

## MINUTES

### 1. Call to Order

Vice Mayor Whelan called the Special Work Session of October 23, 2018, to order at 6:02 p.m.

#### **NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

*Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).*

### 2. Pledge of Allegiance and Mission Statement

The Council and audience recited the Pledge of Allegiance.

#### **MISSION STATEMENT**

*The mission of the City of Flagstaff is to protect and enhance the quality of life for all.*

### 3. **ROLL CALL**

*NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.*

#### PRESENT:

VICE MAYOR WHELAN  
COUNCILMEMBER BAROTZ  
COUNCILMEMBER MCCARTHY  
COUNCILMEMBER ODEGAARD  
COUNCILMEMBER OVERTON  
COUNCILMEMBER PUTZOVA

#### ABSENT:

MAYOR EVANS

Others present: City Manager Barbara Goodrich and City Attorney Sterling Solomon.

#### 4. Public Participation

*Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.*

None

5. **Future Agenda Item Request (F.A.I.R):** A request by Councilmember McCarthy to place on a future agenda a discussion about the possibility of amending the investment policy to further pursue Social Responsible Investing (SRI).

Management Services Director Rick Tadder introduced Paulina Woo, Director of PFM Asset Management, LLC, who provided a PowerPoint presentation that covered the following:

F.A.I.R: SOCIALLY RESPONSIBLE INVESTING  
 SOCIALLY RESPONSIBLE INVESTING (SRI)  
 CITY'S INVESTMENT OBJECTIVES  
 ALLOWABLE INVESTMENTS STRICTLY CONTROLLED BY ARIZONA LAW  
 BASIC TYPES OF IMPACT INVESTING  
 SRI'S AMBIGUOUS MEANING  
 DIFFERENT INVESTMENT APPROACHES  
 NARROW UNIVERSE OF PERMITTED USERS  
 OVERVIEW OF SPECIFIC ISSUER LIMITATIONS  
 VALUE COMPARISON OF VARIOUS SECTORS  
 SOCIALLY RESPONSIBLE PORTFOLIO – KEY POINTS TO CONSIDER

Councilmember McCarthy stated that when he brought the issue forward, he made a suggestion that the City not invest with companies that deal with nuclear, tobacco, and gambling. He asked if taking that direction would put the City in a situation where it could not find safe yields.

Ms. Woo stated that in her experience, tobacco and gambling would be pretty easy to eliminate but the nuclear power becomes a challenging issue because of the government's involvement with nuclear power. There would have to be a clear standard as to what nuclear power meant and the City would have to exempt the government issuers. It becomes too hard to make specific connections. For example, there are cities that do not want to support any company that would support the building of a border wall, but it is difficult to connecting the investments and the relationship. It is important to be realistic in defining the connections.

Councilmember Odegaard thanked Ms. Woo for her presentation and stated that he is not interested in making any changes to how things are currently being done.

Councilmember Putzova stated that she would like the City to further explore what the policy would look like including the suggestions of Councilmember McCarthy.

Councilmember Overton stated that the City's current portfolio is limited in what could be removed; he asked what the financial implications would be of the minor things that are able to

be changed. Ms. Woo stated that the policy is so limited now that there is not much more to limit and there would be very little impact. Most of the City's portfolio is corporate and technology.

There was not a majority of Council supportive of moving the item forward for further discussion or action.

## **6. Climate Action and Adaptation Plan: Draft Review #3**

Sustainability Specialist Jenny Neiman provided a PowerPoint presentation that covered the following:

### AGENDA

WHY ARE WE HERE: PLAN OBJECTIVES

REVIEW AND FEEDBACK

Community Investment Director David McIntire stated that there had been some questions about potential competing values between the CAAP and economic development. Mr. McIntire stated that economic development and CAAP can be complimentary to each other. While there are methods in economic development that are focused more on making sure that the City is bringing in high wage jobs and that business is sustainable in an economic sense, there are ways to do that in tandem with the CAAP and they are not mutually exclusive.

One example of this cooperation is the Innovate Waste Challenge which encourages entrepreneurship as a solution for local entrepreneurs, through competition, to develop ways to remove waste whether through providing services or products that create prosperity for them and jobs long term while lengthening the life of the landfill.

Another example is that Economic Vitality is working on an Adaptive and Reuse Policy which will encourage the use of existing properties that may have some issues that are preventing them from their highest and best use. Instead of greenfield development, the policy would encourage infill development of existing buildings. The City of Flagstaff's general focus areas for economic development are low impact and high wage.

Part of why Economic Vitality has been participating in the development of the CAAP is because they work with existing companies in Flagstaff to identify potential threats that could come with climate change to develop strategies and opportunities to be aware and adapt.

Ms. Nieman continued the presentation.

### PLAN REVISIONS BASED ON FEEDBACK

REVISED TARGETS: ENERGY

Councilmember Odegaard asked if there would need to be changes in the existing building codes to achieve the goal of 50% of new residential permits being net-zero. Ms. Neiman explained that the goal is a very ambitious target and mirrors what other states are doing. There is a lot of opportunity in the construction sector, but it is identifying the appropriate mechanism such as incentives or code changes.

### FOCUS AREA REVIEW

CAAP FOCUS AREAS

PUBLIC HEALTH & EMERGENCY SERVICES

PUBLIC HEALTH GOALS

## PUBLIC HEALTH STRATEGIES

The following individuals addressed Council in support of the CAAP:

- Tyler Linner
- Darren Bingham

The following comments were received:

- Very supportive of the Plan.
- There should be more focus on getting people more options for transit, not building overpasses and widening roads.
- The city needs more bike lanes and ADA accessible options for transportation.
- It is imperative that the City work with the community on implementation of the Plan.
- We cannot consume ourselves out of a consumption problem.
- Look to NAU as a partner in the effort.
- Adequate funding needs to be put behind the Plan for implementation.

Written comment cards in support of the CAAP were submitted by the following individuals:

- Emily Haworth
- Katherine Allen
- Chris Kocay
- Garrett Heidrick
- Tristan Smit
- Tyler Linner
- Darren Bingham
- Kyle England
- Elizabeth Lancione
- Christina Lizzo
- Kelly Bessem

Ms. Neiman continued the presentation.

## IMPLEMENTATION STRATEGY IMPLEMENTATION LEADERSHIP IMPLEMENTATION OPERATIONALIZING EQUITY IMPLEMENTATION ACCOUNTABILITY AND REPORTING IMPLEMENTATION KICK-STARTING IMPLEMENTATION IMPLEMENTATION FUNDING POSSIBILITIES

Councilmember Overton stated that there are significant costs to the Plan and the funding is not currently available. Boulder, Colorado has a similar plan, but they have a sales tax on goods and services to fund it. There is not automatic funding if the Plan is adopted. The community will have to make decisions on how aggressively they would like to implement the Plan and how the funding will be generated to do so.

Ms. Neiman stated that there are things in the Plan that are free or require minimal staff time and there are very large things. The intent is to put it all out there for discussion with the community. The City can begin by tackling the changes that are low cost investments now. There are also ways to work with community partners to leverage multiple sources of funding but there will be difficult questions and decisions in the future.

Councilmember McCarthy stated that he sees the CAAP as a similar document to the Regional Plan that is looked to for guidance on the vision of Flagstaff. It will be a guiding document to help

the City make decisions.

Ms. Neiman concluded her presentation.

IMPLEMENTATION COMMUNITY OUTREACH  
IMPLEMENTATION COMMUNITY CAPACITY  
NEXT STEPS

A break was held from 7:26 p.m. through 7:37 p.m.

Vice Mayor Whelan re-ordered the agenda and recessed the Work Session at 7:37 p.m. to begin the Joint Work Session with the Coconino County Board of Supervisors.

Vice Mayor Whelan called the Special Work Session back to order at 9:05 p.m.

**7. Discussion on the process for amending the Special Event Application Packet (including the Special Event Rules and Regulations) and Chapter 8-12 of the City Code regarding Special Events.**

Recreation Supervisor Claire Harper provided a PowerPoint presentation that covered the following:

PROCESS FOR AMENDING THE SPECIAL EVENT APPLICATION PACKET  
BACKGROUND  
STAFF RECOMMENDATION  
NEXT STEPS

Gina Marie Byars addressed Council to thank staff for their work with event producers to make sure they understand what is going on and get their feedback. She is excited to see the final product and see how events can make Flagstaff a more vibrant place.

**8. Adjournment**

The Special Work Session of October 23, 2018, adjourned at 9:13 p.m.

**JOINT FLAGSTAFF CITY COUNCIL/COUNTY BOARD OF SUPERVISORS  
SPECIAL WORK SESSION**

**1. Call to Order**

Vice Mayor Whelan called the Joint City Council/Coconino County Board of Supervisors Work Session of October 23, 2018, to order at 7:37 p.m.

**2. Roll Call:**

*NOTE: One or more Councilmembers/Supervisors may be in attendance telephonically or by other technological means.*

**BOARD OF SUPERVISORS PRESENT:**

CHAIRMAN BABBOTT  
 SUPERVISOR ARCHULETA (arrived at 7:47 p.m.)  
 SUPERVISOR PARKS  
 SUPERVISOR RYAN

**BOARD OF SUPERVISORS ABSENT:**

VICE CHAIRWOMAN FOWLER

**CITY COUNCILMEMBERS PRESENT:**

VICE MAYOR WHELAN  
 COUNCILMEMBER BAROTZ  
 COUNCILMEMBER MCCARTHY  
 COUNCILMEMBER ODEGAARD  
 COUNCILMEMBER OVERTON  
 COUNCILMEMBER PUTZOVA

**CITY COUNCILMEMBERS ABSENT:**

MAYOR EVANS

Others present: City Manager Barbara Goodrich; City Attorney Sterling Solomon, Deputy County Manager Lucinda Andreani.

**3. Water Resources Planning Discussion**

Water Resources Manager Erin Young provided a PowerPoint presentation that covered the following:

WATER RESOURCES PLANNING UPDATE  
 TONIGHT'S TALKING POINTS  
 INTEGRATED MASTER PLAN APPROACH  
 SCENARIO PLANNING  
 WATER RESOURCES CHAPTER UPDATE  
 GOALS OF THE WATER RESOURCES SECTION  
 OBJECTIVES OF A "ONE WATER" APPROACH  
 INTEGRATED MASTER PLAN - 2021  
 WATER RESOURCES MASTER PLAN TIMELINE  
 TIMELINE

Chairman Babbott asked what the output will be of the advanced treatment analysis. Ms. Young stated that staff is currently crafting the scope of work for the analysis, the intent is to look at all the different elements of reclaimed water use including options for purple pipe where there may be recreation opportunities, future Regional Plan land uses, and the changing landscape of reclaimed water pricing. Also looking at the cost benefit to treating reclaimed water versus ground pumping. There are some communities that are moving to a one cost for all water. Water Services Director Brad Hill added that in looking at the various water supplies, the goal is to determine a cost to develop, relative to the volume of water.

Councilmember McCarthy stated that reclaimed water is going through an evolution. Reclaimed water did not have any value until it was discovered that it could be used for landscaping and now the value is shifting upward towards the same value as potable water.

Vice Mayor Whelan asked about regulations on water as the technology is changing. Ms. Young stated that the Arizona Department of Environmental Quality has been working with stakeholders to draft language for allowing direct potable reuse. In January 2018 they provided a lift of the prohibition to use reclaimed water for direct potable reuse. They are working on

components of what that looks like with the development of an Operator Training Program as well as determining whether a facility needs to meet water quality standards versus them dictating how an agency would achieve the standards. There is significant advancement in technology with Arizona, California, and Texas leading the way. The biggest issue is the public perception.

Supervisor Ryan stated that one of the primary issues is the water budget and build out associated with the community. It is looking at land patterns and how the County works together with the community and the City. The County has a different ability to associate with water in the unincorporated areas. With limited review associated with infrastructure, the discussions about quantity are very different than the City's discussions. The County has been evaluating snow play as a region for a while, the Board of Supervisors did not take action on it and there needs to be an evaluation of the potential for snow making, the type of water to use, and the availability of the water. The County has been asking for purple pipe to Fort Tuthill in anticipation of the snow play opportunity, but it is not in the plans for another five to ten years. It is something that could be evaluated in the next Regional Plan.

Vice Mayor Whelan stated that she believes that it is an opportunity for the community to reflect on what potable water is being used for. There have been conversations about Jay Lively and if the water could be switched to reclaimed. This discussion is just the beginning and the collection of data and public input is vital to developing a direction for water uses.

Councilmember McCarthy stated that the City has gone to great lengths to promote water conservation and his concern about adding new snowmaking projects is that it will destroy the culture of conservation. There will be difficult discussions with conflicting values to consider before making any decisions.

Supervisor Parks stated that the issue is a matter of perspective; snow making at Fort Tuthill is estimated to use 1.2 million gallons per year and Jay Lively uses 1.5 million gallons per year, compare that to the 300 million gallons per year used to flush toilets. The perception is that it is a waste of water, but other factors need to be considered as well such as the reduced traffic on Highway 180. He asked if the water technology to make A+ water and moving towards one water will make the purple pipes obsolete in the future.

Ms. Young stated that the City would approach the idea of maintaining a stream of A+ rate water for current uses and the benefit of converting to potable water.

Supervisor Parks asked when Red Gap Ranch is expected to come online. Ms. Young stated that the Red Gap Ranch feasibility study and concept design is slated to be completed in the spring. The study will provide an estimate on the dollars needed to compare bringing Red Gap Ranch online to advance water treatment options. There will need to be consideration of the volume of water advanced treatment would bring. In the future, 8,000-acre feet per year is needed for the water demands at build out. Consideration has to be given to how much sewage collection is estimated at build out and how much of that can be converted to advance treatment.

Ms. Young further explained that there are operational advantages to Red Gap Ranch and those advantages have to be weighed with the consideration of starting with advanced treatment. There has to be raw water to feed the reclaimed system and that is where bringing Red Gap Ranch online might be most beneficial. These considerations will be looked at in terms of a sustainable water budget, the cost of purple pipe to high occupancy housing, and how those options are funded.

Supervisor Archuleta stated that water discussions have been happening for over a decade starting with the regional approach and development of the Coconino Plateau Water Advisory Council. The purpose is to develop a regional approach to water and bring partners to the table to discuss conservation, develop a water budget, and discuss possible incentives, among other things. This topic would be a great discussion item for the Coconino Plateau Water Advisory Council.

Supervisor Archuleta went on to say that in the past the burden has been placed on developers to bear the cost of water infrastructure. When the County was looking at Fort Tuthill they were hoping for an opportunity to tie into the reclaimed system in partnership with the developer, unfortunately that has not come to fruition because the cost has been prohibitive. There are opportunities for conservation through water harvesting, installation of low flush toilets, and other things that can be done; it comes down to determining what the opportunities are and the values of the community.

Councilmember Odegaard stated that water conservation is one of his top values. It is difficult to promote and stress water conservation when things are happening that compete with that value.

Chairman Babbott stated that the County uses potable water for recreation and the City uses potable water for recreation and that is a decision both have consciously made. It is an issue of competing values and there is no perfect balance to serve multiple objectives. If and when reclaimed water becomes available at Fort Tuthill he would certainly entertain that discussion.

The following provided comments regarding water resource planning:

- Joe Shannon
- Alicyn Gitlin
- Adam Shimoni
- J.R. Murray
- Steve Finch

The following comments were received:

- The situation with snow plan and Highway 180 is a communication problem, not a recreation problem.
- There needs to be better education for potential visitors to Flagstaff for winter recreation.
- It is important for the City and County to discuss and work on these issues together.
- Climate change is a way of life for anyone under 30, engage with them on conservation strategies.
- The City, County, and Forest Service all need to develop a policy for the uses of potable water.
- Water is a finite resource and needs to be treated as such.
- A limit needs to be put on how much water can be used for recreational purposes.
- More community education and input is needed on the issue.
- There are other ways to address the traffic on Highway 180, making snow is not the answer.
- Flagstaff is the winter capital of Arizona.
- People come to Flagstaff regardless of communication and education, it just does not reach everyone.
- There has been conversations for a long time about having a winter recreation place south of town.
- Tourism is the life blood of Flagstaff.
- It is important to remember that there is an economic return on every gallon of water that is used.

- The City is probably losing more water to leakage from the old water infrastructure than is being used on the peaks.

Councilmember Putzova stated that the issues of the Fort Tuthill snow play area and the traffic on Highway 180 are two unrelated issues. Discussions have been started about water policy and community values and prioritizing the uses of potable water. It is important to be explicit in the policy about the uses that are prioritized and what uses are shut off in times of shortage.

Councilmember Overton offered that he was not supportive of the letter sent to the County. He believes that it is the County's decision on how to use their park. There are a lot of competing values at play and there are two jurisdictions with separate roles and powers. He does not want to tell the County how to conduct their business and that expectation is the same going the other way. The City and County will continue to work at a lot of issues and water is one of them.

Supervisor Ryan stated that it is a mutual respect between the City and County and water is a difficult issue. It is a public private partnership that the County is trying to address with the snow play issue.

**4. Informational Items To/From Chairman, Supervisors and County Manager/Mayor, Council and City Manager.**

The City Council and Board of Supervisors thanked each other for their participation in the meeting and for their continued support of working together on issues that affect the community.

**5. Adjournment**

The Flagstaff City Council/Coconino County Board of Supervisors Joint Work Session of October 23, 2018, adjourned at 9:05 p.m.

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MAYOR

ATTEST:

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CITY CLERK