Whispering to fellow board members
- \* Privately using modern technology
- \* Quorum talking to individuals before the meeting officially begins or after it officially ends

The public is allowed to attend, listen and record meetings, but they do not have the right to speak or disrupt unless they complete a comment card and act in accordance with established protocols of the meeting body.

Public Records:

- \* Arizona imposes a presumption in favor of disclosure of public records except when public disclosure and access is outweighed by confidentiality/privacy or the best interests of the state
- \* All records made or received by public officials or employees in the course of their public duties are the property of the city and all officers are responsible for preserving, maintaining, and caring for the public records within their offices

Conflict of Interest Law:

- \* ARS Section 38-501 through 511
- \* Applies to all public officers and all public employees
- \* A public officer who has, or whose relative has, a substantial interest in a decision of the public agency or in any contract, sale, purchase or service to such public agency must disclose that interest in the official record and not vote on or participate in the decision or transaction
- \* Any interest that affects your financial or property interests would qualify
- \* Remote
- \* Penalties for Conflict of Interest Law violations include forfeiture of office, felony or misdemeanor

Councilmember Rusing asked what happens if council members violate Open Meeting Law.

Mr. Podracky stated that criminal sanctions could be applicable for intentional violations, however, for unintentional violations a ratification could be done to bring an item before Council for an additional discussion.

B. Strategic Planning Session

Assistant to the City Manager Tyler Goodman introduced Legislative Representative Barry Aarons to provide a presentation regarding the Strategic Plan for the City of Prescott.

Mayor Mengarelli thanked Mr. Aarons for his work on helping to secure ADOT and FAA funding for the new passenger terminal at Prescott Regional Airport.

Mr. Aarons thanked the Mayor for his comments, and stated that he was glad to have the opportunity to help. The strategic planning process began approximately four years ago and a standard format has been used to address the city's Goals & Objects and Strategies & Tactics. Typically the Goals and Objectives are addressed by Council and Strategies and Statistics are worked on by staff.

Goal #1: Stabilizing the General Fund, continually supporting the market compensation plan and providing adequate and stable funding and flexibility to maintain a balanced budget as required by the Charter.

\* Objectives

1. Continue to stabilize the General Fund
2. Retire the PSPRS unfunded liability based on FY17/18 actuarial, administrative and financial assumptions as soon as possible
3. Monitor Legislative Actions

\* Strategies

1. Use the dedicated sales tax of 0.75%
2. Seek state assistance
3. Make impact fee adjustments (time constraints, operations expenses, simplify process and expand purposes)
4. Revenue and expense flexibility
5. Continue to monitor and support sales tax remittance from vacation rental websites and online remote sellers (WayFair decision)

\* Tactics: Cash, flexible financing, state matching fund and communications plan, closely watch Proposition 126 definitions, outcomes and potential court proceedings

Mr. Aarons suggested that Council consider the removal of information related to vacation rentals because of the changes made through the Legislature this year.

Councilmember Rusing commented that water is in the forefront of news and decisions here in the city and wondered if there is a way to incorporate that into the Strategic Plan as water should be included in what our mission and purpose is.

Mr. Aarons stated that this would best be covered in Section 3 of the Strategic Plan which relates to Quality of Life. He also recommended that it would be beneficial to add to the Legislative Plan supporting bills that will impact water.

Councilman Goode thanked Mr. Aarons for his efforts on the City's behalf and commented on the substantial number of unanticipated consequences to vacation rental senate bill. He asked about the rental market and discussed specific examples such as what the City of Page is currently experiencing.

Mr. Aarons stated that this will be part of the Legislative Agenda and that he is working with representatives to ensure that rentals are registered and taxes are being paid and figuring out the best ways to accomplish that.

Mayor Pro Tem Orr stated that the newest numbers for PSPRS are excellent and she thanked Mr. Aarons for his work on Proposition 443 and assisting the city in getting the unfunded liability down.

Councilman Sischka asked if most municipalities have dedicated grant writers and what the benefits would be of having that type of a model here at the City of Prescott.

City Manager Michael Lamar said that typically these functions are separated between departments based on what fits the need most and that is the way that we are doing it here as well.

Mr. Aarons echoed Mr. Lamar's statements and reiterated that most grants are very detailed and specific and require a focus in a particular area, other grants that are more general may be handled through the City Manager's Office.

Councilman Goode asked Mr. Lamar if this is the appropriate time to discuss IRS Irrevocable Trust and how it will relate to PSPRS. He said that he has concerns with PSPRS being capable of handling unfunded liabilities and that it might be better to create our own diversified portfolio with this type of an option.

Mr. Goodman discussed Section 115 IRS Irrevocable Trust, which PSPRS is looking at for further investments and options outside of the state options. This would divert funding into a trust that could be invested more diversely and grow outside of the current system and then go back to paying for the unfunded liability. Funds could be separate from Prop443 monies or divided with it.

Mayor Pro Tem Orr commented on the inconsistency in rates of return being reported and stated that we would need to have a clear idea of what the potential could be for the Section 115 IRS Irrevocable Trust but that it would be worthwhile to explore.

Mr. Aarons commented that he also recommended removing "and online remote sellers" from Objective #3 strategies given WayFair Decision.

Goal #2: Economic Development - providing an environment to enable prosperity and job/career creation. Drivers: tourism, medical, government, education, growth, supply chain industries, high-tech and cyber security.

\* Objectives

1. Taking better advantage of community assets
2. Utilize a regionalization approach to attain financial stability for airport development
3. Build a destination passenger terminal and other amenities such as a restaurant and conference meeting space; lengthen the runways
4. Expand and enhance current commercial essential air service

\* Strategies

1. Generate revenues
2. Explore strategies for technical trade, vocational and other opportunities
3. Partner with ERA on creating the Center for the Future
4. Seek federal assistance (FAA Grants) and state assistance (Commerce Authority, Arizona Department of Transportation)

\* Tactics: leverage catchment area of the market

Objective 2: Utilize a regionalization approach to attain financial stability for airport development

Strategies: generate revenues/explore strategies for technical trade, vocational, and other opportunities, partner with ERAU on creating the center for the future

Airport Director Robin Sobotta provided a proposal with revisions to the items related to the Airports portion of Goal #2 to be reflected as follows:

Goal #2: Economic Development - providing an environment to enable prosperity and job/career creation. Drivers: tourism, medical, government, education, growth, aviation/aerospace, supply chain industries, high-tech and cyber security.

\* Objectives

1. Taking better advantage of community assets
2. Utilize a regionalization approach to support necessary Airport and Airpark growth and development

\* Strategies

1. Maximize revenues at existing city-owned/operated locations (airport, golf course, etc.) by seeking reasonable market rate for leases/services, and enforcement of collection of delinquencies
2. Explore strategies with academic and trade institutions to build future workforce capabilities (technical, trade, vocational skill/career development)
3. Encourage key business/industry partners (e.g. Aviation) to collaborate with local colleges and universities (e.g. ERAU, YC) to promote business investment, innovation, employment pathways and local retention of talent
4. Seek Federal, State and Arizona Commerce Authority financial support for current and future airport development
5. Encourage private development at the airport and surrounding areas, in keeping with the airport master plan, public disclosure map and grant assurances
6. Work with neighboring jurisdictions to seek compatible land uses and reduce non-compatible encroachment around the airport

7. Support future commercial air service growth and airport safety by constructing the new airport passenger terminal, lengthening the main commercial service runway to address commercial air carrier weight restrictions (hot/high airport), relocating Taxiway "C" and eliminating safety "hotspots," to meet FAA standards for aircraft separation and airfield safety

Councilman Goode asked about the previous discussed Center for the Future at ERAU and what modifications have been made to the proposals for that concept since that time.

Economic Development Consultant Jim Robb addressed Council regarding the Center for the Future at ERAU and its concept to have major corporations perform research at the ERAU campus which would allow students to work on projects with companies all over the Country and possibly remain in the area after graduation. They are still in the process of trying to establish the Center and are in need of private industry funding. He stated that Prescott has unique assets including our colleges and we need to ensure that students are able to stay in the area once they finish school and things like the Northern Arizona Technology Alliance and proposed Center for the Future will help with that goal. Mr. Robb thanked Mr. Lamar and Council for their support and for getting companies like Eviation to have interest in Prescott.

Mr. Lamar commented that there should be something specific to Eviation notated in the Goals & Objectives.

Mayor Mengarelli and Mayor Pro Tem Orr echoed these comments.

Mr. Aarons said the addition of that information could easily be done.

Goal #3: Quality of Life - a clean and safe city that provides superior essential services and enhances opportunities that allow for retention and attraction of people who want to live, learn, work and play in Prescott

\* Objectives

1. Natural Resource Preservation and Conservation - engage in cooperative efforts with political entities, subdivisions, and private property owners to work to assure the preservation and conservation of our natural resources

2. Highly-Rated City Services - perceiving as and are (measurably) delivering efficient and effective services including transportation with improved flow, well-maintained streets, public safety, code compliance, water and wastewater services

3. Cultural and Recreational Experiences - to facilitate intergovernmental agreements and public-private partnerships to provide opportunities for cultural and recreational experiences

\* Strategies

1. Acquisition of land for public ownership

2. Conservation easements (hiking/biking)

3. Clean water bodies

4. Fire-wise communities

5. Forest health/accessible/preserve open space

6. Consider traffic flow/traffic management
  7. Study public transit opportunities through political subdivision coalitions (CYMPO)
  8. Continue to work with State Legislature to restore HURF money
  9. Support statewide hands-free driving legislation
- \* Tactics: evaluation signage around the city to communicate more effectively, Hilton Garden Project, Granite Creek Corridor, ECHO Commission, Opportunity Zones

Mr. Aarons stated that it would be appropriate to add details regarding water conservation and natural resource preservation into Objective 1 of this section and in the Strategies to state "support conservation of water management". In addition to adding that information the details regarding hands-free driving could be removed because that legislation was passed this past session.

Mayor Pro Tem Orr thanked CYMPO for their assistance in getting the hands-free driving passed at the state level and commented that she would like to see information regarding the Mayor's Commission on Well-Being incorporated into this section as well.

Councilmember Rusing suggested that information regarding growth and development (both residential and commercial) be included in this section as well.

Mr. Aarons commented that the Mayor's Commission on Well-Being information could be folded into the Goal verbiage and that it would be appropriate to include information regarding growth and development in the Second Goal of the section.

Councilman Sischka commented that he would also like to see the word "renewal" incorporated in as well.

Mr. Aarons confirmed.

Goal #4: Service-Oriented Culture - promote an accountable organizational culture of excellent/superior/solutions driven service

\* Objectives

1. Measurably promote excellent service delivery based on trustworthy, timely, problem-solving, engaging, valuable, accessible, actionable, fair, consistent and common-sense service as permitted by existing resources and by effective use of those resources.

2. Promote continuous process improvement which fosters better processes and procedures to improve customer service and provide quality services at the lowest possible cost to taxpayers

\* Strategies

1. Continued customer service training
2. Customer service feedback
3. Performance measures from each department
4. Shared vision culture among employees at all levels of departments
5. Include employee's contribution to improved service levels on employee evaluations

6. Foster a culture that encourages employee morale

\* Tactics: commitment to the employee market compensation plan, an effective communications plan will be incorporated as a tactic for each of the goals, objectives and strategies

Mayor Pro Tem Orr commented that staff has really turned things around with regard to customer service since the plan was developed and thanked them all for their hard work.

Mr. Lamar stated that it is an ongoing pursuit, but we are certainly continuing it.

Councilman Sischka commented that he would like to see the word facilitate somewhere in there, and that we ensure there is mention of the fact that it is important to find a way to yes.

Councilman Blair asked how often we should be reviewing this information and updating the Strategic Plan, and that not just the Council, but the general public as well, should be updated on what is going on with it. He feels once a quarter at a study session would be the best means of doing this.

Mr. Lamar commented that receiving this information more than once a year would be good and that a quarterly update is something staff can provide.

Mr. Aarons agreed that a quarterly update on the matrix and an annual comprehensive update and presentation would be the best means of getting the information to Council and the public. He stated that he would be able to have the requested revisions ready for Council's review and approval in January 2020.

**4. ADJOURNMENT**

There being no further business to discuss, Mayor Mengarelli adjourned the meeting at 2:39 p.m.

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GREG MENGARELLI, Mayor

ATTEST:

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SARAH M. SIEP, City Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session Meeting of the City Council of the City of Prescott, Arizona held on the 17th day of December, 2019. I further certify the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2019.

AFFIX  
CITY SEAL

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Sarah M. Siep, City Clerk