



TOWN COUNCIL  
REGULAR MEETING

Council Chambers/Library Auditorium 7401 E. Skoog Blvd. Prescott Valley, Arizona 86314, at 5:30 p.m.

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**MEETING MINUTES**

**June 27, 2024**

**1. CALL TO ORDER AND ROLL CALL**

**Present:**

**Kell Palguta, Mayor**  
**Lori Hunt, Vice Mayor**  
**Kendall Schumacher, Council Member**  
**April Hepperle, Council Member**  
**Brenda Dickinson, Council Member**  
**Michael Greer, Council Member**  
**Lucy Leyva, Council Member**

**Absent: None.**

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

**2. INVOCATION AND PLEDGE OF ALLEGIANCE**

Pastor Chita Olson from One Church gave the invocation followed by the recitation of the pledge of allegiance.

**3. PROCLAMATIONS**

**3a. Alzheimer's & Brain Awareness Month**

The Town of Prescott Valley proclaimed June 2024 Alzheimer's and Brain Awareness Month and encouraged all citizens to stay informed about this disease and advocate for those with Alzheimer's and their families. Malena Peraza spoke on behalf of the Alzheimer's Association and announced that the 2024 Walk to End Alzheimer's will be held on September 28, 2024 in Prescott Valley. The proclamation was then presented to Toni Brown, Malena Peraza and Debbie Wickham.

#### 4. CALL TO THE PUBLIC

**Public Comment #1:** Resident Steve Caros shared his career background as a police detective and discussed the harmful effect of false allegations. He discussed a prior Facebook posting by Mayor Palguta and the resulting impact it could have on candidates.

Mayor Palguta advised that Call to the Public is an opportunity to discuss Town matters and not a platform to discuss the upcoming election.

Resident Steve Caros commented that unethical leadership will create bad relationships between Council Members and recommended an apology be extended to all candidates.

**Public Comment #2:** Resident Bill Williams clarified the reason to which he writes articles for David Stringer, discussed Mayor Palguta's Facebook posts, shared a photo depicting the Mayor, and discussed prior campaign funds received by the Mayor during his candidacy. He commented that the attorney representing Fain Signature Group spoke to receiving 1,200 petition signatures in favor of Lakeshore 650 and questioned the integrity of the petition given the absence of signatures.

**Public Comment #3:** Resident Kenneth Freund discussed the use of Mayor Palguta's Facebook page as a platform to impugn the integrity of local residents and Town Council candidates. He requested to meet with the Town Attorney as soon as possible before deciding whether to proceed with a formal complaint.

**Public Comment #4:** Resident Louis Wisby informed the Town Council that Mountain Valley Park has not been stocked with fish since March of 2024 due to unfavorable water conditions of a high pH presence. He discussed park uses and requested the Parks and Recreation Department maintain the grounds and provide better access for public use so that it can be enjoyed by all.

Mayor Palguta advised Mr. Wisby that Town staff will be reaching out to address his concerns.

**Public Comment #5:** Resident Patricia Betzhold commented that property rights are protected by the State of Arizona and not by the Town of Prescott Valley, further explaining that there are limits when it comes to improving a property including required compliance with local zoning, building, and environmental regulations. She emphasized the Town Council's responsibility to represent the views of local residents and the goal to have a population lower than 80,000 by year 2055 as outlined in General Plan 2035. She then opposed mega developments being constructed within the Town, including Lakeshore 650.

**Public Comment #6:** Resident Randy Vosberg voiced concern for letters received by the Town regarding the Lakeshore 650 project. He indicated that the Town has taken no action to remove the inaccurate information previously presented about there being 1,200 petition signatures in favor of this project. He noted that the Town has made it difficult to research this information by combining all of the letters into a single document and recommended the Town consider the public's opinion on this matter. He then discussed the proposed widening of Lakeshore Drive with the cost being passed to the taxpayers.

#### 5. COUNCIL COMMUNICATIONS: SUMMARY OF CURRENT EVENTS

Council Member Dickinson reminded everyone of the Town's upcoming Fourth of July celebration.

Vice Mayor Hunt congratulated James Lawson, Gilbert Stritar, Denis Weber, and Kay Gorman on their reappointment and welcomed Jonathan Hale to the Town as its new Prosecutor. Vice Mayor Hunt encouraged residents to visit the Friends of Prescott Valley Parks and Recreation booth should they attend the Town's Fourth of July celebration, Red, White and Boom.

Council Member Hepperle congratulated Vice Mayor Hunt for her recent appointment to the Yavapai Regional Medical Center Board of Directors.

Mayor Palguta shared sentiments regarding criticism received.

## **6. MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS**

Town Manager Gilbert Davidson announced that this will be the last meeting of the fiscal year with no scheduled meetings in the month of July. He indicated the first meeting of the new fiscal year will be a Study Session on August 1, 2024.

## **7. CONSENT AGENDA**

- 7a.** Regular Town Council Meeting Minutes of May 23, 2024 - Consideration & Possible Action (Approve) [Fatima Fernandez, Town Clerk]
- 7b.** Reappointment of James Lawson to the Library Board of Trustees - Consideration & Possible Action (Approve) [Lea Duke, Executive Assistant]
- 7c.** Reappointment of Gilbert Stritar to the Library Board of Trustees - Consideration & Possible Action (Approve) [Lea Duke, Executive Assistant]
- 7d.** Reappointment of Denis Weber to the Parks, Arts, and Recreation Commission - Consideration & Possible Action (Approve) [Lea Duke, Executive Assistant]
- 7e.** Reappointment of Kay Gorman to the Parks, Arts, and Recreation Commission - Consideration & Possible Action (Approve) [Lea Duke, Executive Assistant]
- 7f.** Designating Finance Director as CFO for Annual Expenditure Limitation Report 2024 - Consideration & Possible Action (Authorize Signature) [Celina Morris, Finance Director]
- 7g.** Designating Finance Director as CFO for Annual Expenditure Limitation Report 2025- Consideration & Possible Action (Authorize Signature) [Celina Morris, Finance Director]
- 7h.** Annual Authorization Purchase Supplies and Services from Council - Consideration & Possible Action (Authorize Signature) [Celina Morris, Finance Director]
- 7i.** Annual Update Finance Policy 4-11 "PSPRS Pension Funding" - Consideration & Possible Action (Authorize Signature) [Celina Morris, Finance Director]
- 7j.** Intergovernmental Agreement Prescott Valley & City of Phoenix - Consideration & Possible Action (Authorize Signature) [Celina Morris, Finance Director]
- 7k.** Appointment Town Prosecutor - Consideration & Possible Action (Authorize Signature) [Ivan Legler, Town Attorney]
- 7l.** Amendment to ASLD Right-of-Way, Section 2 Sewer Upsizing Project – Consideration & Possible Action (Authorize Signature) [Neil Wadsworth, Utilities Director]

- 7m. Little Pete Well Generator Improvements Project (CIP# CW2309) - Consideration & Possible Action (Award) - [Neil Wadsworth, Utilities Director]
- 7n. Renewal of Type 2 Water Right Lease Agreement w Arizona Eco Development LLC - Consideration & Possible Action (Approve) [Tracy Lund, Water Resources Advisor]
- 7o. Intergovernmental Agreement Arizona Game & Fish Commission - Consideration & Possible Action (Authorize Signature) [Casey Van Haren, Community Services Director]
- 7p. Reversionary Plat RP24-003 (Revised), Portion of Desert Pines - Consideration & Possible Action (Approve) [Ernest Rubi, Development Services Deputy Director]
- 7q. Cazador AZ LLC Consulting Agreement Renewal, Water Resources - Consideration & Possible Action (Approve) [Neil Wadsworth, Utilities Director]

Council Member Brenda Dickinson made the MOTION, seconded by Council Member Michael Greer to approve all items listed under Consent Agenda by electronic vote.

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

## **8. OLD BUSINESS**

- 8a. ZMC24-003 Re-zoning Portion Desert Pines - Consideration & Possible Action (2nd Reading) [Ernest Rubi, Development Services Deputy Director]

Ernest Rubi, Development Services Deputy Director, opened the item for questions.

There was no further discussion from Council on this item.

Deputy Town Clerk Marissa Greenwood read Ordinance No. 2024-937 by title only for the second reading. Mayor Palguta asked, "Shall the Ordinance Pass?"

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

## **9. NEW BUSINESS (FOR REVIEW, COMMENT, AND/OR POSSIBLE ACTION)**

- 9a. Final Town Budget FY 2024-25 - Public Hearing [Celina Morris, Finance Director]

Mayor Palguta opened the public hearing.

Celina Morris, Finance Director, advised that the public hearing notice was published on June 6 and June 13, 2024. Following, Director Morris reminded the Town Council of prior budget discussions held in the month of May and indicated that there have been no changes to the tentative budget. She then gave a brief summary on the Town's structurally balanced budget for FY2024-25, reviewed actual expenses versus actual revenues for

FY2023-24 against projected FY2024-25 and discussed the actuals and projected unassigned available, unassigned unavailable and rainy day funds within the general fund balance.

There were no comments from the public.

Mayor Palguta closed the public hearing and inquired on whether the Town has a balanced budget.

Director Morris reiterated that the Town has a structurally balanced budget with ongoing revenues exceeding ongoing expenses and one-time revenues, along with strategic use of fund balance, exceeding one-time expenses. Director Morris confirmed that the Town is not spending more than it is making.

Vice Mayor Hunt requested clarification that the Town is not involved in deficit spending which would not be allowed by the state.

Director Morris confirmed that the Town does not practice deficit spending and indicated that it is regulated by Arizona Law and by the Arizona State Constitution.

Vice Mayor Hunt indicated that the Town Council received one letter from the Cerecedes family stating opposition to down payment assistance and the Housing Trust Fund.

Council Member Schumacher expressed appreciation towards the efforts of Director Morris and her team.

**9b. Final Town Budget FY 2024-25 - Consideration & Possible Action (Authorize Signature) [Celina Morris, Finance Director]**

Vice Mayor Lori Hunt made the MOTION, seconded by Council Member Brenda Dickinson to authorize the Mayor to sign Resolution No. 2024-2379, adopting the Final Expenditure Limitation and budget for the Town of Prescott Valley for FY 2024-25 by electronic vote.

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

**9c. FDP24-005 AZ Senior Living Community – Consideration & Possible Action (Authorize Signature & Approve) [Ernest Rubi, Deputy Development Services Director]**

Ernest Rubi, Development Services Deputy Director, advised the item before Council is for a Final Development Plan (FDP24-005) on approximately 49.31 acres located at the old Northwestern University site. This AZ Senior Living Community project has a proposed total of 259 livable units with a mix of 83 cottages, 136 senior living apartments, 11 row homes, 10 additional apartment units in the existing building, 19 memory care units within the existing building, a stand-alone restaurant, and a pool house. Deputy Director Rubi provided history on the proposed site. The Planning & Zoning Commission recommended approval of the zoning map change (ZMC23-007) and the Preliminary Development Plan (PDP23-005). The Town Council held its own public hearing on the zoning map change in March of 2024. Deputy Director Rubi reviewed project changes including the widening of University Drive (and placement of fire hydrants on University Drive and Mendecino Road) to meet the requirement that there be secondary access for fire purposes. The re-zoning provided that certain construction costs borne by the developer for offsite improvements (including the extension of Mendecino Road, the new multi-use path, the new water main, and the secondary access) would be eligible for reimbursement agreement. It is proposed that the Town Council consider voting to authorize the Mayor to sign Resolution No. 2023-2380 to approve Final Development Plan FDP24-005, or direct staff to

make modifications to the same prior to approval. If FDP24-005 is approved, it is requested the Town Council consider approving the related Reimbursement Agreement. Deputy Director Rubi summarized the phasing plan agreed to by the parties and introduced Stephen Polk, attorney representing Richard Whitney and Platinum Realty Services.

Stephen Polk with Boyle, Pecharich, Cline, Whittington and Stallings, P.L.L.C., identified project team members present and reiterated that per CAFMA requirements, fire hydrants will be installed along Mendecino Road and University Drive. Additionally, there will be a separate fire access gate on University Drive and all of the buildings will be equipped with fire sprinklers. He petitioned the Town Council to approve FDP24-005, noting he previously presented on the development plan.

Mayor Palguta asked if the shift from the last presentation was already covered by Deputy Director Rubi and recalled that the project had been discussed extensively a few months ago.

Stephen Polk replied that is correct.

Council Member Kendall Schumacher made the MOTION, seconded by Council Member Brenda Dickinson to (a) authorize the Mayor to sign Resolution No. 2024-2380, adopting Final Development Plan FDP24-005 for the AZ Senior Living Community by electronic vote.

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

Council Member Kendall Schumacher made the MOTION, seconded by Council Member Brenda Dickinson to (b) approve the Reimbursement Agreement with Platinum Realty Services, Inc. by electronic vote.

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

**9d. Arizona Department of Housing Funding Agreement FY24-25 Local Jurisdiction Affordable Housing Plan - Consideration & Possible Action (Approve) [Stephanie Robinson, Neighborhood Services Director]**

Stephanie Robinson, Neighborhood Services Director, reviewed the Arizona Department of Housing Funding Agreement for the development of a Local Jurisdiction Affordable Housing Plan for FY2024-25. Director Robinson explained that this is a \$200,000 grant that will give the Town the opportunity to conduct a comprehensive needs assessment and housing stock survey.

Vice Mayor Hunt thanked Director Robinson for her efforts and for working alongside the City of Prescott so as to not duplicate efforts. Vice Mayor Hunt explained that the conducted needs assessment must identify housing needs across all income levels and housing types (i.e. affordable, workforce, and market rate), identify housing initiatives to reduce barriers and increase production, create an action plan to implement the initiatives, and develop and implement an education plan to communicate the importance of attainable housing.

Council Member Kendall Schumacher made the MOTION, seconded by Vice Mayor Lori Hunt to approve a Funding Agreement with the Arizona Department of Housing for development of an FY24-25 Local Jurisdiction Affordable Housing Plan by electronic vote.

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

**9e. CH2M HILL OMI (Jacobs) Amendment 5 Operations, Maintenance & Management Agreement - Consideration & Possible Action (Approve) - [Scott Keith, Deputy Utilities Director]**

Scott Keith, Deputy Utilities Director, presented Amendment No. 5 to the Agreement with CH2M HILL OMI (Jacobs) for the Town Utilities Operations and introduced Jacobs Project Manager, Danny Zamora.

Danny Zamora discussed the Jacobs culture, reviewed positive customer feedback received over the last year, and summarized the 2022 American Water Works Association (AWWA) Performance Benchmarking for water and wastewater operations. He reviewed challenges, accomplishments, additional service projects completed, community involvement, regional resources and project innovations.

Vice Mayor Hunt shared further excitement towards the fire hydrant maintenance that had been added to the contract and extended additional appreciation to the Jacobs team for their ongoing efforts to conserve water.

Scott Keith presented a summary of Amendment No. 5, reviewing the base fees, reimbursable items and additional services projects to include water, wastewater, and water resource and recharge projects. He then discussed the amount of water conserved through the prior approved NODES flushing project.

Council Member Kendall Schumacher made the MOTION, seconded by Council Member Michael Greer to approve Amendment No. 5 to the Agreement with CH2M HILL OMI (Jacobs) for the Town Utilities Operations, Maintenance and Management in the amount of \$11,039,026.00 by electronic vote.

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

## **10. ADJOURNMENT**

Council Member Kendall Schumacher made the MOTION, seconded by Council Member Brenda Dickinson to adjourn the meeting (by electronic vote).

Council Members voted as follows: Mayor Kell Palguta YES, Vice Mayor Lori Hunt YES, Council Member Kendall Schumacher YES, Council Member April Hepperle YES, Council Member Brenda Dickinson YES, Council Member Michael Greer YES, and Council Member Lucy Leyva YES. NAYS: none. ABSENT: none. MOTION PASSED with 7 ayes, 0 nays, 0 absent.

Mayor Palguta adjourned the meeting at 6:29 p.m.

ATTEST:

APPROVED:

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Fatima Fernandez, Town Clerk

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Kell Palguta, Mayor

STATE OF ARIZONA)  
COUNTY OF YAVAPAI)

ss:  
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Marissa Greenwood, Deputy Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Regular Meeting of the Town Council of the Town of Prescott Valley, held on June 27, 2024.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this August 8, 2024

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Marissa Greenwood, Deputy Town Clerk