

MINUTES

1. Call to Order

Mayor Evans called the Work Session of the Flagstaff City Council held September 11, 2018, to order at 6:00 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 and Interim City Manager Barbara Goodrich read the Mission Statement of the City of Flagstaff.

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:

ABSENT:

MAYOR EVANS
VICE MAYOR WHELAN
COUNCILMEMBER BAROTZ
COUNCILMEMBER MCCARTHY
COUNCILMEMBER ODEGAARD
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA (via phone from 7:13 p.m. - 7:58 p.m.)

Others present: Interim 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.

Mayor Evans stated that a ceremony was held that morning at Flagstaff High School and flags were placed in front of City Hall in remembrance of the events of September 11, 2001. She then asked for a moment of silence to honor those lost and those that bravely gave their lives to save others.

John Viktora addressed the Council asking them to remember and support Indigenous peoples.

Emily Davalos addressed Council with concerns about ICE activity in Flagstaff.

Andy Fernandez addressed Council with various concerns.

5. Preliminary Review of Draft Agenda for the September 18, 2018 City Council Meeting.*

** Public comment on draft agenda items may be taken under "Review of Draft Agenda Items" later in the meeting, at the discretion of the Mayor. Citizens wishing to speak on agenda items not specifically called out by the City Council for discussion under the second Review section may submit a speaker card for their items of interest to the recording clerk.*

None

6. Proclamation for Hispanic Heritage Month.

Members of the Commission on Diversity Awareness accepted the proclamation. Mayor and Council came down from the dais to read and present the proclamation on Hispanic Heritage Month.

7. Beautification and Public Art Projects Update.

Community Design and Redevelopment Manager Mark DiLucido introduced the current Chairperson of the Beautification and Public Art Commission (BPAC) Anthony Garcia who provided a PowerPoint presentation that covered the following:

BEAUTIFICATION AND PUBLIC ART UPDATE
CHILDREN'S GARDEN SCULPTURE

RIO DE RAINBOW MOSAICS
PEACE POLE
MURAL AT W. CLAY & S. MALAPPAIS
BUSHMASTER PARK MURAL
JOEL MONTALVO PARK
OLD TOWN SPRING PARK
HIGHWAY 89 MEDIANS
A FEW PROJECTS FOR FY19 OR FY20
LA PLAZA VIEJA PARK
ASPEN AVE. BIKE & PED ENHANCEMENTS
E. ROUTE 66, FANNING TO HWY 89
GATEWAYS AT FRANCES SHORT POND
SANTA FE TRIANGLE PARK

Vice Mayor Whelan asked when the Commission met. Mr. Garcia replied that they meet every second Monday of the month at 4:00 p.m., except for the upcoming month since they would be holding a retreat.

Councilmember McCarthy suggested that the Commission consider using local musicians on the mural that showed musicians. Mr. Garcia thought that was a great idea.

Mr. DiLucido continued the presentation and covered the following:

PROJECTS IN THE PIPELINE
UNITY MURAL
ALLEY BEAUTIFICATION
LAKE MARY/BEULAH GATEWAY
MCALLISTER RANCH
DOWNTOWN TREE-WELL BENCHES
ROUTE 66
ROUTE 66 STRUCTURE LOCATION MAP

8. Presentation of Fair Market Rents by U.S. Department of Housing and Urban Development.

Housing Director Sarah Darr introduced Director of the Office of Policy Development and Research Economic and Market Analysis Division Peter Kahn. Mr. Kahn provided a PowerPoint presentation that covered the following:

FAIR MARKET RENTS A PRIMER
OVERVIEW
WHAT ARE FMRS?
METROPOLITAN FMR METHODOLOGY
FMR TIMELINES
 FY 2019 FMR TIMELINE
 FY2019 FMR REEVALUATION TIMELINE
SURVEY REQUIREMENTS
FLAGSTAFF, AZ RECAP

Councilmember Odegaard asked about how the FMR is calculated. Mr. Kahn stated

that the FMR is calculated across the entire county based on census data throughout the community.

Vice Mayor Whelan asked what the City could do to petition its specific needs. Mr. Kahn stated that one of the biggest challenges Flagstaff faces is the dichotomy with the rents within the city and the rents across the entire county. It is an issue that needs to be discussed with the City's federal representatives.

Councilmember Overton asked if separating Flagstaff out from the rest of the county would have a detrimental effect on the other cities and towns. Mr. Kahn indicated that raising the FMR level in particular area does not increase the level of federal funding; an increase would likely only help a few people because the pot of money is the same.

Andy Fernandez addressed Council with concerns about how the FMR is calculated and applied.

9. Discussion on policy direction for scope of work regarding next Water Services Rate Study for Water, Wastewater and Reclaimed Water Enterprise Funds.

Councilmember Putzova joined the meeting telephonically at 7:13 p.m.

Water Services Engineering Manager Ryan Roberts provided a PowerPoint presentation that covered the following:

NEXT RATE STUDY DISCUSSION
 AGENDA – WATER – WASTEWATER – RECLAIMED WATER ONLY
 STEPS IN THE PROCESS
 PRIOR CITY COUNCIL RATE DECISIONS
 CAPITAL IMPROVEMENT PROJECTS
 WATER & SEWER
 WASTEWATER
 RECLAIMED WATER
 WATER CONSERVATION STRATEGIC PLAN

Water Services Director Brad Hill continued the presentation.

PRIOR DIRECTION
 2014 – WATER POLICIES CHAPTER
 A1 ENTERPRISE FUNDING: WATER & SEWER
 A3 RATE DESIGN ELEMENTS: WATER & SEWER
 C1 RECLAIMED WATER CHARGES
 G1 MASTER PLANNING
 2015/16 – ISSUES RAISED DURING LAST RATE STUDY DISCUSSIONS TO BE INCLUDED IN UPCOMING RATE STUDY?
 CONDUCT A NEW COST OF SERVICE STUDY
 RATE STRUCTURE CHANGES
 RECLAIMED WATER VS WASTEWATER TREATMENT COST
 ALLOCATIONS
 RECLAIMED WATER OFF-PEAK CUSTOMERS
 STAFF SUGGESTED CONSIDERATIONS – 2018
 ESTABLISH CLEAR VISION TO HELP GUIDE COUNCIL, STAFF &

CITIZENS ON OPTIONS?

WATER CONSERVATION STRATEGIC PLAN
OUTDOOR WATERING & LAWN METERS
CONSIDER CAPACITY FEES V. IMPACT FEES

TIMELINES

Councilmember Overton asked about the social and business equity and the indoor/outdoor pricing. Water Resources Manager Erin Young stated that social and business equity is looking at the tiered rate structure and concerns about inequity. With so many different users in the commercial sector, if a tiered rate is introduced an efficient but larger office may pay a higher rate than an inefficient small office. The study will be looking at an equitable way to approach business rates. With regard to the indoor/outdoor pricing, the intent is to incentivize efficiency outdoor and perhaps abandon the tiered rate structure and replace it with seasonal pricing that penalizes outdoor high-water use.

Mr. Hill concluded the presentation.

COUNCIL TO PROVIDE STAFF DIRECTION ON THE GOALS & OBJECTIVES

The following individuals addressed Council with regard to the water rate study:

- Robert Vane
- John Nauman

The following comments were received:

- The water rate study is a good opportunity to get expert information on adjusting water rates and policy recommendations.
- Update rates to align revenues and expenses.
- Explore specific alternatives for incentivizing conservation through the rate structure.
- Request an analysis that will help Council resolve long standing issues related to reclaimed water.
- Ask the consultant to develop alternatives to non-residential tiers.
- Many other cities use non-residential tiers.
- Consider reducing connection fees for water efficient designs or technology.
- Suggest providing a credit for returning water to the sewer system.
- Ask the consultant to evaluate storage and night-time use provided by off-peak customers.
- Ask the consultant to look at cost allocations between reclaimed and wastewater funds.
- Consider consolidating the non-residential, non-potable water classes.
- Conservation should be engrained in every person in Flagstaff.
- Look at other areas and put off the need for Red Gap Ranch.

Councilmember Barotz requested that the items recommended during public comment be included in the water study; Councilmember McCarthy agreed.

Vice Mayor Whelan stated that policy recommendations relating to the use of potable water is not included in the study and she would like for it be part of the outdoor and seasonal pricing. She liked the recommendation of incentivizing the return of reclaimed water back into the system.

Councilmember Odegaard indicated that he would like to see some type of reward system for those that are striving for zero water use.

Councilmember Putzova left the meeting at 7:58 p.m.

A break was held from 7:58 p.m. through 8:06 p.m.

10. Discussion of State and Federal Lobbying Contracts.

Ms. Goodrich stated that the state and federal lobbying contracts expire in November. There is an opportunity to renew those contracts for two additional one-year terms. Staff will be moving forward with the renewals unless there are any comments or different direction from Council.

Andy Fernandez addressed Council with his concerns about lobbyists being the same thing as consultants.

Council consensus was for staff to continue moving forward with the renewal of both contracts with no additional changes.

11. Discussion of possible recommendations for appointment to the Arizona State Liquor Board.

Ms. Goodrich offered that the City was notified by the Arizona League of Cities and Towns that the State Liquor Board has two openings for citizen members. At that time there was some indication that the Council was interested in discussing the matter and possibly name a few people that might submit applications for an appointment. There is also the option that Councilmembers could make recommendations individually.

Councilmember Barotz stated that she followed up with the State Liquor Board to ask questions about the handbook; at that time she expressed interest in serving on the Board. One of the things that they indicated was that they determine who will be selected based on political party, connection to the community, and prior political involvement.

The Council consensus was to support Councilmember Barotz as a nominee.

12. Discussion Regarding Possible Creation of Commemorative Flag Policy.

Ms. Goodrich explained that over the years Councilmembers have expressed interest in displaying flags on City property and staff is looking at a possible policy that would allow for the Council to recognize different events. If Council would like for staff to move forward with drafting a policy, it is recommended that the use of the temporary pole be discontinued until a policy is put in place.

Councilmember McCarthy stated that there should be a policy and that Council should make the decision about what flags should be displayed. He indicated that he believes that the City should remain neutral and that no flags should be displayed. In the absence of a policy, he agrees that the temporary flagpole should not be used.

Councilmember Overton stated that he has concerns with the methodology used for picking which flags to display and which to not display. While the City is staying content neutral, at some point there will be too many requests, and some will move forward while others do not simply because there is not enough slots for display.

Mr. Fincel clarified that government speech it is not content neutral and it would be the responsibility of Council to bring forward the requests from the community for consideration.

Councilmember Overton indicated that it puts the Council in the position of picking the government speech. There may not be an application process but there may be some disparity depending on which groups are more vocal about their request. This will create a political element and he is not sure that the Council should take on that responsibility. There are reasons that government speech should be in limited form.

Councilmember Barotz stated that she is willing to look at a draft policy that reflects government speech.

Councilmember Odegaard stated that he is willing to look at something, but his suggestion currently is that there be no temporary flags.

A majority of Council was supportive of staff bringing back a draft policy and discontinuing the use of the temporary flagpole until a policy is in place.

13. Discussion of City commissions and the manner in which they communicate with, interact with, and seek direction from other City commissions and Council.

City Clerk Stacy Saltzburg addressed Council and provided an updated on what the City Clerk's office has been working on with regards to boards and commissions. More specific rules and procedures are being developed for boards and commissions to follow and the member manual is being updated to make it more concise and streamlined. Through this process it was determined that a separate staff liaison manual would be helpful to help guide staff in their interactions with their respective boards or commissions. Additionally, there will be updates to Council from the specific boards and commissions scheduled to allow them the opportunity to share with Council the work they have been doing as well as receive information and direction from Council on any additional things that should be added to their work plan.

Councilmember Overton offered that having the commission send their agendas and minutes to Council is very helpful in staying in tune with the work they are doing. The video streaming of the meetings is also very helpful. He also suggested some additional guidance on Open Meeting Law to keep commissions aware of the rules with regard to allowing their agendas.

Mayor Evans stated that it is important for the commissions to understand what the Council priorities and goals and objectives are. The staff liaisons should be aware of things the Council are working on that may pertain to their commission.

Vice Mayor Whelan indicated that she really appreciates the commissions coming to Council meetings and sharing their work with them. She suggested inviting the

chairperson of the commissions to attend the Council's goal setting retreat so they are aware of the Council's goals and objectives. She also recommended that when different topics are brought before Council that relevant commission members be invited to attend and hear the Council dialogue.

Councilmember McCarthy stated that the commissions should be reminded that if an item comes before them that might be of interest to another commission they should reach out and invite them to get involved with the matter as well.

Mayor Evans stated that it is important for commissions to provide recommendations but not necessarily hash out differences between other commissions or Council at the dais.

Ms. Saltzburg offered that part of the process of refining the manuals is to guide commissions and staff on how that information sharing should work and how that information should be presented to Council. There may be conflicting views and values on things, it is how those are appropriately communicated in a timely and effective manner.

Councilmember Barotz suggested a quarterly meeting with the staff liaisons and the City Manager. This could help provide an opportunity for the commissions to hear about what other commissions are doing as well as an opportunity for the City Manager to reinforce the goals and priorities of Council.

Councilmember Odegaard stated that commissions have valuable power in providing recommendations to Council and those recommendations are taken very seriously. For him, it is preferred that commission representatives come and speak about their work and their recommendations directly. Vice Mayor Whelan agreed that having a representative present at the Council meeting to provide recommendations is preferred. Mayor Evans added that a written recommendation in addition to a representative present is extremely helpful. Council agreed that providing both a written and spoken recommendation is preferred.

Deputy City Manager Shane Dille offered that having Council provide direction to the commissions on what things they would like them to look at and provide recommendations on is very helpful in guiding the work of the commissions.

14. Public Participation

None

15. Informational Items To/From Mayor, Council, and City Manager; future agenda item requests.

Councilmember Odegaard shared that he felt that the recent trip to Washington D.C. was a success in getting the message about the Rio de Flag conveyed. The General of the Army Corp of Engineers and his staff are coming to Flagstaff to further discuss the project and he indicated that it will be very important to make sure that the City demonstrates the significant community importance of the project.

Vice Mayor Whelan reported on the following items:

- She and Comprehensive Planning Manager Sara Dechter attended a NACOG meeting in Clarkdale that focused on changing the funding mechanism for CDBG grants.
- All the New Start centers in Flagstaff are full but they still have 48 teaching spots available. If Proposition 417 passes they will be opening a program for early childhood organizations.
- She attended a presentation on Census 2020; the process is moving forward and Flagstaff is certainly ahead of the game.
- She and Mayor Evans attended a steering committee meeting with Launch who provided an excellent presentation about offering free preschool education to three and four year old children and the returns on investment those programs provide.

Mayor Evans reported on the following items:

- During the trip to Washington D.C. they were able to speak with Amtrak to stress the importance of having cross country railways. They seemed to understand the value especially in rural areas.
- During the upcoming visit by the General from the Army Corp of Engineers it will be extremely important to be clear about the extent of the project and the significant impact it has on Flagstaff. She requested that Congressman O'Halleran be invited to participate in the tour and the meeting.
- For more information on Launch, you can go to www.launch.flagstaff.org.
- Complaints are coming in about Basis school and their vehicle traffic and backup. There was not a traffic impact analysis done for the expansion of Basis or the new development. She would like staff to look into the matter.
- There is a streetlight out above the park bench at Mobile Haven Park. She asked if staff could take a look at it for possible repair.

16. Adjournment

The Flagstaff City Council Work Session of September 11, 2018, adjourned at 9:00 p.m.

MAYOR

ATTEST:

CITY CLERK