

Budget Retreat

February 3, 2020



Welcome and Objectives



Agenda

- Welcome and Objectives
- Priority Based Budgeting
- Revenue Update
- Fixed Costs and Available Revenues
- State Assessment for Minimum Wage Mitigation Update
- Compensation Update



Priority Based Budgeting



Revenue Update

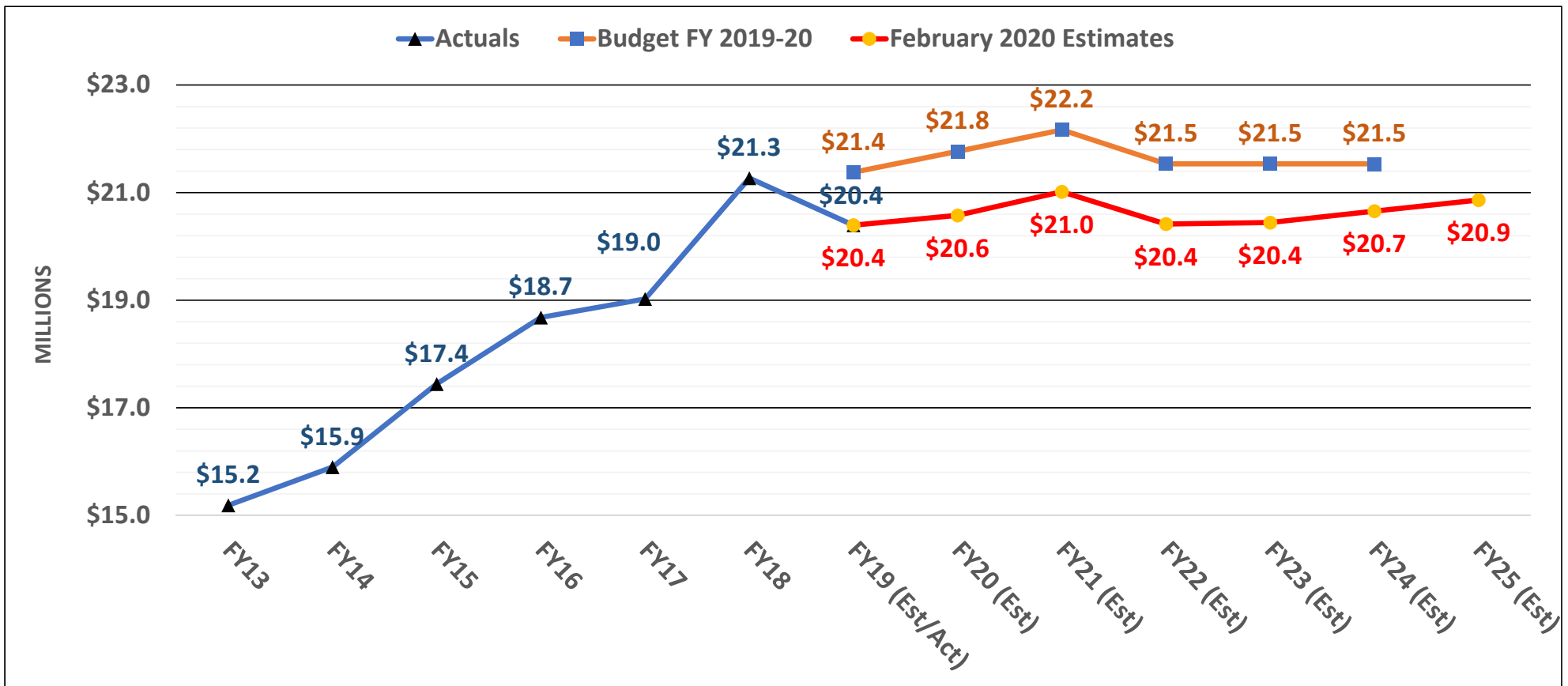




Revenue Update



City Sales Tax - General Fund

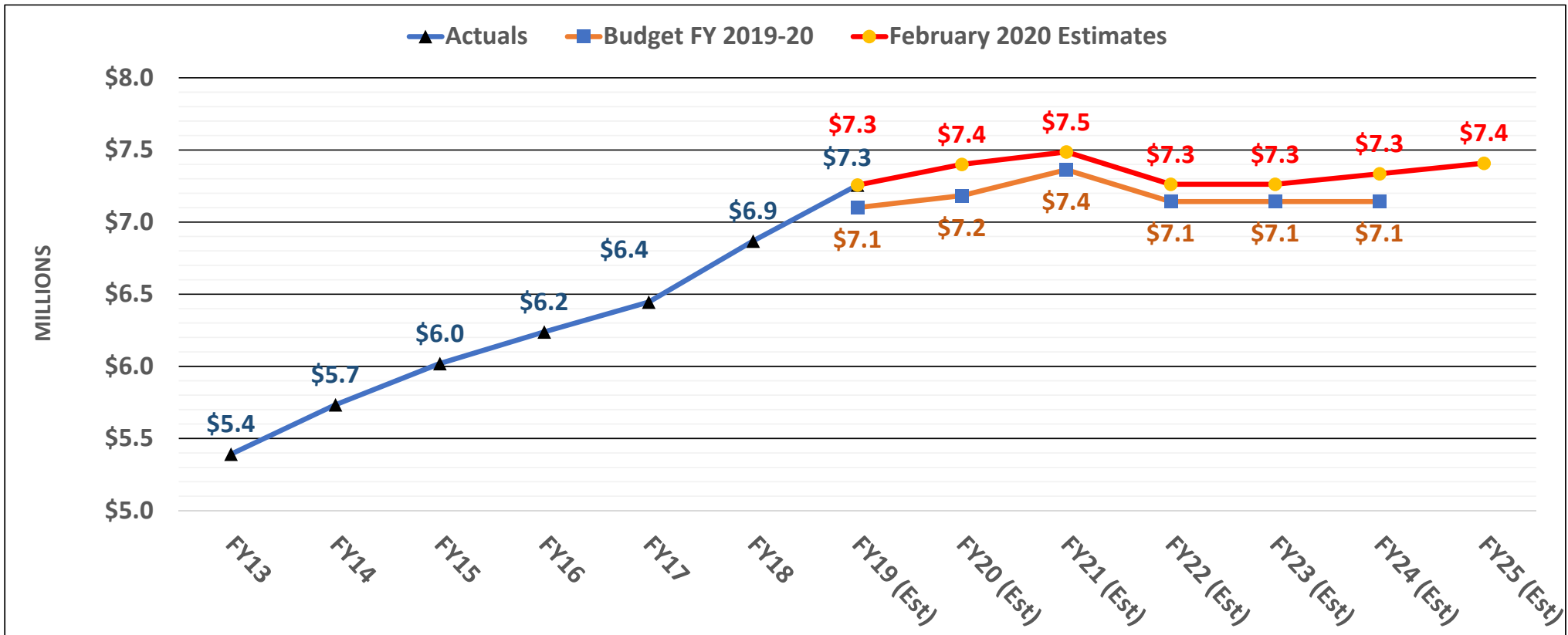




Revenue Update



State Shared Sales Tax

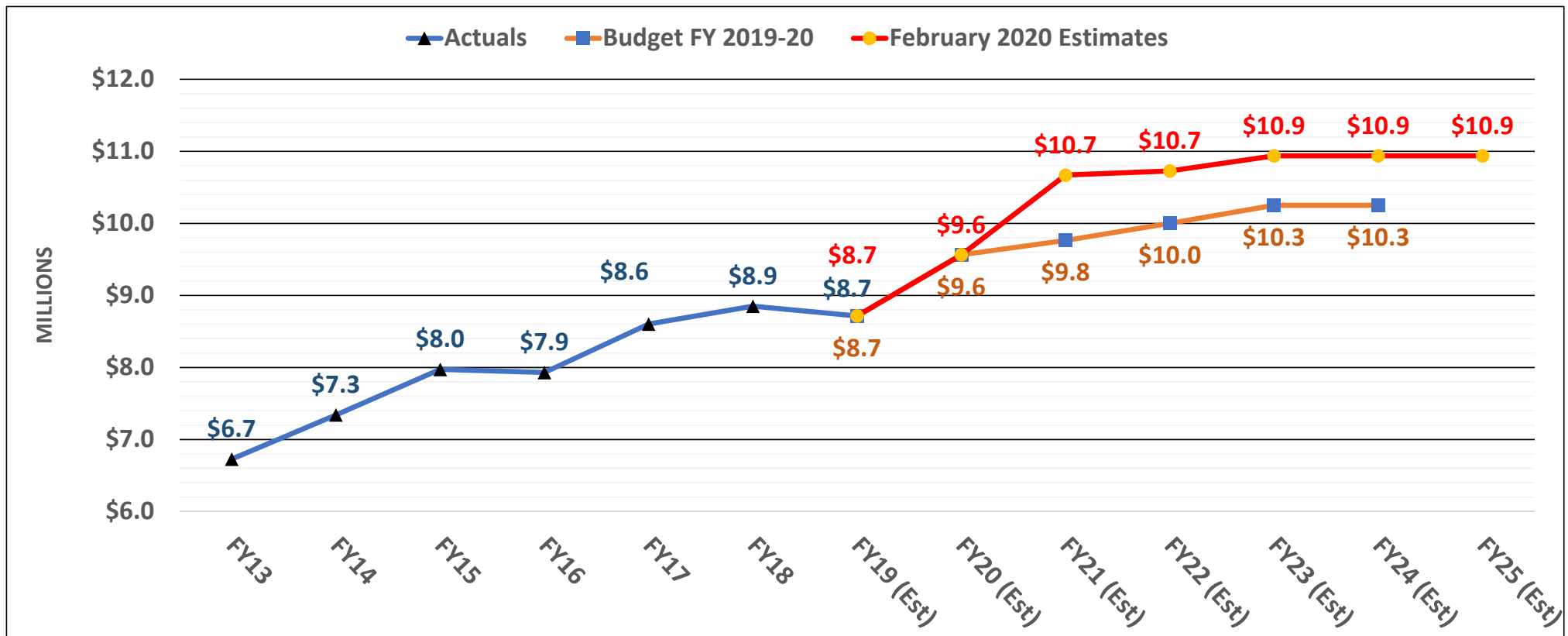




Revenue Update



State Shared Income Tax/Urban Revenue

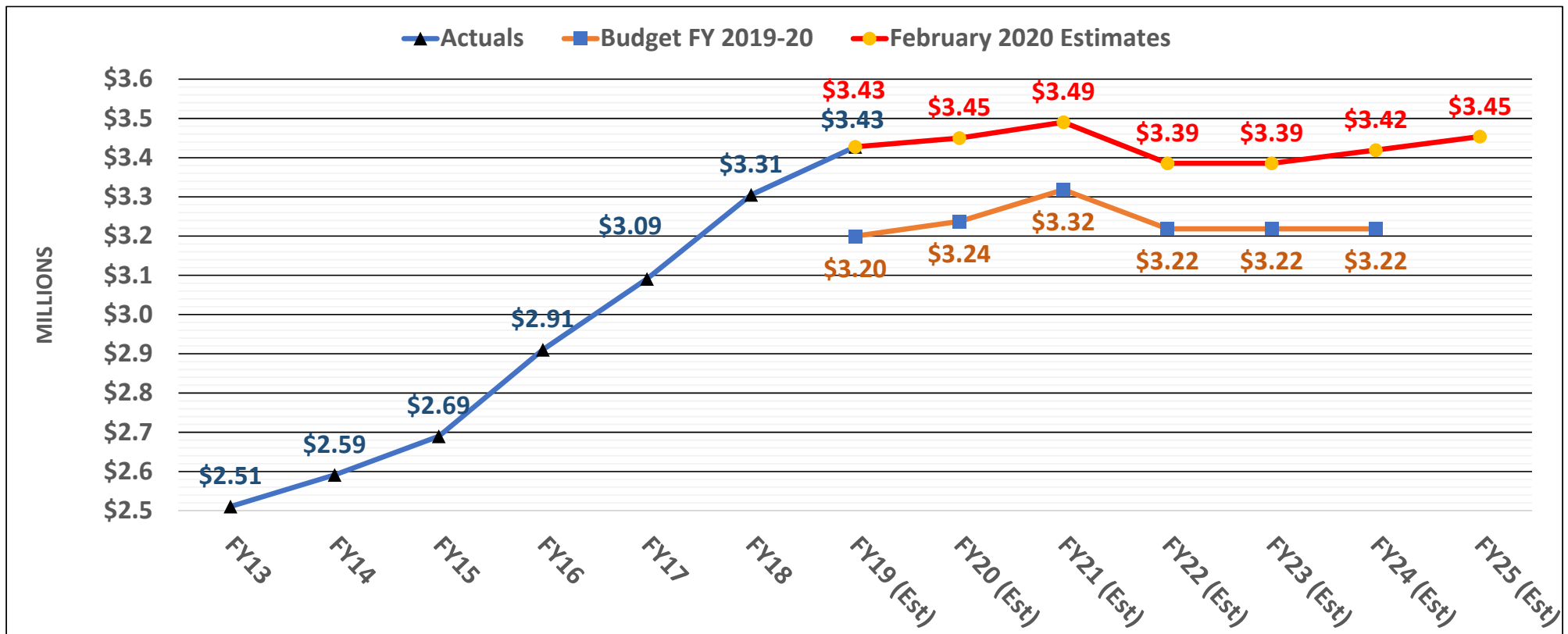




Revenue Update



Auto Lieu Tax (Shared Revenue)

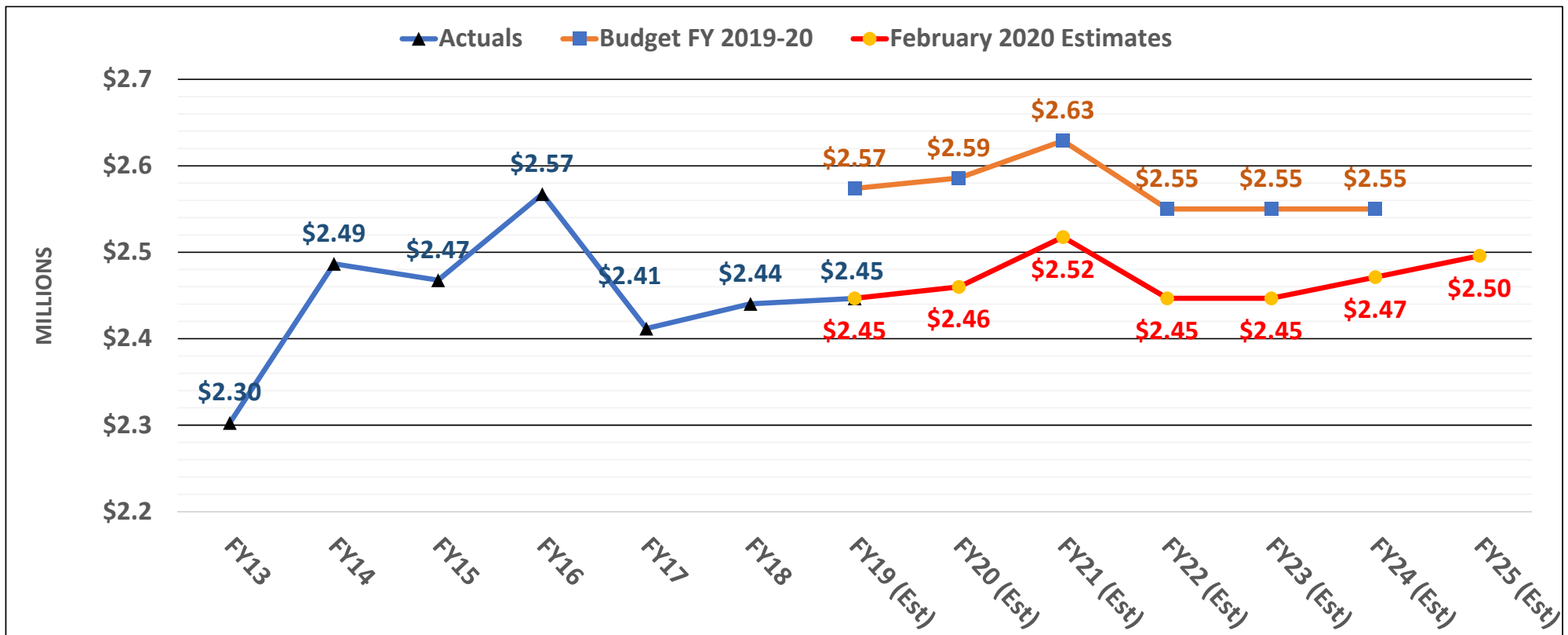




Revenue Update



Franchise Fees

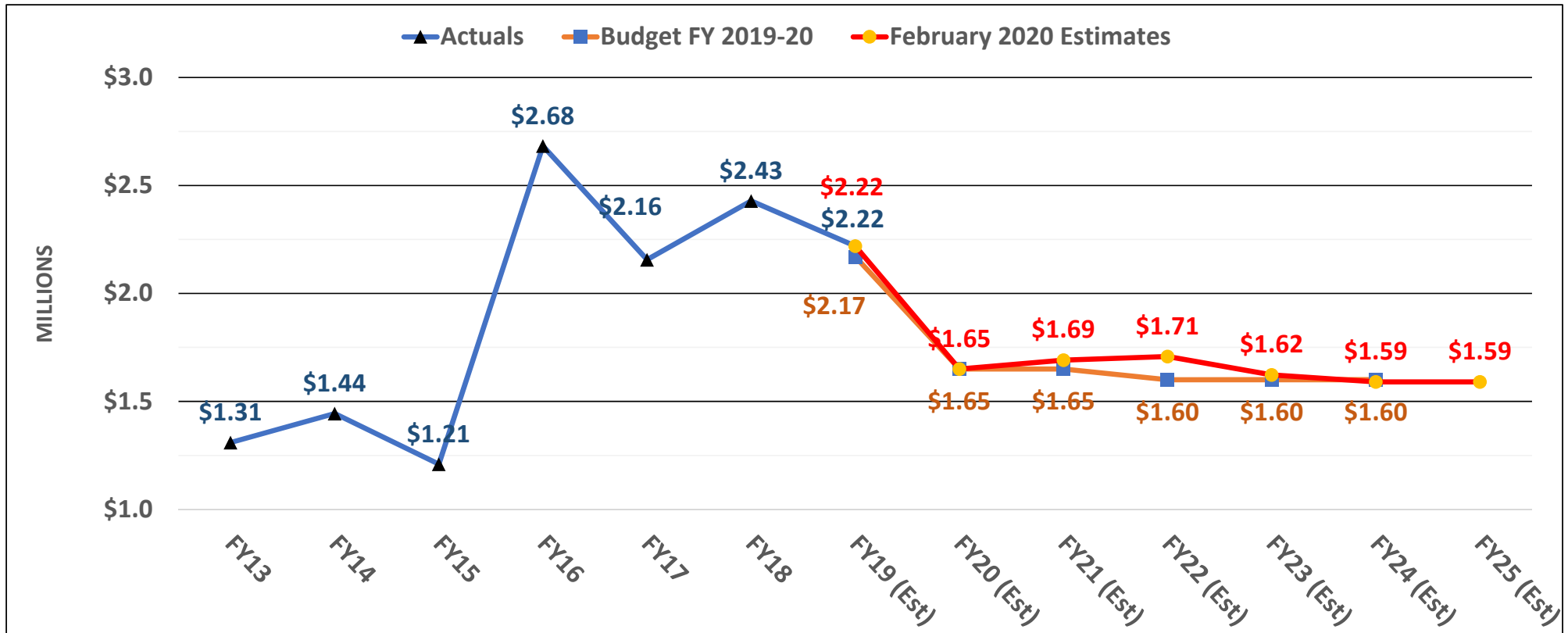




Revenue Update



Building Permits

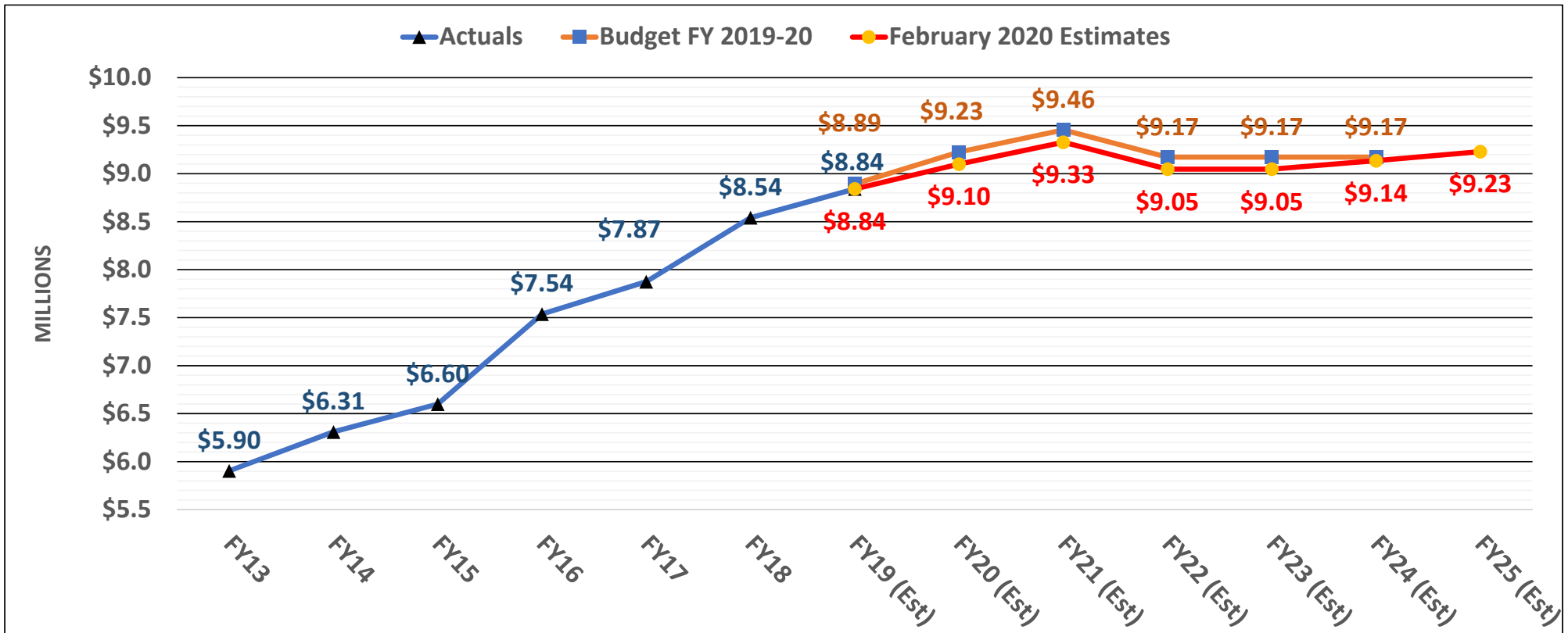




Revenue Update



BBB Revenue

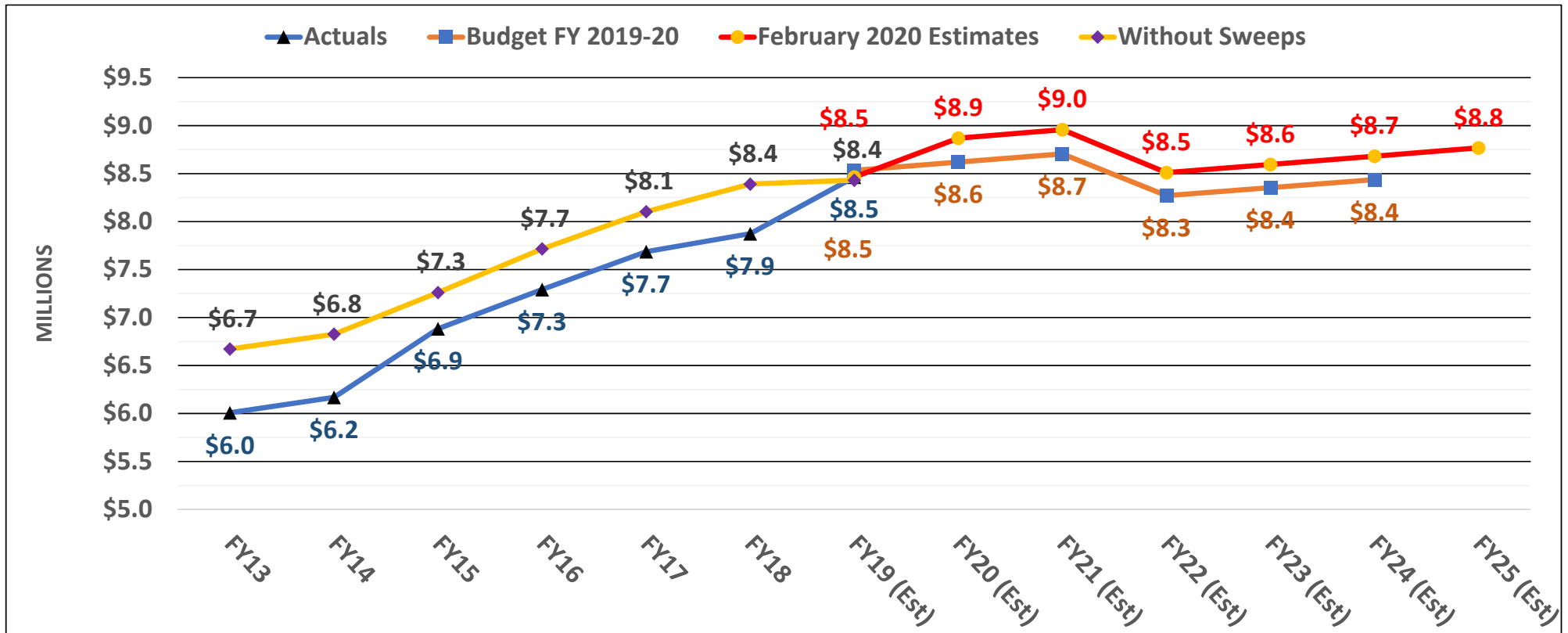




Revenue Update



Highway User Revenue (HURF)





Revenue Update



Questions

Fixed Costs and Available Revenues





Fixed Costs and Available Revenues



- Pension Cost Trends
- Fixed Cost Summary – General Fund
- Revenue Summary – General Fund
- City Employer Minimum Wage Impact

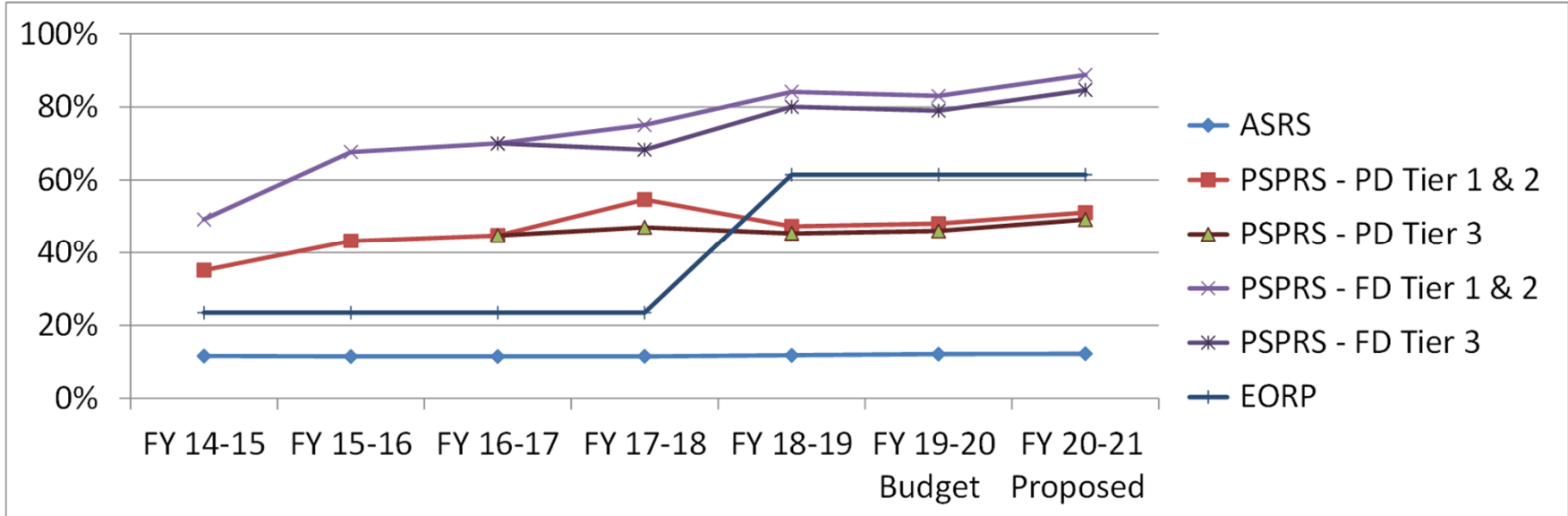


Pension Contribution Rates



Minimum Required Contribution Rates

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20 Budget	FY 20-21 Proposed
ASRS	11.60%	11.47%	11.48%	11.50%	11.80%	12.11%	12.22%
PSPRS - PD Tier 1 & 2	35.16%	43.29%	44.83%	54.73%	47.34%	48.09%	51.12%
PSPRS - PD Tier 3			44.83%	47.11%	45.43%	46.10%	49.22%
PSPRS - FD Tier 1 & 2	49.26%	67.71%	70.05%	75.11%	84.17%	83.03%	88.79%
PSPRS - FD Tier 3			70.05%	68.34%	80.08%	78.99%	84.70%
EORP	23.50%	23.50%	23.50%	23.50%	61.50%	61.50%	61.50%



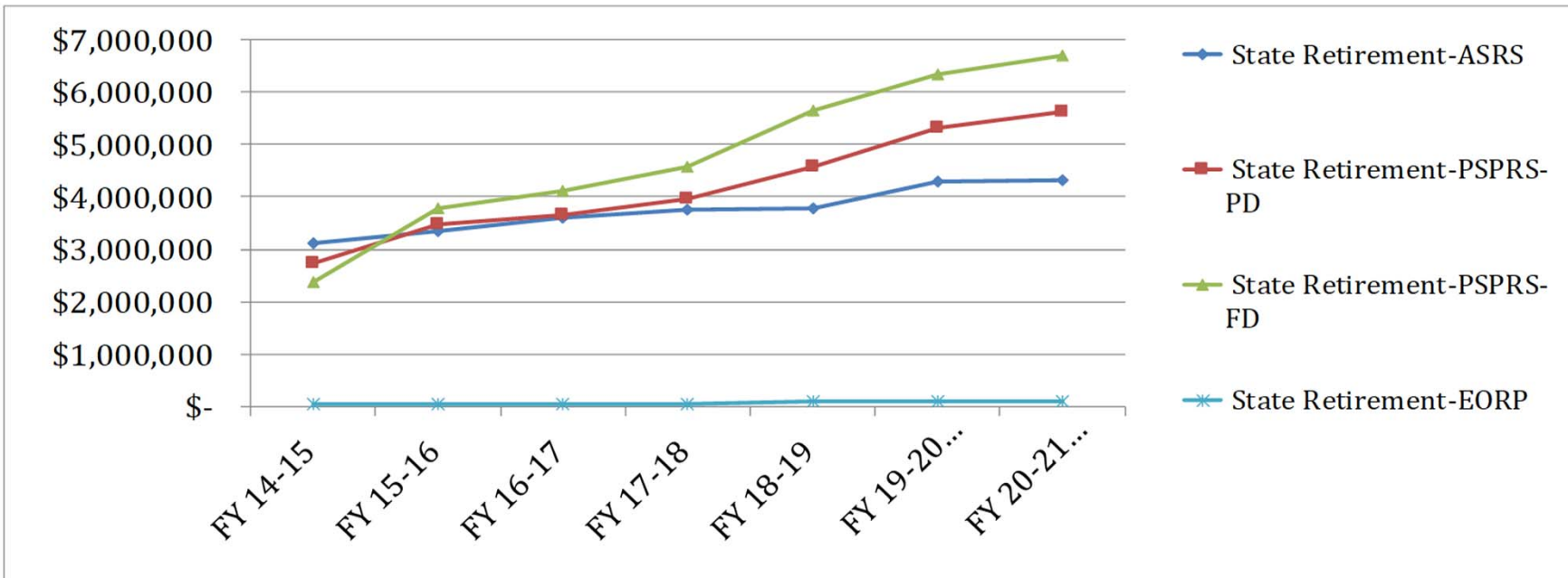


Pension Expenditures



Staff Recommended Funding Levels

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20 Budget	FY 20-21 Proposed
State Retirement-ASRS	3,121,635	3,342,634	3,603,589	3,754,600	3,776,918	4,289,614	4,328,578
State Retirement-PSPRS-PD	2,722,515	3,483,156	3,662,344	3,954,905	4,565,973	5,325,554	5,635,540
State Retirement-PSPRS-FD	2,375,094	3,769,503	4,107,600	4,584,857	5,641,220	6,347,648	6,685,821
State Retirement-EORP	40,950	39,815	40,588	39,679	102,903	107,373	107,373
	<u>8,260,194</u>	<u>10,635,108</u>	<u>11,414,121</u>	<u>12,334,041</u>	<u>14,087,014</u>	<u>16,070,189</u>	<u>16,757,312</u>





Public Safety Pensions



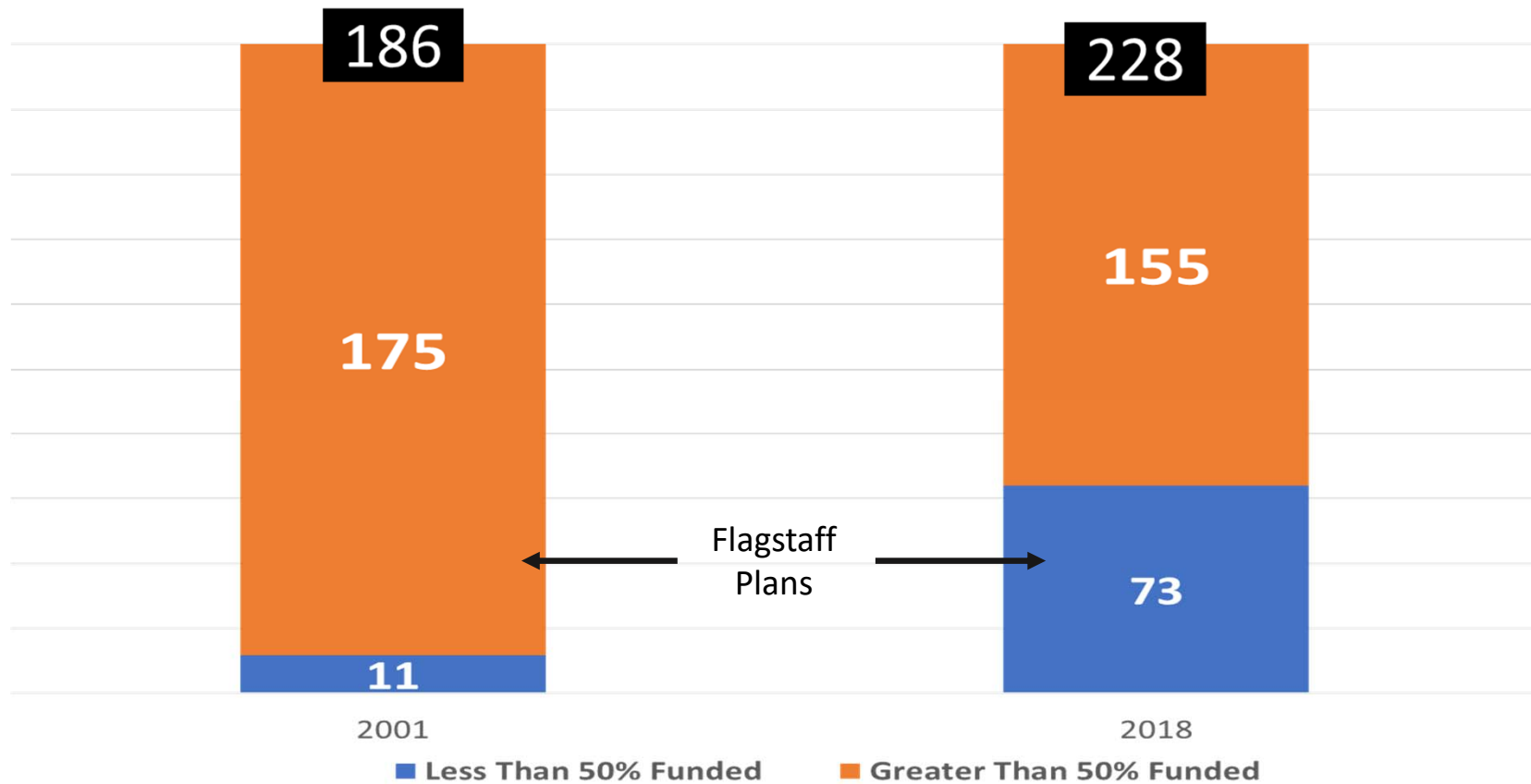
Starting Thoughts

- Critical Financial Issue Facing Employers and Taxpayers
 - Unfunded Pension Liability = \$8.8 Billion at 6/30/18
 - 46% Funded (Flagstaff 37.4%)
- It is debt
- It is not *IF* the unfunded liability will be paid off, it is *WHEN AND BY WHOM*
- Reform *DID NOT* reduce Plan 1 and 2 unfunded pension liability (legacy costs)



Public Safety Pensions

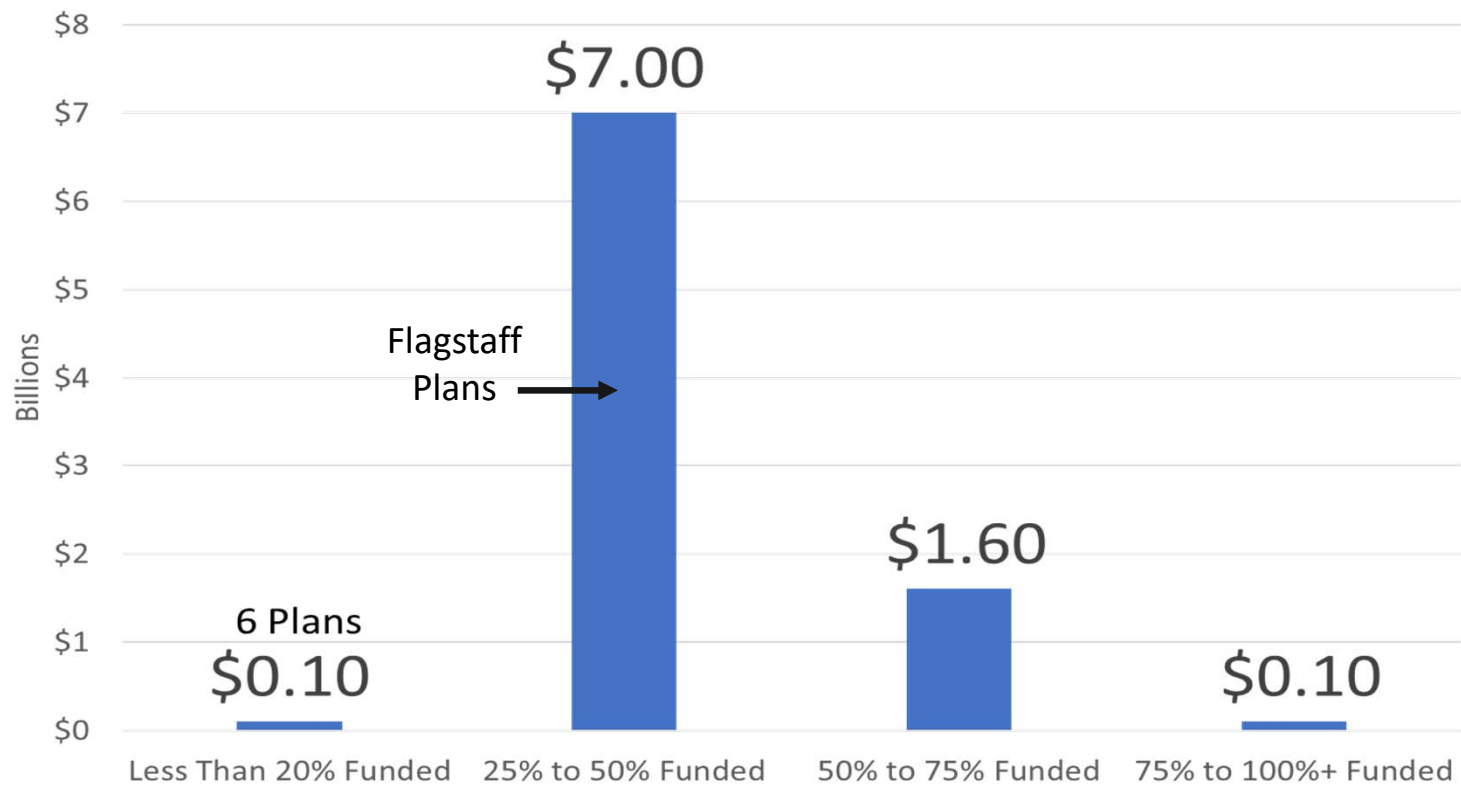
Where Does Flagstaff's Plans Measure Up?





Public Safety Pensions

Where Does Flagstaff's Plans Measure Up?





Public Safety Pensions



Unfunded Liability

- Market value of assets are the assets as of *TODAY!*
- Future liabilities are discounted to a present value estimate (*TODAY!*) using the assumed rate of return as the discount rate
- The difference is the over funded or unfunded liability as of *TODAY!*



Public Safety Pensions



Unfunded Liability (Debt)

- PSPRS liabilities are not pooled (263 plans)
 - Unfunded liabilities have been earned and cannot be diminished or impaired
 - Pension clause and court decisions
 - The amount and timing of your contribution directly impacts the funded status of your plan
- A more appropriate term for unfunded liabilities is debt
- Legislative changes will not reduce your debt



Public Safety Pensions

Pension Funding Equation

$$C + I = B + E$$

Contributions

Income

Benefits

Expenses



Public Safety Pensions

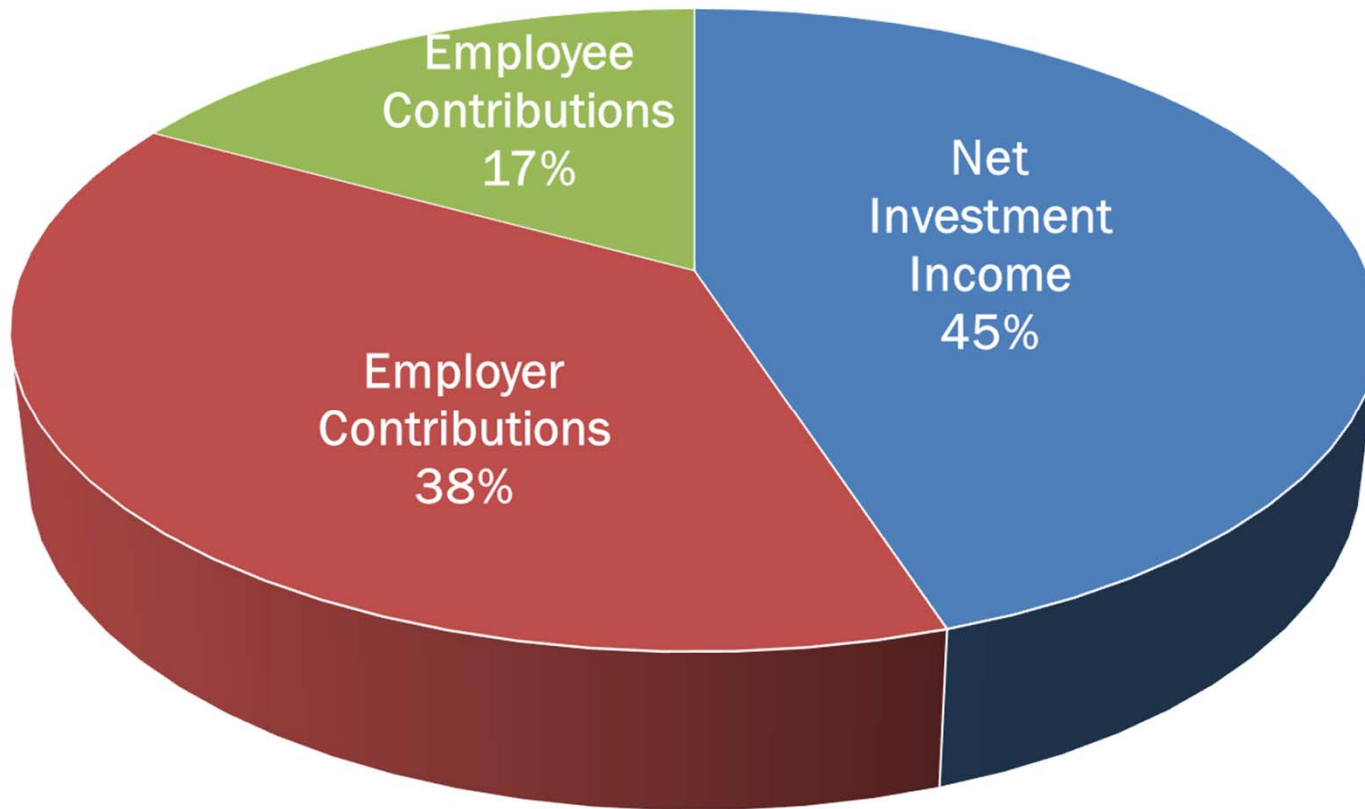
Components of Contributions

1. Normal Cost: Annual cost of pension benefits “earned” in the current year
2. Unfunded Liability: Cumulative effect of previous normal costs not funded
 - Straight line amortization
 - 27 years for Police
 - 16 years for Fire



Public Safety Pensions

Where Does the Money Come From?





Public Safety Pensions



Is the PSPRS Funding Policy working?

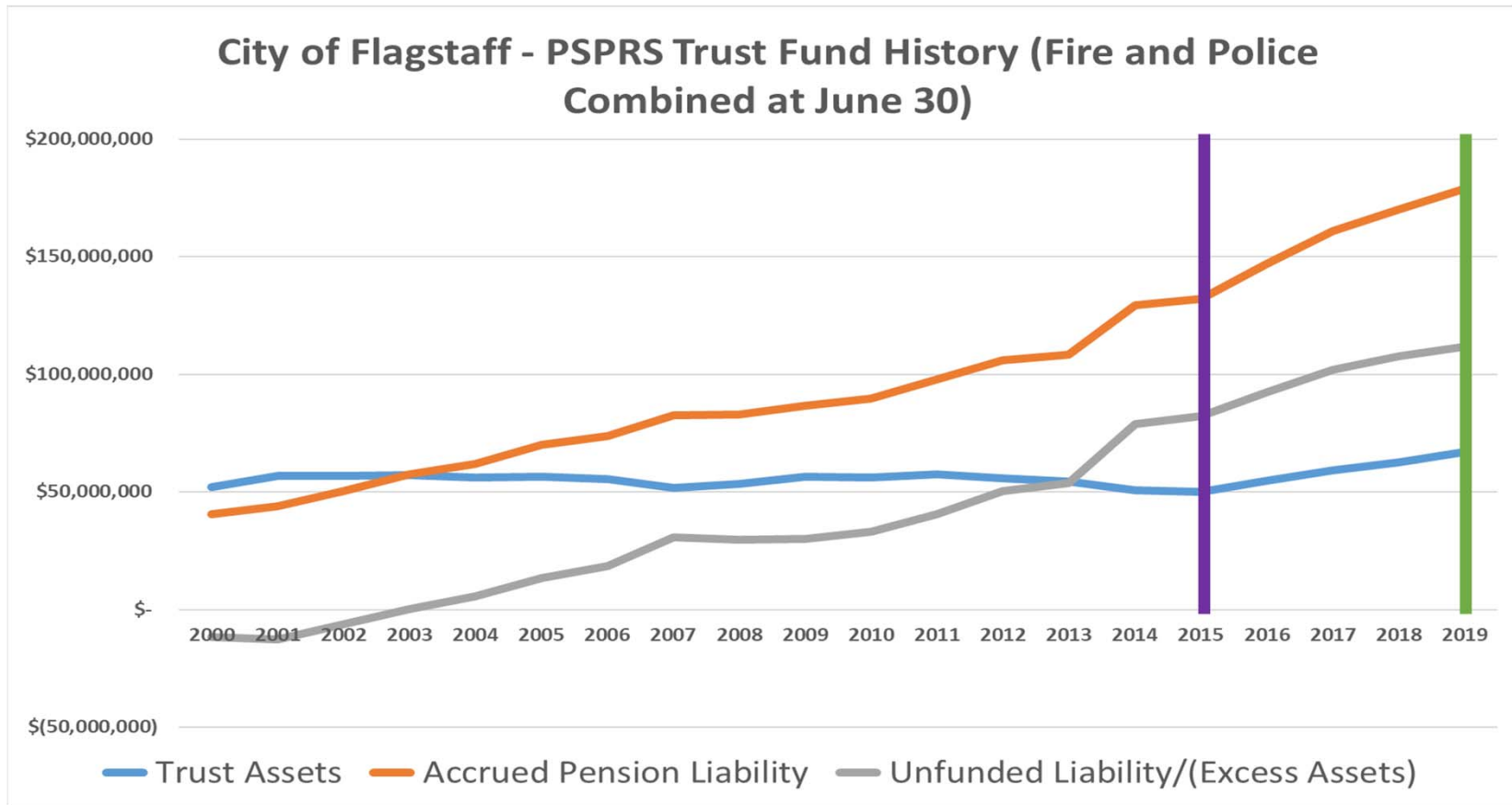
- Yes, but minimal for now
- Council PSPRS Funding Policy is in effect for the current year
- Results will be seen in the 6/30/2020 report (December)
- Every extra dollar helps



Public Safety Pensions



Pension Trends





Public Safety Pensions



Pension Trends

PSPRS - Police Plan Tier 1&2	2015	2016	2017	2018	2019	Change 2018 vs 2019
Trust Assets	23,502,335	26,022,353	28,674,855	30,522,417	32,642,259	2,119,842
Accrued Pension Liability	62,484,536	69,529,857	75,238,736	79,472,686	84,860,189	5,387,503
Unfunded Liability/(Excess Assets)	38,982,201	43,507,504	46,563,881	48,950,269	52,217,930	3,267,661
Funding Ratio	37.6%	37.4%	38.1%	38.4%	38.5%	0.1%

PSPRS - Fire Plan Tier 1&2	2015	2016	2017	2018	2019	Change 2018 vs 2019
Trust Assets	26,439,852	28,711,858	30,462,678	31,950,208	34,260,196	2,309,988
Accrued Pension Liability	69,729,278	77,477,973	85,795,097	90,720,113	93,870,030	3,149,917
Unfunded Liability/(Excess Assets)	43,289,426	48,766,115	55,332,419	58,769,905	59,609,834	839,929
Funding Ratio	37.9%	37.1%	35.5%	35.2%	36.5%	1.3%

PSPRS - City Totals Tier 1&2	2015	2016	2017	2018	2019	Change 2018 vs 2019
Trust Assets	49,942,187	\$ 54,734,211	\$ 59,137,533	\$ 62,472,625	\$ 66,902,455	\$ 4,429,830
Accrued Pension Liability	132,213,814	\$ 147,007,830	\$ 161,033,833	\$ 170,192,799	\$ 178,730,219	\$ 8,537,420
Unfunded Liability/(Excess Assets)	82,271,627	\$ 92,273,619	\$ 101,896,300	\$ 107,720,174	\$ 111,827,764	\$ 4,107,590
Funding Ratio	37.8%	37.2%	36.7%	36.7%	37.4%	0.7%



Public Safety Pensions



Why Does It Seem To Keep Getting Worse?

- An eighteen-year straight line amortization = 5.56%
- The unfunded liability balance will increase by 7.3%
- Pensions become less funded each year that just the required contributions are paid
- Changes in Actuarial Assumptions



Public Safety Pensions



What is Political Will?

- Competing priorities in the government realm
 - Additional compensation, benefits and/or staffing (internal pressure)
 - Cuts/layoffs in recession
 - Reduce taxes (external pressure)
 - Increase taxes in recession
 - Public want for expanded services
 - Increase core services programs without increased rates
 - New cost/programs outside core functions



Public Safety Pensions



What is Political Will?

- Suggested financial best practices
 1. Improving degraded infrastructure
 2. Reduce liabilities
- In basic terms these are addressing long-term costs and not “kicking the can down the road”
- Give your board or council the “talking points”
 - “Our decision will save taxpayers \$15 million!”
 - “This action assures the pensions promised to our public safety employees will be there.”



Public Safety Pensions



What Other Cities/Counties Have Done

- Coconino County
 - Cash balances from Jail District and Capital Facilities Fund
- City of Prescott
 - Dedicated 0.75% sales tax, about 10 years
- Some cities are looking at Pension Bonds



Public Safety Pensions



Some Options For Reducing Our Unfunded Liability

- We only control the contribution part of the equation
- Takes financial resources
- Budget process
- General Obligation Bond
- Sales Tax



Fixed Cost Summary – General Fund



General Fund	Ongoing
Compensation Increase (2%) (100% funded)	\$ 1,000,000
Minimum Wage (\$13 to \$15) (\$145,000 funded)	145,000
Pension Cost - New	690,000
Health Insurance Increase (5.79%) (\$150,000 funded)	375,000
Workers Comp., Liability and Property Insurance	300,000
Total	\$ 2,515,000
General Fund 5 Year Plan Set-Aside (Funded)	(1,300,000)
Unfunded Portion	\$ 1,215,000



Revenue Update Summary – General Fund



General Fund	One-Time	Ongoing
City Sales Tax	\$ 280,000	\$ 280,000
Franchise Fees	(105,000)	(120,000)
State Shared Sales Tax	(75,000)	(75,000)
State Shared Income Tax	-	900,000
State Shared Auto Lieu	(50,000)	(50,000)
Other Revenues/Adjustments	350,000	(50,000)
FY 2018-2019 Year End	500,000	-
Total Capacity	\$900,000	\$ 885,000
Option: Primary Property Tax (2% Increase)	-	130,000
		\$1,015,000



City Employer Minimum Wage Impact



- January 1, 2021 - \$15.00/hour
 - Total employees impacted - 173
 - Temporary employees - 140
 - City wide Financial impact - \$180,000
- January 1, 2022 - \$15.50/hour
 - Total employees impacted - 178
 - City wide Financial impact - \$70,000
- Compaction issues and concerns

State Assessment for Minimum Wage Mitigation Update





Minimum Wage Mitigation



- Staff has been working closely with both our State Lobbyist and with the League of Cities and Towns so as to provide the City Council with the most current and accurate update at your retreat regarding the anticipated State's assessment

Compensation Update





Benefits - Pension



- Elected Officials Retirement Plan – No increase
- ASRS Increase
 - FY 2019-2020 (Effective 7/1/19) – 12.11%
 - Pension and Health Insurance 11.94%
 - Long Term Disability 0.17%
 - FY 2020-2021 (Effective 7/1/20) – 12.22%
 - Pension and Health Insurance 12.04%
 - Long Term Disability 0.18%
 - \$40,000 increase to General Fund
- PSPRS Police Increase
 - \$310,000
- PSPRS Fire Increase
 - \$340,000



Benefits - Health



- No increase to dental and vision
- Medical Insurance
 - 5.79% increase
 - \$375,000 increase to General Fund if fully paid by the City
 - Budget: \$150,000
 - Shortfall: \$225,000
- Total pension and health increases impact to General Fund
 - Budgeted: \$150,000
 - Unbudgeted: \$915,000



Compensation



Pay Increase Terminology

- Cost of Living Adjustment (COLA)
 - All eligible employees receive at the same time
 - All eligible employees receive the same percentage
 - Employees at top of range are eligible (if one-time bonus approved)
 - Tenure or performance are not taken into consideration
- Market Adjustment
 - All eligible employees receive on their anniversary date of hire (or promotion anniversary date)
 - Eligibility and amount received based on market
 - The pay range increases by the approved amount (example: 2%)
 - Employees at top of range are eligible since the pay range increases



Compensation



Pay Increase Terminology

- Merit – or Performance Based
 - Eligibility and amount received based on performance
 - All eligible employees receive on their anniversary date of hire (or promotion anniversary date)
 - Employees in Skill Based Pay Grades not eligible



Compensation



- Compensation study underway for FY 2021-2022 budget planning
 - A contingent budget should be set aside for urgent identified adjustments
- Recommend 2% COLA increase for FY 2020-2021
 - All eligible employees receive July 1, 2020
 - All eligible employees receive the same percentage
 - Employees at top of range are eligible (if one-time bonus approved)
 - Tenure or performance are not considered



City-Wide Pay History 2009-2019



FY 2008-09	Average of 3.2% merit increase and 2% market increase (1.2% pay decrease on 5/1)
FY 2011-12	1.2% pay decrease restored
FY 2013-14	3.2% market increase
FY 2014-15	Merit increase 0.4%-2% and longevity lump sum pay \$100-450 based on years of service
FY 2015-16	2% market increase
FY 2016-17	Minimum of 2% market increase (Phase I Market Based Pay Plan*)
FY 2017-18	Minimum of 2% market increase (Phase II Market Based Pay Plan*)
FY 2018-19	Minimum of 2% market increase (Phase III Market Based Pay Plan*)
FY 2019-20	Merit increase 1%-3% based on years of service

*Actual employee increases varied based on upward adjustment of the pay plans



EAC Budget Recommendations

- City to cover 5.79% increase to health insurance
 - Stop going backwards
 - A 2% COLA will not cover the total cost of the increase for all employees if the entire unfunded increase is passed on to the employee (\$225,000)
 - Current premium sharing
 - Employee Only 90/10
 - Family 62/38
 - Sample: $\$45,000 \times 2\% = \$45,900$ (taxes not considered)
 - Premium Increase Impact
 - Employee Only: \$142.01 to \$237.35 annually (depending on plan)
 - Family: \$718.20 to \$960.03 annually (depending on plan)
- Impact does not include increases in pension contributions, inflation or other cost of living factors



EAC Budget Recommendations



Cost of Living Adjustment (COLA) Effective July 1st

- Stop going backwards
 - Pay increases have not kept up with cost of living changes
 - Many City employees are not keeping pace with cost of living increases
 - Insurance and pension premiums to the employee have increased
- Increases begin at fiscal year rather than evaluation date
 - Fair to all employees - all get raise on same date versus when evaluation is due
 - Changes in expenses do not wait to kick in until evaluation date
 - Evaluation date could be months after the increase in expenses



Sample Employee Pay Check 1

- Annual salary \$39, 829.50
- Base family plan
- Future includes 2% COLA and retirement increase

CURRENT SAMPLE		FUTURE SAMPLE	
Regular Pay	1531.92	Regular Pay	1562.56
Retirement ASRS & LTD	185.51	Retirement ASRS & LTD	190.95
Taxes	197.01	Taxes	195.20
Base Family Medical	302.17	Base Family Medical	337.34
Family Dental Buy up	28.84	Family Dental Buy up	28.84
Family Vision Buy up	7.31	Family Vision Buy up	7.31
Life Insurance	4.50	Life Insurance	4.50
Short Term Disability	5.95	Short Term Disability	5.95
Other Deductions (Personal)	53.50	Other Deductions (Personal)	53.5
Net Take Home	747.13	Net Take Home	738.97



Sample Employee Pay Check 2

- Annual salary \$40,533.17
- Base family plan
- Future example includes 2% COLA and retirement increase

CURRENT SAMPLE		FUTURE SAMPLE	
Regular Pay	1559.00	Regular Pay	1590.10
Retirement PSPRS & 3%	228.39	Retirement PSPRS & 3%	232.95
Taxes	174.16	Taxes	178.51
Base Family Medical	302.17	Base Family Medical	337.34
Family Dental Buy up	28.84	Family Dental Buy up	28.84
Family Vision Buy up	7.31	Family Vision Buy up	7.31
Basic Life/ AD & D	6.97	Basic Life/ AD & D	6.97
Short Term Disability	5.08	Short Term Disability	5.08
Long Term Disability	5.04	Long Term Disability	5.04
Net Take Home	801.04	Net Take Home	788.06



EAC Budget Recommendations



- Future Considerations
 - Plan now for the future to avoid falling further behind
 - Establish a mechanism to move employees through the pay plans
 - Pay scale top end looks good, but current employees have not been able to keep pace and advance through the pay range
 - 15-20+ years in grade - still not topped out
- Compaction issues across the organization
- Summary of recommendations
 - City to cover 100% increase to health insurance premiums
 - 2% Cost of Living Adjustment (COLA) effective July 1st



Compensation



Questions

Budget Retreat

February 4, 2020



Agenda

- Wildland Fire Management
- Community Share/Service
Partner Contracts
- Snow Removal
- Airport Improvements
- Council Forum
- Wrap Up



Wildland Fire Management





Wildland Fire Management (WFM)



Continuity of *Program*

*Forest Health/Water Resource Infrastructure
and Watershed Protection,
Firewise Community,
Effective Response*





Wildland Fire Management (WFM)

The Cycle of Success



Requires:

- Wildland Fire Manager
- Forest Health Supervisor
 - Firewise Specialist
 - Interns/Volunteers
- Crew Supervisor
 - Squad Boss
 - Seasonal Crew Members

The Flagstaff Model



Wildland Fire Management (WFM)



Background

- #1 fire threat
- Forest health and resilience
 - Climate Action and Adaptation Plan - CAAP
- Firewise properties/homes/neighborhoods make a difference
 - Insurance availability/rates
 - Community health and well-being
- Effective response
 - Safety of first responders and the public
 - Treated versus non-treated outcomes



Wildland Fire Management (WFM)



History

- WFM began in 1996-1997
 - Fire occurrence, frightened community, alignment of science (NAU), environmental (GCT), land management (USFS) and political (City)
- General Fund
 - Supported by grants and donations
 - Augmented later by contract revenue
- FY2008-2009 recession resulted in the loss of two positions
- 2012 FWPP bond passage
 - Shift of expenses/resources to bond
 - FY 2016-2017 re-engaged staff/Council on projected need



Wildland Fire Management (WFM)



The Progress

1st Step Toward Relief :

FY 2019-2020 Budget – Program operating and Forest Health Supervisor position moved to General Fund - EMF



The Need

2nd Step Required:

- 50% of Fire Manager
- 100% of seasonal crew





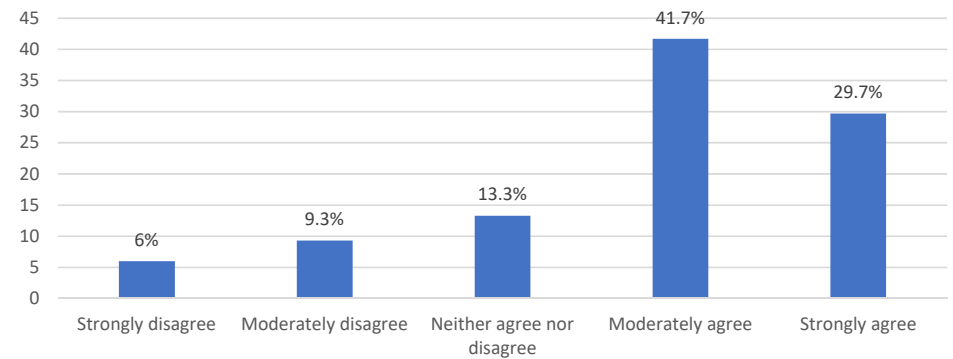
Wildland Fire Management (WFM)



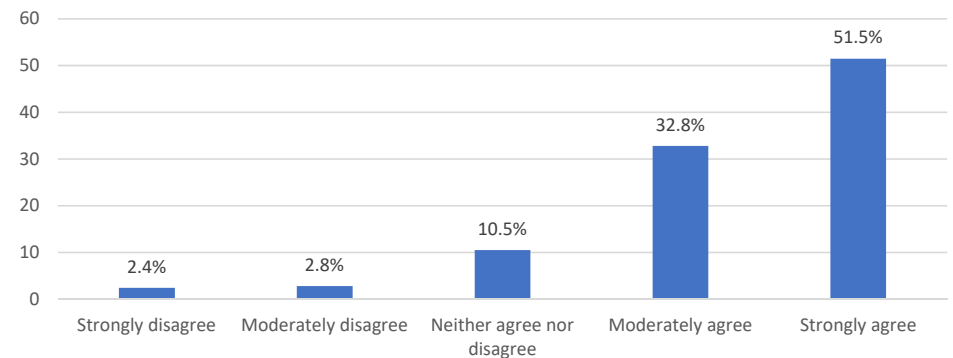
Community Support

- City Surveys
 - 2001-2013 (5 surveys)
- Willingness to Pay
 - 2012: NAU survey
 - 2019: TPL Flagstaff Focus Groups
- 2020 NAU Survey
 - 98% fire - 53% home loss
 - 85% expressed protection of forest health, watersheds, property as very important

Forest management has decreased the likelihood of a wildfire impacting my home



Forest management should be a priority for Flagstaff officials





Wildland Fire Management (WFM)



The Urgency

- Grants are less certain, contracts are static
- Bond projected to be expended by December 2020
- Funding replacement required to be in place FY 2020-2021 to continue operations uninterrupted (including ability to have seasonal crew summer 2021)

The Reality

- Our program – continuation of City's 22-year investment
- Partners do not fund a program





Wildland Fire Management (WFM)

Successful WFM - \$1.2M

- Personnel – \$828,500
 - Wildland Fire Manager, Crew Supervisor, Firewise Specialist, Forest Health Supervisor, Seasonal Crew
- Contractuals and Commodities – \$288,500
 - Operational/safety expenditures, training, outreach and engagement, grant match

Funding the Program

	Amount
Successful WFM Program Funding	\$ 1,200,000
General Fund Support	\$ 255,500
Environmental Management Fee	\$ 286,700
Funding Gap/Need	\$ 577,800



Wildland Fire Management (WFM)

Municipal Bill Rates – Equal Rates

	Each \$100,000	Gap Funding \$577,800	Full Funding \$1.2M
Residential Rate per 1,000 gallons	\$ 0.04	\$ 0.22	\$ 0.43
Residential Impact – 3,500 gallons monthly	\$ 0.14	\$ 0.77	\$ 1.51
Commercial Rate per 1,000 gallons	\$ 0.04	\$ 0.22	\$ 0.43
Commercial Impact – 10,000 gallons monthly	\$ 0.40	\$ 2.20	\$ 4.30



Wildland Fire Management (WFM)

Municipal Bill Rates – Commercial at 50% of Residential

	Each \$100,000	Gap Funding \$577,800	Full Funding \$1.2M
Residential Rate per 1,000 gallons	\$ 0.07	\$ 0.39	\$ 0.77
Residential Impact – 3,500 gallons monthly	\$ 0.25	\$ 1.37	\$ 2.70
Commercial Rate per 1,000 gallons	\$ 0.03	\$ 0.17	\$ 0.34
Commercial Impact – 10,000 gallons monthly	\$ 0.30	\$ 1.70	\$ 3.40



Wildland Fire Management (WFM)



Environmental Management Fee (EMF)

- Environmental Management fee supports WFM with \$286,700
- Does Council want to increase the fee to eliminate this transfer?
 - The rate increase would be approximately $\frac{1}{2}$ the rate of the WFM Gap funding
 - This would free up funding for the Sustainability and Environmental Management Fund
- Or is Council interested in changing the existing Environmental Management Fee to be more equitable and increase revenues



Wildland Fire Management (WFM)



Council Direction

- Does Council want to implement a Municipal Statement Fee to support the ongoing cost of the WFM program
- If YES,
 - Support a rate based on consumption
 - Maintain General Fund and EMF support
- If NO,
 - Fund program until bond funds depleted (followed by associated reductions in Fire Department service)
 - Wait for potential other funding sources to emerge



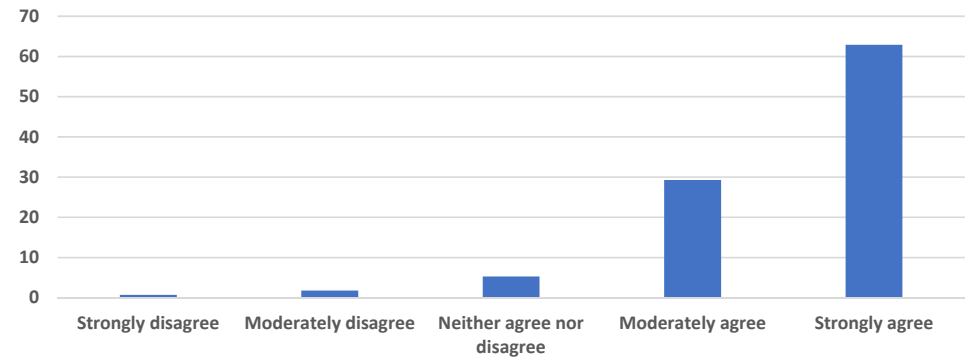
Wildland Fire Management (WFM)



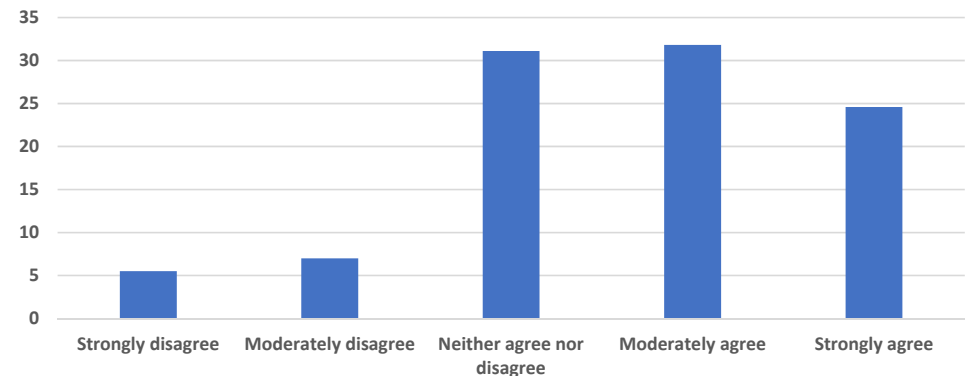
FWPP - A Project . . .

- Leverage - \$8.4M (1:1)
- Phase II: Funded, on-track
 - Projected completion - 2023-24
 - WIFA Award - \$1M forgivable principal
- Phase III: Est Cost - \$7M
 - DOD REPI opportunity
 - Planned Timeline -
 - 1st unit - Summer 2020
 - Prep remainder - 2021
 - Initiate operations - 2022

Partnerships between City-USFS-Others Best Way to Address Fire Risk to Flagstaff



More money should be invested in FWPP



Community Share and Service Partners





Community Share/Service Partners



Current Service Partner Contracts

- Contracts to provide service based on scope of work the City desires
- Follows procurement requirement
- Annually appropriated
- Changes to contracts require justification
- If the change in contract is +\$50K or increases the contract over \$50K, Council approval required



Community Share/Service Partners



City of Flagstaff FY 2019-20 Service Partners Budget

General Fund	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20		
	Total	Total	Total	Total	Ongoing	One-Time	Total
AGENCIES							
United Way	293,750	293,750	293,750	293,750	222,750	71,000	293,750
FACTS	247,319	272,319	272,319	272,319	247,319	25,000	272,319
Humane Society	199,985	299,985	249,985	249,985	161,985	130,890	292,875
Alcohol Stabilization Unit	74,250	74,250	74,250	74,250	74,250	-	74,250
Victim Witness	41,304	41,304	41,304	41,304	41,304	-	41,304
Emergency Housing	20,000	20,000	20,000	20,000	-	20,000	20,000
Coalition for Children and Youth	19,669	19,669	19,669	19,669	19,669	-	19,669
NACASA	15,627	18,627	18,627	18,627	15,627	3,000	18,627
Weed & Seed	5,503	5,503	5,503	5,503	5,503	-	5,503
Boys & Girls Club	-	50,000	50,000	25,000	-	25,000	25,000
Housing Relocation Assistance	-	-	-	100,000	-	84,562	84,562
Shelter Overflow	-	-	-	-	-	25,000	25,000
Launch Flagstaff	-	-	-	-	-	70,000	70,000
<i>Grand Total</i>	<i>937,132</i>	<i>1,115,132</i>	<i>1,065,132</i>	<i>1,140,132</i>	<i>788,407</i>	<i>454,452</i>	<i>1,242,859</i>



Community Share/Service Partners



Current Service Partner Contracts - Budget

General Fund FY 2019-20 Budget	Ongoing	One-time	Total	Notes	FY 2014-15
United Way	222,750	71,000	293,750		293,750
FACTS	247,319	25,000	272,319		247,319
Humane Society	161,985	130,890	292,875		199,985
Alcohol Stabilization Unit	74,250	-	74,250	Contract not renew	74,250
Victim Witness	41,304	-	41,304		41,304
Emergency Housing	-	20,000	20,000	Carryover	20,000
Coalition for Children and Youth	19,669	-	19,669		19,669
NACASA	15,627	3,000	18,627		15,627
Weed & Seed	5,503	-	5,503		5,503
Boys & Girls Club	-	25,000	25,000		-
Housing Relocation Assistance	-	84,562	84,562	Carryover	-
Shelter Overflow	-	25,000	25,000	New in FY 2019-20	-
Launch Flagstaff	-	70,000	70,000	New in FY 2019-20	-



Community Share/Service Partners



Potential FY 2020-2021 Requests

- United Way – \$30,000 Step up for Youth
- Launch – \$70,000
- High Country Humane Society – \$79,750 (\$26,500 this FY)
- Boys and Girls Club – \$25,000-\$50,000
- Shelter Overflow – \$25,000
- Front Door – Shelter Services/Catholic Social Services - \$50,000
- Others?



Community Share/Service Partners



Process for Requesting Funding

- Currently no formal process in place
- Staff will develop a process for agencies to request funding
 - Scope of service justification

Discretionary Fund Budget Consideration

- Proposed to budget funds for mid-year request
- Staff will discuss balance and process for use

Snow Management





Snow Operations Level of Service Budget Discussion



Snow Operations - Overview



- Review of Streets section winter storm events
- Current policy and level of service
- Proposed adjustments to Streets section FY 2020-2021 Budget
- Additional considerations
- Questions and discussion



Streets Statistics



700 lane miles

16 miles of alleys

131 miles of bike lane

270 miles of sidewalk

55 miles of FUTS

27,000 driveways



Snow Operations



Three critical considerations with all weather events:

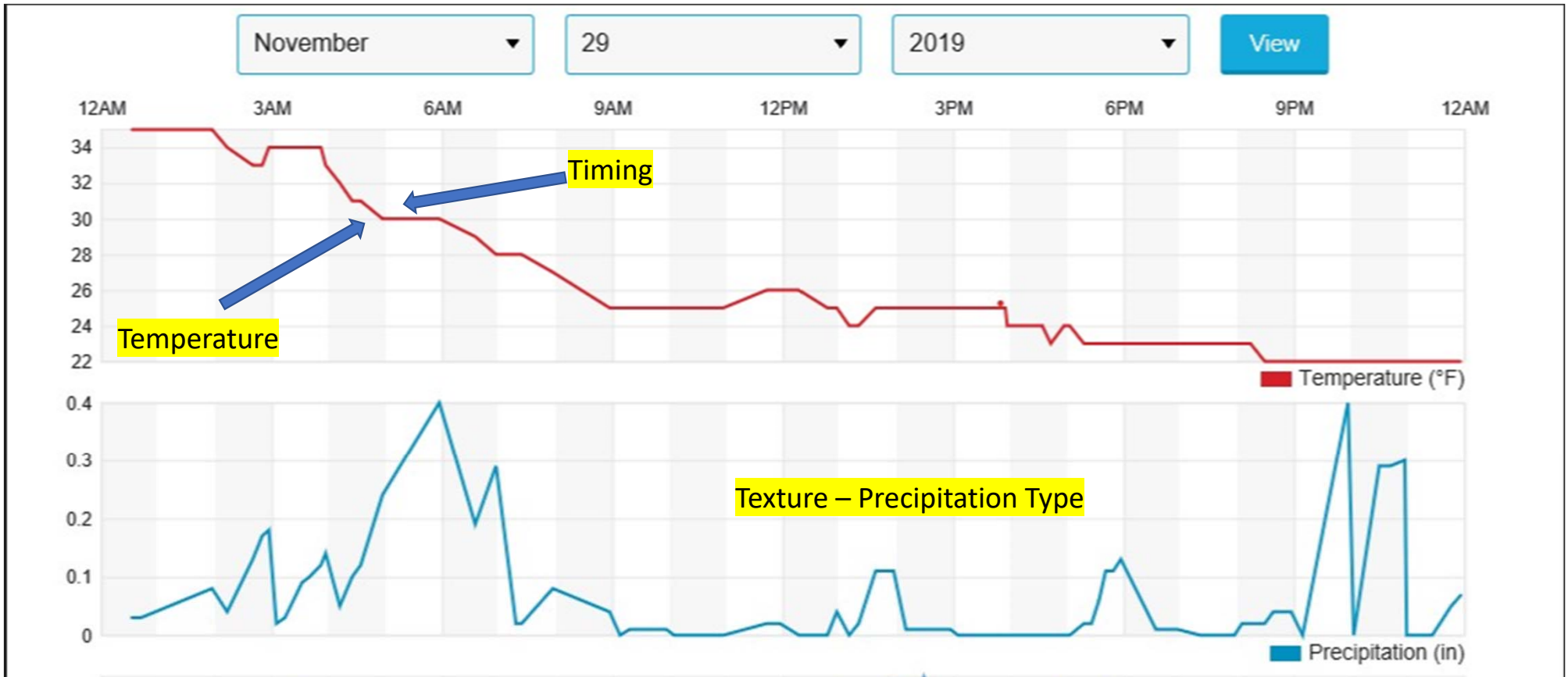
Timing

Texture

Temperature



Thanksgiving Event





Snow Operations - Overview



- **Storm Monitoring**
 - Weather reports and operations readiness
- **Equipment Preparation**
 - Snow plow/cinder truck fleet
 - Grader and loader fleet
- **Operator Availability**
 - Full-time staff of 18 operators, 3 supervisors and 1 acting supervisor
 - Temp staffing if available (4-12 typical)
 - 12-hour shifts for duration of storm event



Snow Policy



First Priorities – Always open and passable

Main roadways, hills, downtown FUSD and NAIPTA routes

Second Priorities – Residential areas with accumulation greater than 3"-4"

Once first priorities are manageable, residential plowing begins and policy benchmarks are met and often exceeded



Best Practices and Operations

Plowing Procedures

Plow it right the first time, from the center working out, multiple passes required for all road sections

Snow Placement

Adjacent to the curb and as wide as possible without compromising the sidewalk

Ice Traction Control

Ice cinders distributed and used extensively, effective but require multiple applications; used throughout the duration of the storm and days following



Best Practices and Operations

Sidewalks

City owned sidewalks cleared by Parks section using skid steer equipment and shovel crews; sidewalks adjacent to private property maintained by property owner

FUTS and Alleys

Plowed by Parks section and maintained with support of Streets

Sweeping and Cleanup

Streets sweeping crews address and provide service year-round, winter emphasis is on bike lanes and intersections; increased use of ice cinders or multiple ice condition days adds significant clean-up



Urban Snow Operations Challenges



- Winter weather event and road conditions
- Traffic congestion and travel difficulty
- Attention to different modes; vehicle, bike, ped and transit
- Density and compact land use, topography
- CDL operator shortage and experienced operators

Time is the most important element in providing efficient and safe snow operations



2020-2021 Streets Budget



Current Proposed Budget Considerations to Improve Service

1. Base Budget Reallocation – \$200K of ongoing resources identified
2. Additional Equipment Resources – One additional AWD road grader
3. Staffing to address the balancing of multiple work programs – 3 FTE
Snow operations, striping and markings

**Ordered and anticipating soon -*

(1) 10-Wheel Plow Truck and (2) 6-wheel Plow Trucks (FY 2019-2020)



Additional Considerations



Alternative or Advanced Equipment

Road Grader Gates –

Pros – Reduce the snow berm amounts at driveways

Clean up of intersections is improved

Cons – Increased operation time and narrowing of road

Eliminates the wing, reducing plow width capacity

Less effective in amounts greater than 6” or wet snows

Driveway spacing is critical

Often requires tandem operation (2nd grader)

Cost - Unknown, but estimated at \$70,000-\$100,000



Road Grader with Gate





Additional Considerations



Alternative or Advanced Equipment

Loader with plow and wing

Pros – Fairly new, limited use in the states

Versatile and good for dense locations

Non-CDL, lower training and skill set requirements

Likely good in downtown area

Off-season use as traditional loader

Cons – Needs room to operate and maneuver, limited traffic

Better on flatter locations without topography

Cost - Loader \$215,000 plus plow and wing \$55,000



Loader with Wing





Additional Considerations



Additional Fleet Equipment

Road Grader with wing

Pros – Excellent performance and results

Efficient in urban setting and versatile

Good in significant depth events

Cons – Limited year-round need

Advanced operator skills and training required

Costs - \$430,000



Road Grader with Wing





Additional Considerations



Additional Fleet Equipment

Skid steer or tractor equipment

Pros – Excellent performance and results for sidewalks and ADA

Efficient in urban setting and versatile

Good in downtown, FUTS and sidewalk locations

Great year-round machine with attachment capability

Cons – Can cause damage to curbs and landscaping

Limited in significant event and slow at times

Costs - \$60,000



Additional Considerations



Staffing Levels

- Continue to cross train all Streets Operators and Maintenance Workers in Snow Operations
- Recruit and retain qualified operators year-round (FT and Temp)
- Continue to fund Snow Operations Incentive pay and maintain with market (Coconino County and ADOT)
- Increase base FTE's to balance multiple work programs and the growing demand on the Streets section
- Expand the snow berm relocation program and assistance efforts



Additional Considerations



Chemical De-Icer Programs

Pros – Excellent performance and results for fast drying

Eliminates the need for cinders

Improved air quality

Significant reduction in community sweeping/clean up

Cons – Corrosive damage to equipment, steel and concrete

Environmental concerns and vegetation mortality

Indoor storage required

Heightened community concerns of Env. Impacts

Costs – Neutral



Additional Considerations



Contracting and Intergovernmental Agreements

Pros – Lower on-going cost to the city

Increases capacity to fund other programs

Demonstrates good governance

Cons – Reliance on 3rd parties and creates delivery unknowns

Need to establish resource availability and desire

Lead time and planning for events with no predictability

Accountability and management is essential

Costs – Unknown, would depend on structure and services

SO1



Questions and Discussion

Airport Improvements





Airport Improvements



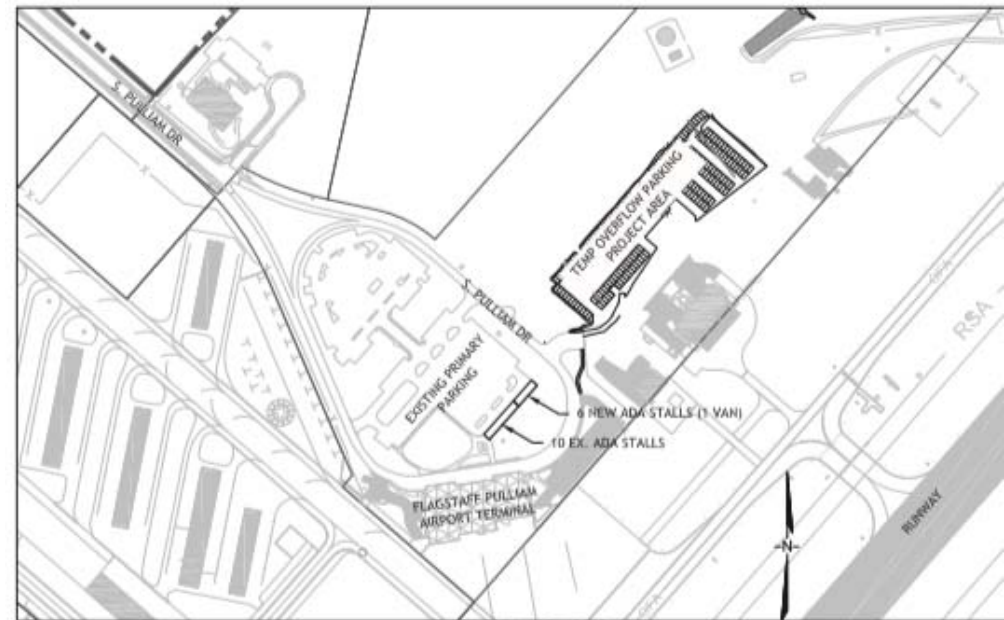
- Temporary Airport Parking
- Additional Permanent Parking
- Airport 32-Acre Parcel
- Future Considerations



Temporary Overflow Parking



- Additional parking spaces (staff/public)
 - 130 traditional
 - 7 ADA stalls at existing parking lot
- Additional parking spaces for rental car lot (striped or assigned)
 - 112 stalls
- Additional Outstanding Items
 - Permanent lighting in the staff/overflow lot
 - Concept design has been drafted and revisions are being incorporated





Additional Permanent Parking



New Parking Lot:

- Design team and staff attended a Pre-Application Meeting (PAM) to review a basic concept design and establish the City's design requirements
- Staff met with the design consultant (Peak Engineering) to review multiple concept designs
 - Following the development of the concept drawings staff will convene to review and prepare to present to stakeholders and Council for input
 - Following the acceptance of a single design, the consultant will prepare a plan set for formal staff review and develop a plausible construction cost for staff to consider next steps



Future Improvements



- 400-500 additional spots
- Short and long-term parking options
- Includes three electric vehicle charging stations
- Future bus stop being considered
- Pedestrian connectivity to terminal
- Roadway widening for bike lanes
- Infrastructure for future paid parking



Airport 32-Acre Parcel



- Completed a master plan for development alternatives for the 32-acre parcel at Flagstaff Airport
- Received a report summary with four development concept ideas
- Coming before Council on April 7, 2020 to discuss the concept ideas and to get a recommendation to move forward





Other Airport Plans



- Looking at revenue streams for the airport that are not a burden to the General Fund or only feasible with grants
- Use the five-year plan to keep funding allocated to ongoing maintenance of hangars, terminal and more
- Hire more airport staffing to help with daily business needs and to continue to secure additional routes
- Look at sustainability best practices as noted from our sustainability airport master plan and align them the Climate Action and Adaptation Plan

Council Forum



Budget Retreat

- Additional budget direction
- Closing remarks

