

Budget Retreat

April 23 & 24, 2020



Welcome and Overview





Retreat Protocol



- Think high level
- Complex process with multiple components
- No problem solving, but rather building framework
- Inclusive but succinct



Budget Overview

- Annual process
- Integration of policy and administration
- Spans several months in preparation
- Living document
- More than numbers ... a comprehensive snapshot of the City's structure and priorities
- Shift toward priority-based resource allocation



Budget Components



- Transmittal
- Budget Overview
- Fiscal Policies
- Issues and Updates
- Division Detail
- Capital Improvement Plan



Transmittal



- Transmittal Letter
- City Manager's Budget Message
- City Council Priorities "Key Results"



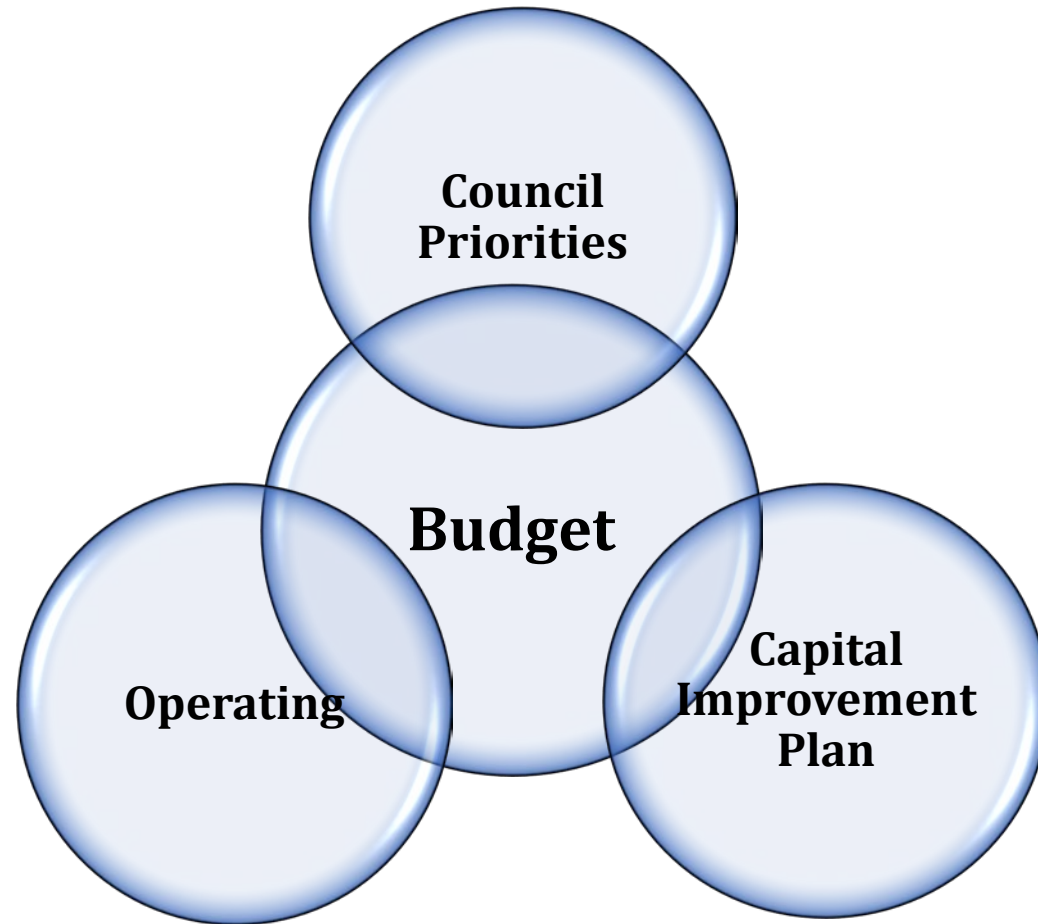
Budget Overview



- Operating Expenditures
- Process
- Fund Summaries
- Revenues
- Debt



Budget Overview





Issues and Updates



- Pension liability
- Organizational restructuring
- Recession planning
- Local Recovery Plan

Agenda

- Budget Timeline and Approach
- Revenue Projection Updates
- Unfunded Public Safety Pension (PSPRS)
- Local Recovery Plan
- Potential Independent Revenue Streams
- New Budget Appropriations
- Division Updates
- Capital Improvement Program (CIP)
- Compensation and Benefits
- Council Parking Lot
- Council Adds and Deletes



Budget Timeline and Approach





Budget Timeline

September



**PBB
Retreat**

February



**Council
Retreat**

City Manager's
Balanced Budget



**Divisions
Review
Meeting**

COVID-19



**Implementation
of Recession
Plan**

April



**Council
Retreat**

June



**Budget
Adoption**

Budget Approach: Original Focus

- Personnel as the Primary Focus
- Council Priorities and Definitions (PBB)
- Climate Action and Adaptation Plan (CAAP)
- Basic services and operational needs
- No new or enhanced services



Budget Approach: Emerging Assumptions

- Response to COVID-19
- Implementation of Recession Plan
- Declining Revenues
- No Ballot Measures
- Immediate Needs vs Wants
- Local Recovery Plan





Color of Money

- Special Revenue, Enterprise, Debt Service and Capital Project Funds
 - The revenues in these funds are restricted on how they can be spent
 - Voter approved
 - State Statute
 - Ordinance
- General Fund – mostly unrestricted revenues

Revenue Projection Update





Estimating in an Uncertain Economy

- Financial Data
 - Tax return data is usually 1 ½ month lagging
- Community Discussions
 - Understanding our how our businesses are impacted
 - Surveys
- Short –term vs long-term
- Impacts to all funds
 - BBB Funds – Restaurants and Hotels success impacts taxes
 - Water/Wastewater - Less students, less consumptions
 - Highway User Revenue – Less traffic, less gas taxes



Examples of Recession Recovery



“v” shaped recovery

- Rebound is swift, but not easy
- Short-term, quick fixes could bridge the gap to recovery



Big “V” recovery

- Downturn is deeper, but bounceback is rapid
- Short-term bridge strategies apply



“W” recovery

- A short-term recovery, but a return of infection in fall
- Longer-term strategies to endure and transform



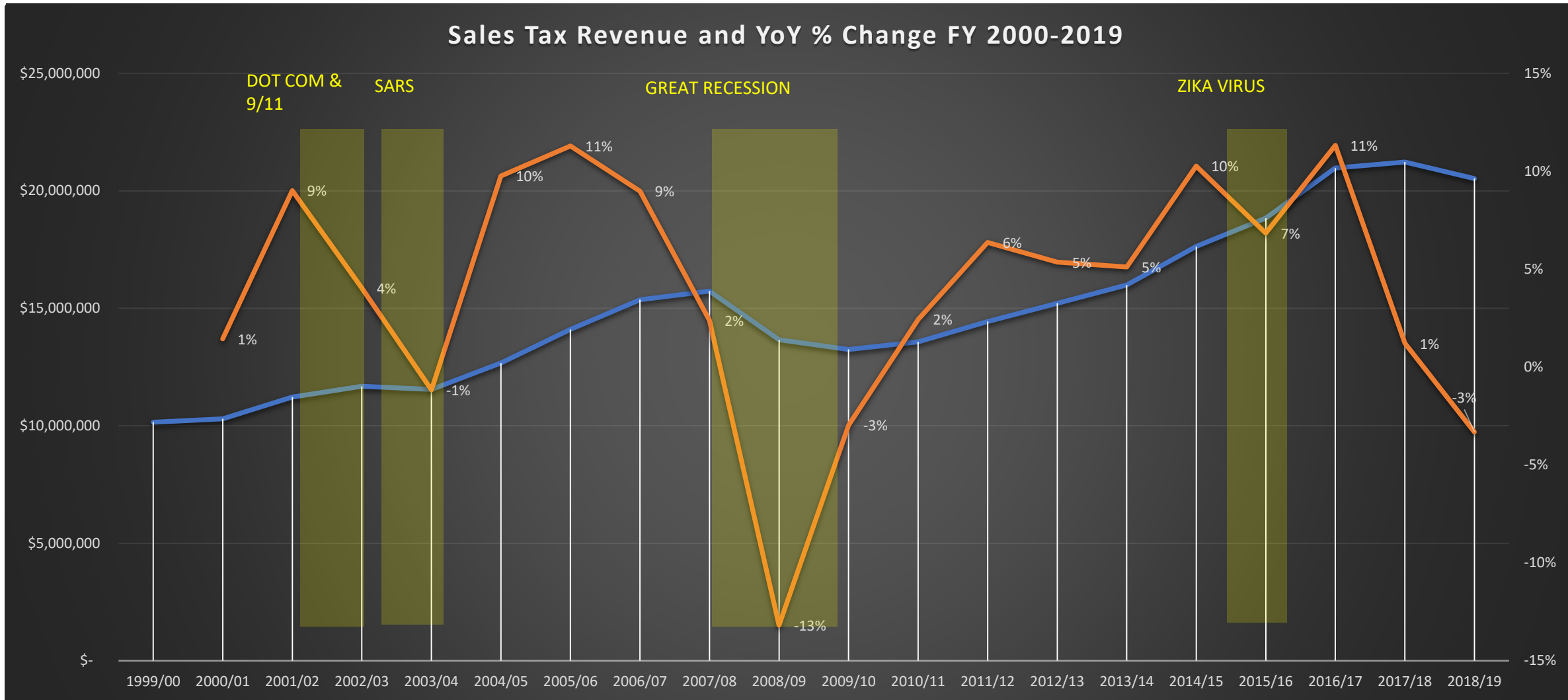
“L” recovery

- Recovery is stalled by deeper economic woes
- Long-term transformation strategies needed asap





20 Year History of Sales Tax





Revenue Scenarios – General Fund

Impact To General Fund Revenue – FY 2019-2020

- Best Case: **\$1.0M Loss** – Economy opens up May 1
- Moderate Case: **\$2.2M Loss** – Economy opens up June 1
- Thru 6/30 Case: **\$3.1M Loss** - Economy takes longer to open

Areas of Revenue Loss

- Sales tax, City and State Shared
- Charges for Service/User Fees
- Court fines, interest, etc..



What About FY 2020 - 2021

- The City is making corrections for FY 2019-2020
- Fund balance should be ok at 6/30/2020
- FY 2020-2021 is uncertain, but not likely to meet current projections
- Current measures may continue into FY 2020-2021
- Weekly review of revenues and economy
- Potential stimulus funding may be available
- Recession Plan will give us guidance
- Other considerations to lessen impact of General Fund

Unfunded Public Safety Pension (PSPRS)

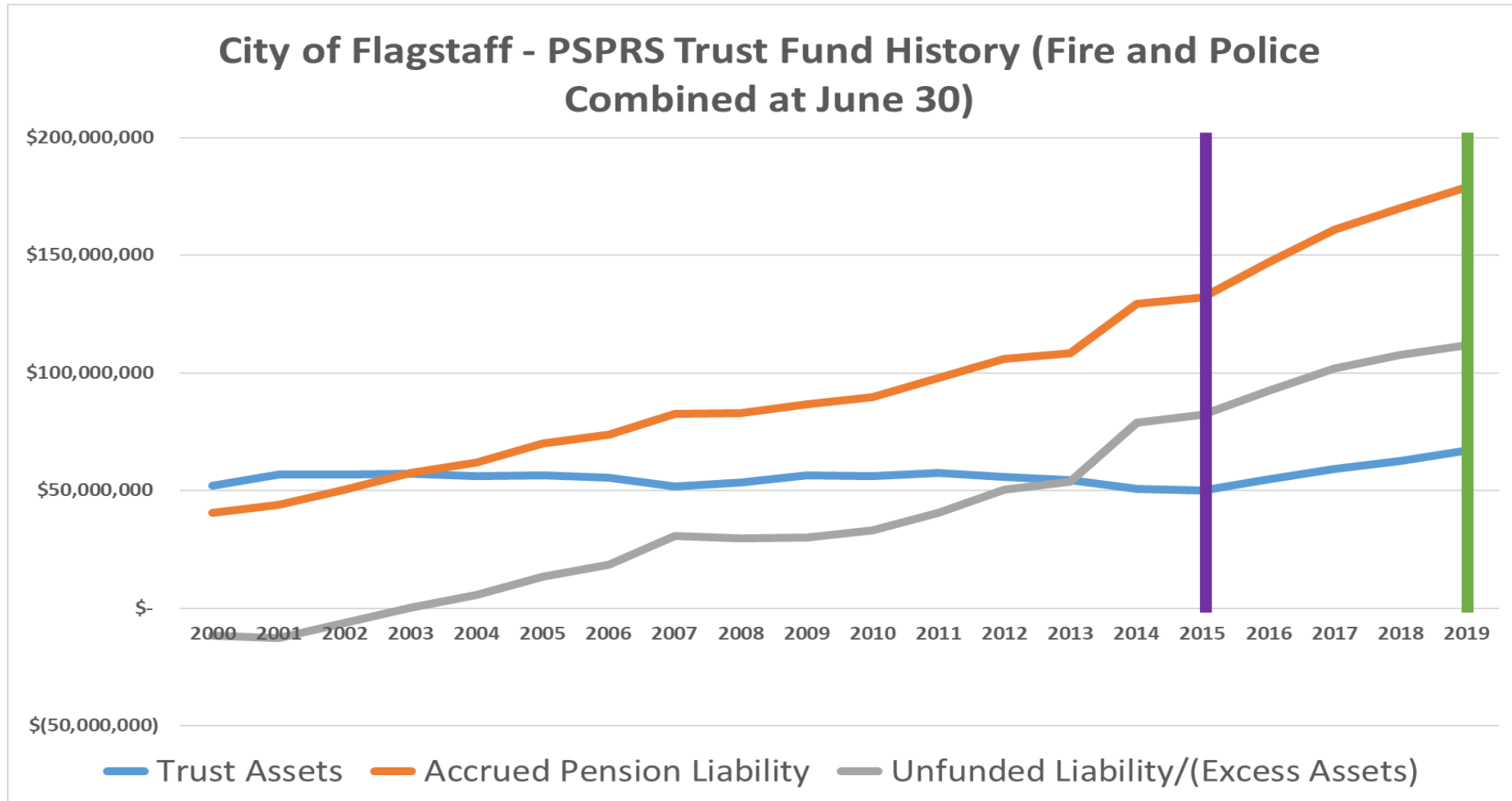




Public Safety Pensions



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

Pension Funding Equation

$$C + I = B + E$$

Contributions

Income

Benefits

Expenses



Funding Options



- Debt – Pension Bonds
 - General Obligation and/or Certificates of Participation
- Fund Balance
- Liquidation of Assets
- Sales Tax
- Pension Trust Fund
- Do Nothing – Manage annual changes



Pension Bonds



- Today's Presenters

- PSPRS

- Mike Townsend – Administrator, Flagstaff Resident, Former Coconino County Deputy County Manger

- Stifel, Nicolaus & Company, Incorporated

- Mark Reader, Managing Director (Phoenix Office)
 - Omar Daghestani, Managing Director (Chicago Office)

Local Recovery Plan





Local Recovery Plan



**We
I ♥ FLG**

**"Getting through this
uncertain time together"**
- Mayor Coral Evans

Visit. Discover. Grow.

FLAGSTAFF, AZ



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FLAGSTAFF**
THE CITY OF INNOVATION





Local Recovery Plan



Discussion Items:

- Government Relief
- Economic Development
- Arts & Science
- Library
- Sustainability
- Airport
- Tourism



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Flagstaff Sustainability
Program



FLAGSTAFF AIRPORT
GRAND DESTINATIONS



Local Recovery Plan – Government Relief



- State Legislation
- Federal Legislation
 - Families First Coronavirus Response Act (FFCRA)
 - CARES Act
 - Related Grants
- What's to come?



Local Recovery Plan - State Legislation

S.B. 1690: Allocates \$50 million dollars for economic assistance during this emergency. These monies can be used towards a variety of Governor Initiatives;

- Housing assistance, including payments to prevent eviction or foreclosure;
- Monies for entities to provide services for homeless persons, including shelter, food, clothing and transportation;
- Economic assistance to small businesses with fewer than 50 employees, nonprofit organizations and health care providers;
- Monies for food bank operations.

S.B. 1051: Allocates \$55.5 million to the Department of Health Services (DHS) to help pay for expenses related to this public health emergency;

- Medical supplies, lab equipment;
- County, Tribal, Boys & Girls Club, YMCA distributions.



Local Recovery Plan - Federal Legislation



FFCRA for Businesses

- Payroll tax credits for paid sick leave*
- Payroll tax credits for emergency family/ medical leave*

*Government employers are not eligible for this tax credit

FFCRA for Individuals

- Emergency paid sick leave*
- Emergency family/ medical leave*
- Individual tax credit for sick/ family leave for self-employed

*For employers with less than 500 employees or government employers



Local Recovery Plan - CARES Act (H.R. 748)



\$2.2 trillion aid package that provides financial aid to families, governments, and businesses impacted by the COVID-19 public health crisis, including:

- \$27 billion for child nutrition, food stamp
- \$127 billion for hospitals for ventilators and other equipment
- \$260 billion in expanded unemployment insurance
- \$300 billion in direct payments to eligible taxpayers
- **\$340 billion for state and local governments**
- \$377 billion in new loans and grants for small businesses
- \$510 billion in expanded liquidity lending for large corporations



Local Recovery Plan - Federal Legislation



CARES Act for Businesses

- Paycheck Protection Program
- EIDL (and advance)
- Main Street Lending Facility
- Employer tax credits and delayed payroll tax
- Industry-specific grants and loans

CARES Act for Individuals

- Expanded unemployment insurance
- Direct payments
- Ban on evictions until 7/24
- Ban on foreclosures until 5/16 in addition to forbearance programs
- Deferred student loan payments



Local Recovery Plan – Website Resources

A screenshot of the City of Flagstaff website. The background is a scenic view of a forest at sunset. On the left, the City of Flagstaff logo is displayed with the text "THE CITY OF FLAGSTAFF" and "Arizona" in a script font. On the right, there are social media icons for Facebook, Twitter, and YouTube, and a search bar. Below these, a navigation menu is visible with the following items: "COVID-19", "Government", "Residents", and "Businesses". The "COVID-19" item is highlighted with a mouse cursor and a dropdown arrow. A dropdown menu is open below "COVID-19", listing the following resources:

- What To Do If You Feel Sick
- Closures, Proclamations and Executive Orders
- School Closures
- Resources for Individuals and Students Impacted by COVID-19
- Resources for Businesses and Non-profits Impacted by COVID-19
- Open Businesses App and Flagstaff Local
- Grocery Store Senior Shopping Hours
- Visiting Flagstaff
- City of Flagstaff Contact Information



Local Recovery Plan - CARES Act Funds for Local Government



• **Public Health and Safety**

- FEMA Disaster Relief Funds (Public Assistance & Mitigation)
- FEMA Assistance to Firefighters for PPE
- FEMA Emergency Management Performance
- FEMA Emergency Food and Shelter Program Grants
- DOJ BJA Emergency Supplemental Byrne Grant - **\$65,915**
- HHS CDC State and Local Preparedness
- HHS Aging and Disable program resources and grants
- HHS Emergency Grants to Address Mental & Substance Use Disorders
- FCC telehealth program grants



Local Recovery Plan - CARES Act Funds for Local Government



• **Social Services, Housing, & Community Development**

- Child Care and Development Grants
- Community Service Block Grants
- Low Income Housing Energy Assistance Programs
- Emergency Solutions Grant Program
- HUD tenant-based
- HUD CDBG Grants - **\$359,604**
- National Endowment for the Arts Grants
- National Endowment for the Humanities Grants



Local Recovery Plan - CARES Act Funds for Local Government



- **Economic & Workforce Development, Infrastructure and Small Business Assistance**

- EDA Economic Assistance Grants
- FTA Supplemental Public Transportation Apportionments and Allocations
- Small Business Administration grants, loans, and other resources
- FAA Airport Grants - **\$18,134,294**



Local Recovery Plan - Pending Federal Legislation



- **State and Local Stabilization Fund Update**
 - Eligibility of costs
 - Accessing funds
- **Phase 4 Coronavirus Stimulus Package Update**
 - Potential scope
 - Potential impact on local government



Local Recovery Plan – Economic Development



What we are currently doing:

- Promote business assistance programs to make sure local businesses can access them
- Collaborate with regional partners to generate data and plan for recovery
- Reaching out to businesses as a check-in and to provide support as appropriate



What we are currently doing:

- Working with tenants in the Incubator and Accelerator to help them adapt and pivot
- Strong push for workforce development
- Business Attraction shift to an even greater focus on bio-medical companies, companies producing personal protective equipment, and digital workers





Local Recovery Plan – Economic Development



Already funded:

- Implement Adaptive Reuse Policy to assist small business
- Business Retention and Expansion Incentive Policy
- Business Attraction Incentive Policy



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Local Recovery Plan – Economic Development



Already funded:

- Local auto sales fuel efficiency rebate
- Innovate Waste Challenge for waste diversion or personal protective gear production



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Local Recovery Plan – Economic Development



In discussion:

- Expedited permitting for eligible development projects through Community Development
- Expert assistance on development of a retail recovery framework
- Seed funding for a Business Relief Program



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Local Recovery Plan – Arts & Science



What we are currently doing:

- Promoting nonprofit and artist assistance programs
- Serving on a decision panel for relief micro-grants provided by the Flagstaff Arts Council
- Maintaining current projects as appropriate



Local Recovery Plan – Arts & Science

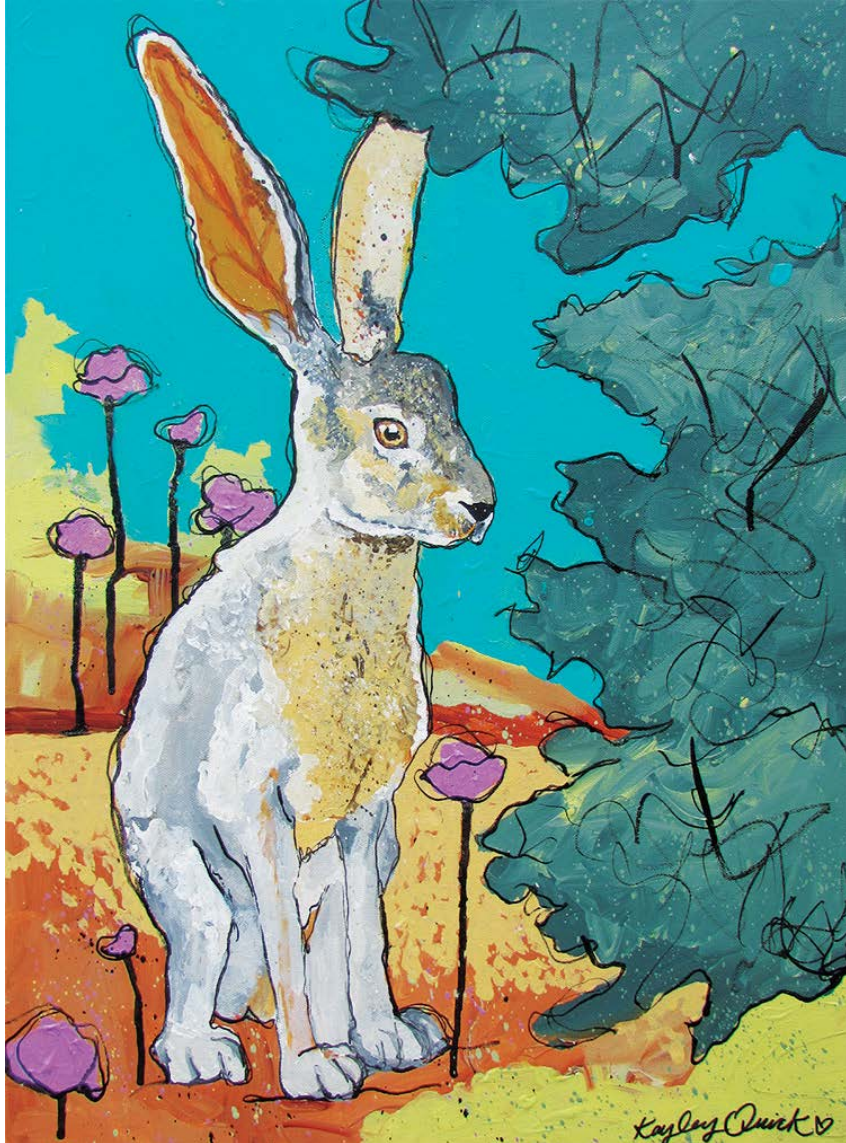
Proposed Relief Funding for Local Nonprofits



- Speed is key
- Funding is identified
- Groups continue to provide public benefit
- Time-tested mechanism for grantmaking
- Currently support almost 50 nonprofit groups through existing annual grants



Local Recovery Plan – Arts & Science



Plans for rebounding:

- Increase marketing of the sector
- Maintain annual grants through the Flagstaff Arts Council to ~50 local organizations at current giving levels
- Application to the National Endowment for the Arts 'Our Town' Grants

Image: Kayley Quick, Flagstaff



Local Recovery Plan- Library



Historical Trends:

History has shown that when economic impacts happen, library usages rise.

During the recession of 2008, the Flagstaff Library saw its library service increase by the following percentages:

- Visitor attendance increased by 8%
- Computer usage increased by 225%
- library programming increased by 23%

The library has already seen a jump in library services.





Local Recovery Plan- Library

Digital Material:

What we are currently doing:

- Creating a more extensive online digital library
- The library's online service Hoopla has seen over 1,000 community members sign up in under a month. They have check out over 2,500 items.
- The library's Libby E material service, during March alone, saw a 28% increase in user activity and a 24% increase in materials being checked-out.





Local Recovery Plan- Library

Digital Programing:

- The library has been working on providing digital programs and have seen an amazing number of participants.
 - Goodnight Flagstaff - 567 people participating.
 - Our digital story-times - 211 views.
 - Skylight Kicker/National Poetry Month publications - viewed 510 in the last 30 days.
 - On average, the library has 276 phone calls a day. To keep up with these calls, staff have also introduced text and email services to answer all the questions coming into the library.



Local Recovery Plan- Library

- **Curbside pickup for library materials:**
 - Over 1,091 items have been placed on hold by Patrons since The library closed.
 - Since opening curbside services, we have had over 100 people pick up materials.
 - The library is seeing around 50 people a day come pick up materials and holds continue to come in.
- **Wi-Fi access for patrons parked in the parking lot:**
 - Patrons are utilizing the libraries' parking lots to access Wi-Fi services still and do homework.



Local Recovery Plan – Sustainability



Virtual community engagement and calls to action:

- Uplifting actions
- Sustainability roundtables
- Climate & Coffee
- IECC 2018 & Building Science Training Workshop
- Earth week challenge
 - *Water Saving Sunday, Meatless Monday, Thistle Removal Tuesday, Watch Your Waste Wednesday, Trash-Free Thursday, Carbon Footprint Friday, Cycle Saturday*
- Taking a walk? – bring a bag and pick up litter
- Getting outside? – help pull invasive weeds
- Residential gardening series
- Resilient Neighborhood Network and resilience resources
- Lights out Flagstaff with Lowell Observatory



Flagstaff Sustainability
Program



Local Recovery Plan – Sustainability

Plans for rebounding - *Climate, Energy, Food, Transit, Health*

Sustainability Section will work with all City divisions to ensure recovery actions incorporate climate, resiliency, and equity co-benefits.

Sustainability has *Shovel Ready* projects identified if funding becomes available.

Within existing budget – redirect funds and staff time to ...

- Increase the number of energy efficiency rebates
- Provide more DIY free home energy efficiency trainings and kits
- Increase the number of community garden plots available for cultivation
- Advance emergency food access and long-term food security plans
- Escalate food waste prevention and recovery initiatives
- Increase Rentlab outreach and targeted assistance
- Accelerate program development to empower individuals experiencing homelessness
- Advocate for advancing pedestrian and bike infrastructure projects



Local Recovery Plan – Airport



What we are currently doing:

- Beginning design phase on snow removal equipment building & bidding for grant-funded Drainage Study
- Assisting our airline and rental car partners with rent relief programs
- Beginning construction plans for secondary parking lot



Local Recovery Plan – Airport



Plans for rebounding:

- Utilize the \$18 million from CARE ACT
- Work with Discover Flagstaff to continue our marketing
- Partner with our rental car tenants to help increase business by adding them to our marketing efforts
- Continue to seek new airline routes and opportunities





Local Recovery Plan – Tourism





we'll be waiting for you



Local Recovery Plan – Tourism



- **\$563 million dollars**
- **9,000+ Jobs**
- **New dollars into the local economy**
- **Acts like an 'export business'**
- **Ripple effect**
- **Creates small businesses and spurs entrepreneurship**

TOURISM DOLLARS ARE ESSENTIAL TO THE CITY'S ECONOMY



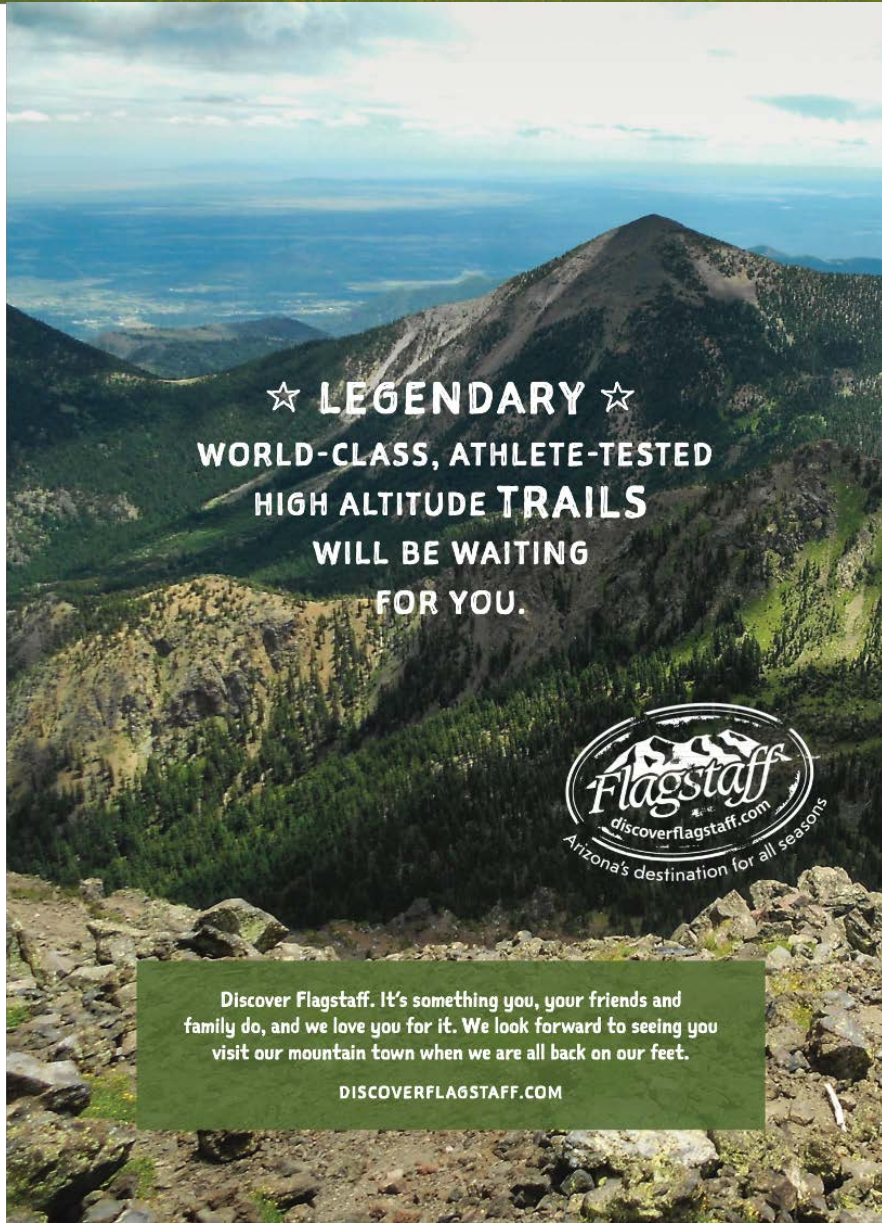
Local Recovery Plan – Tourism



**Being nimble...
it's among
the things
Discover Flagstaff
does best!**



Local Recovery Plan – Tourism



☆ LEGENDARY ☆
WORLD-CLASS, ATHLETE-TESTED
HIGH ALTITUDE TRAILS
WILL BE WAITING
FOR YOU.



Discover Flagstaff. It's something you, your friends and family do, and we love you for it. We look forward to seeing you visit our mountain town when we are all back on our feet.

DISCOVERFLAGSTAFF.COM

Phoenix will continue be our number one market.

Top-of-mind awareness is paramount while pent-up demand is increasing.

Phoenix Magazine
May issue, back cover



Local Recovery Plan – Tourism

Staying Top of Mind with our Drive-market





Local Recovery Plan – Tourism

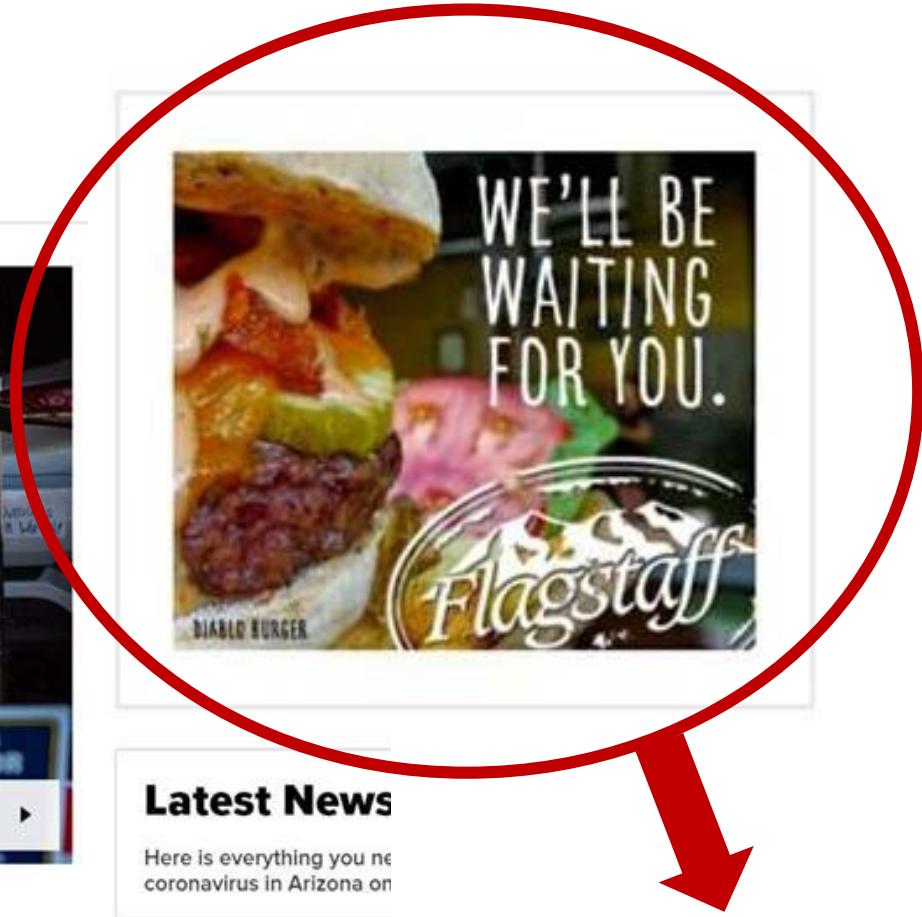




Local Recovery Plan – Tourism

MENU 12NEWS

Anthem neighborhood surprises 90-year-old veteran with parade and flyover



Latest News
Here is everything you ne coronavirus in Arizona on
St. Luke's hospital in Pho increase ICU bed capacit

VIDEO

Some ads have had as strong as a.21 click-thru-rate!



Local Recovery Plan – Tourism



Carry-out & Settle in

Local messaging
and geo fencing





Local Recovery Plan – Tourism



Flagstaff Local – My Actions Matter...
more than ever!



We know our locals are taking care of each other. We've seen the amazing videos and heard heart-warming stories of meals delivered to our front-line support teams, secluded outdoor walks that include picking up trash, buying online from our community businesses, homeschooling children, and a whole lot more of genuine goodness.

**We want to hear from you.
Share your actions here.**

**FLAGSTAFF
LOCAL.COM**

 @FlagLocal

Brought to you by the City of Flagstaff

[Settle in Video](#)

[Message from the Mayor video](#)



Local Recovery Plan – Tourism



VIRTUAL WEBSITE EXPERIENCES

Flagstaff experiences are unfolding virtually, from the enjoyment of one's home and have included FSO symphonies, museum and art exhibits.



Save the date: May 2

Orpheum Theater is hosting a live virtual concert from local band Tow'rs.

This is partially sponsored by Discover Flagstaff.

Join Us

**NATIONAL TRAVEL & TOURISM WEEK
MAY 3-9, 2020**

Join us in honoring Flagstaff's hotels, restaurants, bars, nightclubs, campgrounds, and attractions.

Our entire community benefits from travel and tourism as it enhances our overall quality of life.

**Flagstaff is a great place to visit
and an even better place to live.**



See how you can make it even better by visiting:



**FLAGSTAFF
LOCAL.COM**
My actions matter





STAYCATION

Family-fun activities unique to Flagstaff ...

Getaway Here

ROMANCE OR FAMILY

... ✓

You have the fun; leave the cleaning to us.



Creative Spirits

VIRTUAL PAINTING EVENTS

Paint your reality.



Nature Walks

AT THE ARBORETUM

Roam miles of scenic pathways.



Flagstaff Authors

BOOKCATION

Venture near and far - accomplished, thrilling, lively, passionate ...

Beer Trail

Awesome ales, beautiful brews, and endless trails.



Foodie

I'LL HAVE TWO OF THOSE.

Goodness abounds and awaits you as our chefs know home-cooking has run its course.



MUSEUM OF NORTHERN ARIZONA

online events

A treasure worth seeing.



WALKING TOURS

Ready, set, go ...



... for links and more ideas visit discoverflagstaff.com/staycation



Local Recovery Plan – Tourism




Online listings are free for BBB collecting stakeholders

« back

DOUBLETREE BY HILTON FLAGSTAFF

f
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e
share



The DoubleTree by Hilton Flagstaff is located off of historic Route 66, just minutes of downtown. We offer 183 guest rooms, over 6000 square feet of meeting space, outdoor seasonal pool, indoor/outdoor hot tub, fitness room, and sauna. As a full service property, we also boast room service, lounge, and two on-site restaurants, including Flagstaff's original sushi restaurant, The Sakura. Most important, don't forget about our famous DoubleTree chocolate chip/walnut cookies at check-in!

f Facebook





PHOTO GALLERY

View



CONTACT INFORMATION


Phone: (928) 773-8888
Fax: (928) 773-8865

save

« back


CRIOLO LATIN KITCHEN

f
t
e
share



Located in Flagstaff, AZ, Criollo offers hand crafted, Latin inspired and local food. Featuring weekend brunch & weekday happy hour menus.

Mexican/Southwestern/Latin



CONTACT INFORMATION

Phone: (928) 774-0541
Hours: M-TH 4-9, F 4-10, S 9-10, Sun 9-9

save

website



we welcome you back

Tourism Economic Recovery Plan



Local Recovery Plan – Tourism

The following markets have been identified as the markets with the most potential to have an immediate positive impact on the visitor economy:

- Drive-market (Arizona, Southern California, SE Nevada)
- Direct-Flight Markets (Denver, Dallas)
- Meetings & Conventions Market
- In-market customers

welcome back



Local Recovery Plan – Tourism

Partnerships, partnerships, partnerships!

We need to be coordinated - coordination is one of the keys...

Vertical roundtables will be hosted in the coming months to accomplish coordination and fine tune the Discover Flagstaff plan.

welcome back



Local Recovery Plan – Tourism

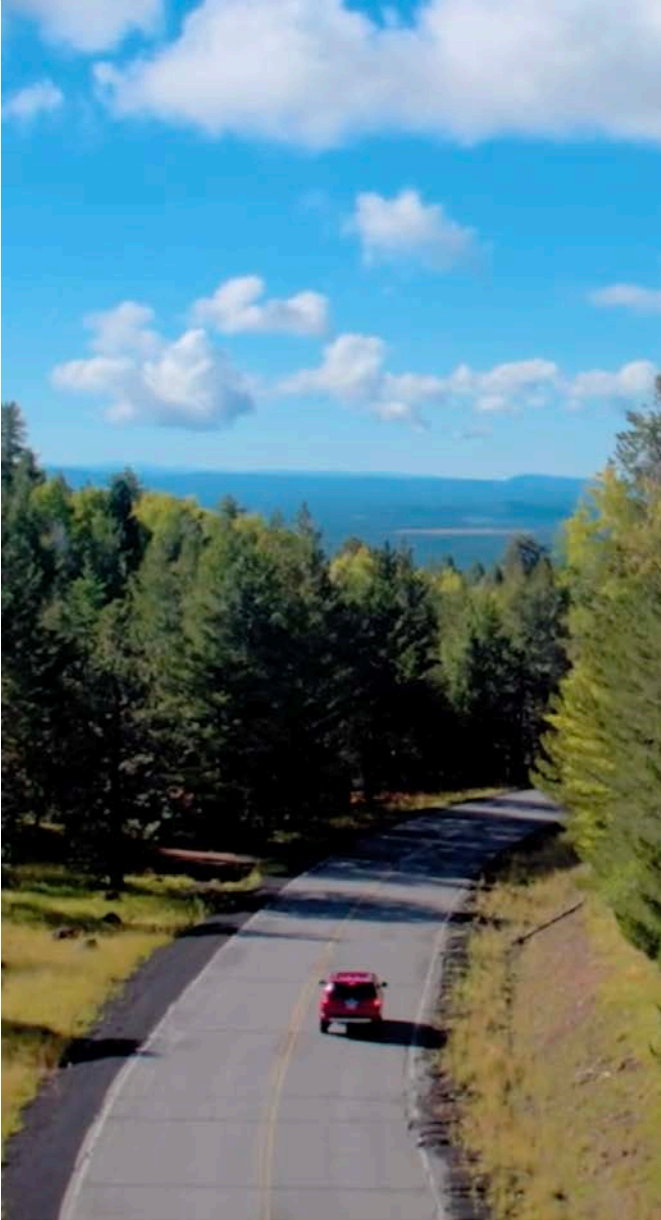
What we will accomplish with the business roundtable meetings.

- Seek to better understand
- Exchange best practices
- Exchange resources
- Coordinate efforts
- Cooperative programming

welcome back



Local Recovery Plan – Tourism



DRIVE MARKET

- Familiarity
- Low economic barrier
- Quick decision window
- Based on weather conditions
- Outdoor adventure
- Pets
- Travel companions

welcome back



Local Recovery Plan – Tourism

DRIVE MARKET

Strategies

- Daily and/or desired behavior:
- Gastronomy
- Mixology
- Craft Beer
- Physical/mental health
- Nature
- Outdoor Adventure

Tactics

- Trusted sources:
- Publications
- Website
- Television
- Email campaigns
- Out-of-Home

Partnerships

- Attraction Pass
- Partner offers
- Restaurant promotion
- Collaboration with DBA

welcome back



Local Recovery Plan – Tourism

DIRECT-FLIGHT MARKETS

- **Business travel, visiting friends and family, and leisure customers on these direct flights**
- **Meetings and conventions market relies on these direct flights for their attendees**

welcome back



Local Recovery Plan – Tourism

DIRECT-FLIGHT MARKETS

Strategies

- Daily and/or desired behavior:
- Gastronomy
- Mixology
- Craft Beer
- Physical/mental health
- Nature
- Outdoor Adventure

Tactics

- Geo-targeting
- Behavioral-targeting
- Travel booking sites
- Email campaign
- Airport marketing plan

Partnerships

- Arizona Office of Tourism
- Airport Section
- Local companies/IBT

welcome back



Local Recovery Plan – Tourism

MEETINGS & CONVENTIONS

- **Strong pent-up demand**
- **Contractual obligations to hotels**

welcome back



Local Recovery Plan – Tourism

MEETINGS & CONVENTIONS

Strategies

- Incentives
- Direct Sales
- Third-party planners
- Sales missions

Tactics

- Third-party platforms
- Drive-market sales missions
- Email campaign
- Trade shows

Partnerships

- HelmsBriscoe
- HPN
- Arizona Office of Tourism
- It Pays To Rebook Program
- Bring Your Meetings Home Program

welcome back



Local Recovery Plan – Tourism

IN-MARKET CUSTOMERS

- **Strong repeat visitor base**
- **Was on track to hit 140K walk-ins**
- **The Historic Train Station is an attraction**

welcome back



Local Recovery Plan – Tourism

IN-MARKET CUSTOMERS

Strategies

- Reconnect with stakeholders
- Bolster key events
- Incentives
- Partnerships
- Concierge

Tactics

- Open House
- Holiday season
- Visitor Center is a hub for collecting incentives and prizes
- Include in general marketing messages

Partnerships

- Restaurant partnership for complimentary deserts
- Open House event
- Speaking engagement opportunities
- Exhibit opportunities

welcome back



Local Recovery Plan – Tourism

We  our international visitors.

International markets will take time to rebound but that doesn't mean they are not on our mind.

- Staying close to all of the tour operators, in-bound specialty companies, wholesalers, and decision makers is key
- Our International Travel Trade Manager is and will continue sending a monthly newsletter to these decision makers
- Attend/exhibit at tradeshow where the decision makers meet
- And, continue to meet with our stakeholder partner accommodations and attractions

welcome back

Visit.
Discover.
Grow.
That's our plan.

THANK YOU!



Potential Independent Revenue Streams





Potential Independent Revenue Streams



- Water Resources
 - Water Resource and Infrastructure Protection Fee
 - Wildland Fire Management
- Airport
 - Parking Program
 - Parcel Development
 - Other

New Budget Appropriations





Total Budget Requests

Total General Fund Budget Requests	One-time	Ongoing
Personnel	\$ 565,739	\$ 3,225,450
Other Budget Requests	7,906,313	4,174,434
Total Requests	\$ 8,472,052	\$ 7,399,884

Total All Other Funds Budget Requests	One-time	Ongoing
Personnel	\$ 146,255	\$ 1,088,523
Other Budget Requests	10,354,483	1,417,513
Total Requests	\$ 10,500,738	\$ 2,506,036

Total All Funds	\$ 18,972,790	\$ 9,905,920
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Summary – General Fund

Summary – General Fund	One-time	Ongoing
Total Available FY 2020-2021	\$ 4,521,294	\$ 2,935,250
Approved Budget Requests and Fixed Costs		
Personnel Fixed Costs	250,000	2,618,150
New Personnel (Net)	303,522	260,970
All Other Approved Budget Requests (Net)	4,879,581	50,000
Net Available	(911,809)	6,130
Division Base Budget and IFR Reductions	957,051	0
Total Available	\$ 45,242	\$ 6,130



Personnel – General Fund

Summary of Personnel Costs – General Fund	Ongoing
Employee Compensation (COLA)	\$ 1,000,000
Pension	672,000
Health Insurance	375,000
Reclasses and Rezones	169,622
Worker’s Compensation	250,000
Airport Compensation	151,528
Total Personnel Fixed Costs	\$ 2,618,150

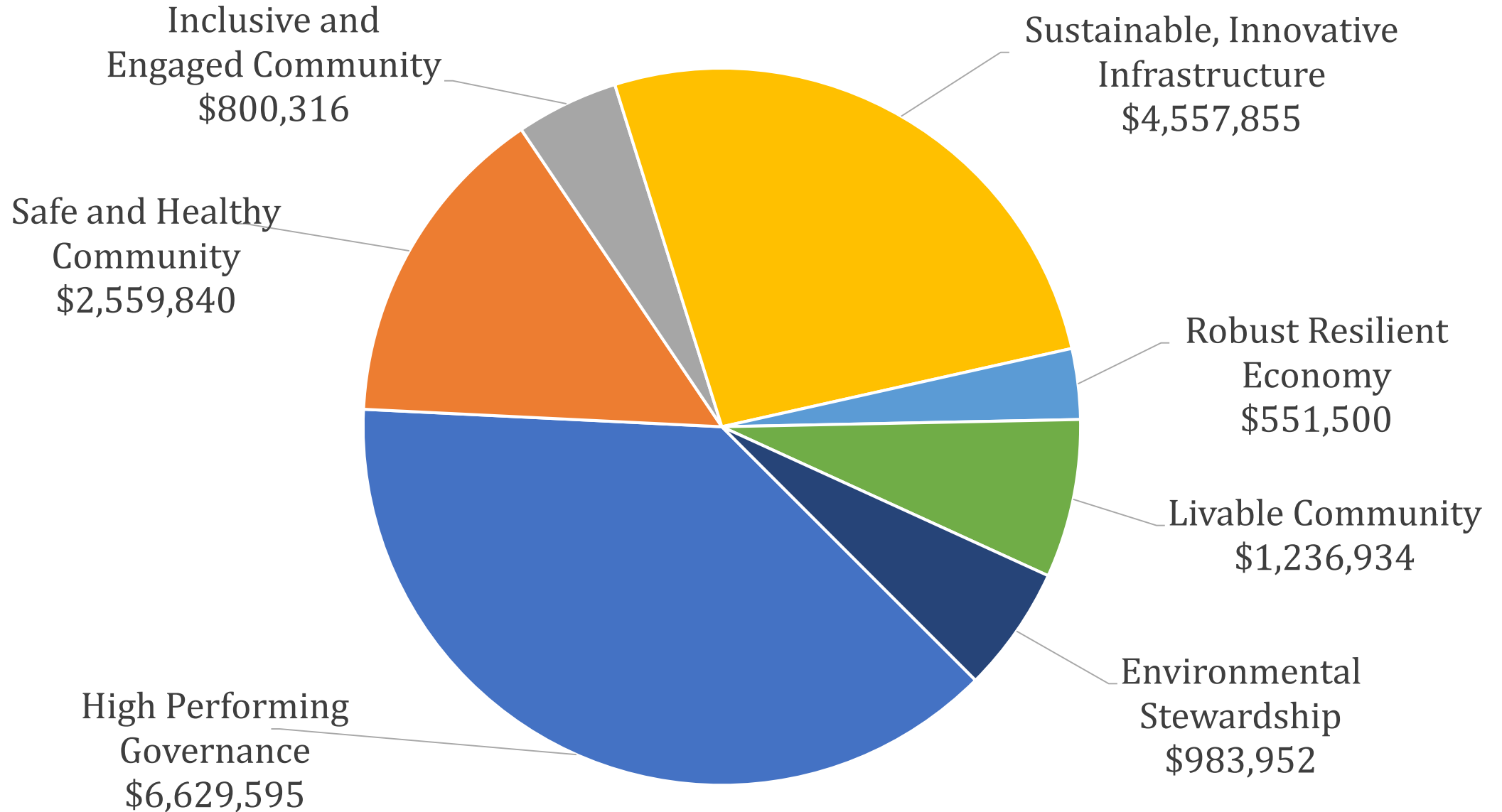


Approved Requests by Priority – All Funds

Approved Requests – All Funds	One-time	Ongoing	CAAP
High Performing Governance	\$ 5,271,485	\$ 1,158,110	\$ 489,913
Safe and Healthy Community	1,597,165	962,675	1,481,636
Inclusive and Engaged Community	669,666	130,650	39,500
Sustainable, Innovative Infrastructure	4,149,584	408,271	487,000
Robust Resilient Economy	527,500	24,000	170,000
Livable Community	910,784	326,150	465,350
Environmental Stewardship	552,575	431,377	579,300
Total Approved Requests	\$ 13,678,759	\$ 3,441,233	\$ 3,712,699



Approved Requests by Priority - \$17,119,992



Division Updates





Division Updates



- Summary of approved budget requests and new personnel
- Council Priorities
- CAAP



Council Priorities



- High Performing Governance
- Safe and Healthy Community
- Inclusive and Engaged Community
- Sustainable, Innovative Infrastructure
- Robust Resilient Economy
- Livable Community
- Environmental Stewardship

City Manager

Total Approved Budget Requests
and New Personnel:

\$515,966

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Election Services and Related Expenses	One-time	\$ 260,000	General
Coordinator for Indigenous Initiatives	Ongoing	78,100	General
Neighborhood Liaison	One-time	30,900	General
Reclass/Rezoning	Ongoing	16,578	General
Codification	One-time	10,000	General



Council Priorities

High Performing Governance:

- Investment in personnel, elections and Animal Keeping Code education

Inclusive and Engaged Community:

- Coordinator for Indigenous Initiatives and Neighborhood Liaison

Robust Resilient Economy:

- Office of Labor Standards to assist with business outreach and education

Livable Community:

- Neighborhood sustainability grants and O'Leary Street garden improvements

Environmental Stewardship:

- Sustainable food systems AmeriCorps Vista and food waste prevention and recovery programming

City Manager

Council Discussion



Human Resources

Total Approved Budget Requests
and New Personnel:

\$48,760

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Online Performance Evaluation System	One-time	\$ 35,460	General
Affordable Care Act Service Contract	One-time	6,500	General
City Training Program	One-time	3,700	General
Copying, Printing and Scanning Services	One-time	3,100	General



Council Priorities

High Performing Governance:

- Implement PERFORM performance management system
- Implement On Base for document routing and storage
- Compensation study
- NAPEBT Benefit Trust RFP

Inclusive and Engaged Community:

- Chair Diversity and Inclusion Commissions

Human Resources

Council Discussion



Information Technology

Total Approved Budget Requests
and New Personnel:

\$459,479

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Application Maintenance	One-time	\$ 185,000	General
Microsoft Enterprise Agreement	One-time	110,000	General
IT Enhancement/Catastrophic Fund	One-time	50,000	General
Security	One-time	50,000	General
CenturyLink/Suddenlink	One-time	41,479	General



Council Priorities

Environmental Stewardship:

- Microsoft licensing allows for Teams for remote meetings and teleworking opportunities

Inclusive & Engaged Community:

- SwagIT provides City Council streaming

Safe and Healthy Community:

- Security funding provides new tools to secure our infrastructure and data

Sustainable Innovative Infrastructure:

- Network backbone for smart traffic signals and water infrastructure

High Performing Governance:

- Applications provide the tools for staff to do their job more efficiently

Information Technology

Council Discussion



City Attorney

Total Approved Budget Requests
and New Personnel:

\$180,621

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Assistant City Attorney	Ongoing	\$ 107,437	General
Administrative Assistant	Ongoing	56,788	General
Reclass/Rezoning	Ongoing	8,496	General
Process Server	One-time	4,000	General
Training	One-time	2,000	General



Council Priorities

High Performing Governance and Safe & Healthy Community:

- Assistant City Attorney (Prosecutor) and Administrative Assistant
 - During the Great Recession a reduction of these positions occurred , the caseload of each individual in the office has steadily risen to its current load of approximately 1400 cases/year for each prosecutor (ABA recommends no more than 500/year)
 - Staff turnover has been exceedingly high based on the stress caused by this workload
 - With the funded positions, Prosecutors will continue to handle in excess of 1,000 cases/year which is double the standard
- Reclassification of the Legal Assistant is based on the following:
 - Supports six attorneys under the Civil section
 - Properly reflects the high level of involvement in all budgetary matters for the City Attorney's Office in both the Civil and Prosecution sections
 - Includes support and assistance to other divisions in the drafting and review of planning documents such as neighborhood plans and regional plan amendments

City Attorney

Council Discussion



Municipal Court

Total Approved Budget Requests
and New Personnel:

\$409,117

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Magistrate	Ongoing	\$ 137,000	General
Public Defender Contract	One-time	112,000	General
Bailiff	One-time	55,500	General
Criminal Justice Integration Service	One-time	43,560	General
Custodial Contract Services	Ongoing	34,000	General



Council Priorities

Safe & Healthy Community:

- Provide public safety with the resources, staff and training to respond to community needs
- Serve the public by providing high quality internal and external customer service

High Performing Governance:

- Provide employees with the necessary tools, training and support

Municipal Court

Council Discussion



Management Services

Total Approved Budget Requests
and New Personnel:

\$390,482

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
IT Contract Personnel	One-time	\$ 144,000	General
Revenue Analyst/Auditor	Ongoing	92,922	General
Credit Card Fees	One-time	70,000	General
Reclass/Rezoning	Ongoing	69,183	General
E-Procurement Software	One-time	13,177	General
Overtime – Payroll	One-time	1,200	General



Council Priorities

High Performing Governance:

- Revenue Analyst/Auditor: organizational need to give more attention to revenue analysis and auditing of major revenue streams (revenue offsets to fund the position)
- E-Procurement Software: continuation of electronic procurement software
- IT Contracted Services: this position supports our highly critical software, payroll which has several in house programs due to organizational needs
- Credit Card Fees: as we continue to offer customer online payment options, costs continue to increase. Customer's using certain cards cost the City more. Would like to consider Convenience Fee (Council Direction)

Management Services

Council Discussion



Fire Department

Total Approved Budget Requests
and New Personnel:
\$1,611,416
(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Wildfire Management Crew	Ongoing	\$ 544,990	WFM Fee
Type 6 Wildfire Engine	One-time	190,000	General
Type 1 Engine Equipment	One-time	175,000	Impact Fees
Regional Training Officer	One-time	92,922	General/IGA



Council Priorities

Safe and Healthy Community:

- Wildfire Management Funding
 - Funded through a new fee to ensure our community is protected through prevention and response from one of our highest risks/threats
- Replacement of 24-year old Wildfire Engine
 - General Fund replacement of the oldest wildfire frontline engine
- Equipment for new Type 1 pumper/engine
 - Funded through Impact Fees to replace a 22-year old engine
- Regional Training Officer
 - Funded 55% by partnering agencies this is the lead for regional standardization, response training and GFR academies

Fire Department

Council Discussion



Police Department

Total Approved Budget Requests
and New Personnel:

\$976,782

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Radio System Maintenance	One-time	\$ 187,587	General
Police Aides (3)	One-time	171,264	General
VOIP/On Call Records	One-time	136,000	General
Police Officer – Airport	Ongoing	107,103	General
Body Camera Equipment and Storage	One-time	81,420	General



Council Priorities



High Performing Governance:

- Joint radio System
- Police Aide program

Safe & Healthy Community:

- Airport officer
- Taser equipment
- Body camera storage and equipment

Sustainable Innovative Infrastructure:

- VOIP phone system

Police Department

Council Discussion



Community Development

Total Approved Budget Requests
and New Personnel:
\$1,374,285
(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Capital Improvements (FHA)	One-time	\$ 570,000	FHA
Housing Assistance Payments (FHA)	Ongoing	199,450	FHA
Retirement Payouts	One-time	141,909	General
Consultant Plan Review and Inspections	One-time	100,000	General
Real Estate Specialist	One-time	66,997	General



Council Priorities



- High Performing Governance
- Inclusive and Engaged Community
- Safe and Healthy Community
- Robust, Resilient Economy
- Livable Community

Community Development

Council Discussion



Public Works

Total Approved Budget Requests
and New Personnel:

\$2,278,828

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Bulk Waste Truck Rental/Personnel	One-time	\$ 121,275	Solid Waste
Signs and Marking Supplies	One-time	230,000	HURF
Lay Down Asphalt Paver	One-time	220,000	HURF
Streets – Signs and Markings Positions (3)	Ongoing	189,913	HURF
Fleet Services – Mechanic I	Ongoing	61,716	Various
E-Waste, Hazardous Waste, Etc. Disposal	Ongoing	146,000	Solid Waste
Solid Waste Containers and Parts	Ongoing	90,000	Solid Waste



Council Priorities

Environmental Stewardship:

- Bulk waste truck rental/contracted personnel
- E-waste, hazardous waste, etc. disposal
- Solid waste containers and parts

Safe and Healthy Community:

- Improved road maintenance and balance of programs to address outstanding infrastructure needs

Sustainable and Innovative Infrastructure:

- Cloud data capability for Parks' smart irrigation system
- Update fleet services diagnostic software
- Addition of Mechanic I for sustainable maintenance of equipment

Public Works

Council Discussion



Economic Vitality

Total Approved Budget Requests
and New Personnel:

\$5,231,636

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Airport Parking Project	One-time	\$ 2,500,000	Debt
Library Window Replacements	One-time	377,000	Library
Tourism Community Support Efforts	One-time	134,500	BBB
Arts & Science	One-time	40,000	BBB
ParkFlag Parking Projects	One-time	148,043	Parking



Council Priorities

- Continue to increase overall airport enplanements and routes
- Launch business attraction, retention and expansion incentive policies
- Revise the Beautification in Action grant program to increase recipients and funding amounts
- Provide Arts & Science funding for Southside neighborhood plan
- Develop parking inventory and continue review of policies and practices

Economic Vitality

Council Discussion



Water Services

Total Approved Budget Requests
and New Personnel:

\$1,895,881

(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Water Legal Fees	One-time	\$ 1,200,000	Water
Stormwater Program Transfer	Ongoing	291,853	Stormwater
Stormwater Open Channel Maintenance	One-time	85,000	Stormwater
I & E Supervisor - SCADA	Ongoing	84,301	Water
Water/Reclaimed Load-Out Station Upgrades	One-time	60,000	Water



Council Priorities

Environmental Stewardship:

- Water Conservation Aide – 0.48 FTE part-time
 - Conservation Strategic Plan implementation

Sustainable, Innovative Infrastructure:

- Load-out station upgrades
- Aging infrastructure – water line replacements
 - Switzer Canyon Phase 4, Soliere Avenue, Fir Avenue, Summit Avenue and Industrial Drive
- Sewer line replacement to Wildcat Hill (year 1)
- Wildcat Hill digesters 3 & 4 and biosolids upgrades

Water Services

Council Discussion



Non Departmental

Total Approved Budget Requests
and New Personnel:
\$1,746,739
(Plus COLA and
Benefit Increases)





Highlights of Approved Budget Requests



Highlights of Approved Personnel and Other Requests	One-time or Ongoing	Amount	Funding
Minimum Wage State Assessment	One-time	\$ 1,172,000	General
Service Partner Contracts	One-time	339,890	General
Property Insurance	Both	100,000	General
High Performing Government	One-time	35,000	General
Mayor and Council Initiatives Fund	One-time	25,000	General



Legislative



- State Minimum Wage Assessment: \$1,172,000
 - Is not currently in the State's "skinny budget"
 - Representative Blackman plans to propose a striker bill to ask for an 18-month deferral due to the COVID-19 pandemic
- Worker's Compensation – Firefighter Cancer Presumption
 - \$300K-\$500K estimated impact
 - Conversations ongoing with potential providers



Council Priorities



High Performing Governance:

- Priority Based Budgeting (PBB) software
 - Will be an excellent tool to identify priorities and potential savings as we enter an economic downturn
- Service partner contracts
- Mayor and Council Initiative Fund

Non Departmental

Council Discussion



CAAP

Total Approved Budget Requests
Related to CAAP:

\$3,712,699





CAAP



- Neighborhood Liaison and Coordinator for Indigenous Initiatives (*Equity*)
- O'Leary garden improvements (*Mitigation, Resilience*)
- Sustainable neighborhood grants (*Mitigation, Resilience, Equity*)
- Funding for sustainable food systems AmeriCorps Vista (*Mitigation, Resilience*)
- Funding for food waste prevention and recovery program (*Mitigation, Resilience, Equity*)
- Animal Keeping Code education and permit enrollment (*Mitigation, Resilience*)



CAAP



- IT Enhancement / Catastrophic Fund (*Resilience*)
- Security (*Resilience*)
- Public Defender Contract (*Equity*)
- E-procurement software (*Mitigation*)
- Wildfire management crew (*Resilience*)
- Type 6 wildfire engine (*Resilience*)
- Type 1 engine equipment (*Resilience*)
- Regional training officer (*Resilience*)
- Police Aides (*Equity*)



CAAP



- Printing for Southside Community Plan (*Resilience*)
- Housing Assistance Payments (FHA) (*Equity*)
- Update computer diagnostic and repair equipment (*Mitigation*)
- E-waste, hazardous waste, etc. disposal (*Mitigation*)
- Signs and markings positions (3) (*Resilience*)
- Smart irrigation system and cloud data capability will save water (*Mitigation, Resilience*)
- Library window replacement (*Mitigation*)
- Year 3 Innovate Waste Challenge (*Mitigation, Resilience, Equity*)



CAAP



- Stormwater open channel maintenance (*Resilience*)
- Wildcat Hill Genbacher gas cogeneration (*Mitigation*)
- 8" bottleneck reclaimed water line replacement (*Resilience*)
- SCADA enabled water meters and vaults (*Resilience*)
- Rio de Flag Project (*Resilience, Equity*)

Capital Improvement Program



Capital Improvement Program

- Capital Improvement Program Summary
- Detailed Programs
 - General Government
 - Streets/Transportation
 - Bed, Board and Beverage (BBB)
 - Water Services
 - Solid Waste
 - Airport
- Unfunded Projects List





Capital Improvement Program

- Delivered in 5-year increments
- Projects may span multiple years
- Program Year 1 is appropriated/programmed
- Program Years 2-5 are projected/planned and can be adjusted by Council with the adoption of each annual budget
- Financial planning
- Plans are fluid and may require adjustments



Capital Improvement Program

Program:	FY 2019-20	FY 2020-21	FY 2022-25
	<u>Estimate</u>	<u>Budget</u>	<u>Projection</u>
General Government	\$33,505,146	\$ 5,508,418	\$32,799,261
Streets/Transportation	54,146,449	21,575,386	81,811,468
BBB	3,393,992	1,933,000	6,769,300
Water Services	28,569,414	29,613,815	75,830,000
Solid Waste	615,646	3,765,000	8,450,000
Airport	<u>1,765,517</u>	<u>4,050,000</u>	<u>32,400,000</u>
Total:	\$121,996,164	\$66,445,619	\$238,060,029



General Government





General Government

FY 2019-2020 Estimate

\$33,505,146

- Court Facility
- USGS Miscellaneous Buildings
- FUTS Open Space Land Acquisition
- Parking Property Acquisition
- New Park Development

Total Plan: \$71,812,825

FY 2020-2021 Budget

\$5,508,418

- Court Facility
- USGS Miscellaneous Buildings
- FHA General Improvements

FY 2022-2025 Projected

\$32,799,261

- USGS Miscellaneous Buildings
- FHA General Improvements



Streets/Transportation





Streets/Transportation

FY 2019-2020 Estimate

\$54,146,449

- Street Improvement Program
- Beulah Boulevard/University Drive
- Fourth Street Bridge and Reconstruction
- Industrial Drive
- Utility Replacements and Overlays
- Pavement Overlay

Total Plan: \$157,533,303

FY 2020-2021 Budget

\$21,575,386

- Utility Replacements and Overlays
- Fourth Street Reconstruction
- Dark Sky Lighting

FY 2022-2025 Projected

\$81,811,468

- Street Improvement Program
- Pavement Overlay
- Bike and Pedestrian Projects



Streets/Transportation

Lone Tree Corridor

Lone Tree Railroad Overpass

- 30% plans complete
- FY 2019-2020 – RSOQ to retain consultant services
 - Economic Impact Analysis to be included
- Fully funded FY 2020-2025

Lone Tree Roadway

- 15% conceptual plans complete
- Butler to Pine Knoll - design funding in FY 2022-2023



Streets/Transportation

John Wesley Powell

Airport to Lake Mary Road

- Design funding in FY 2023-2024

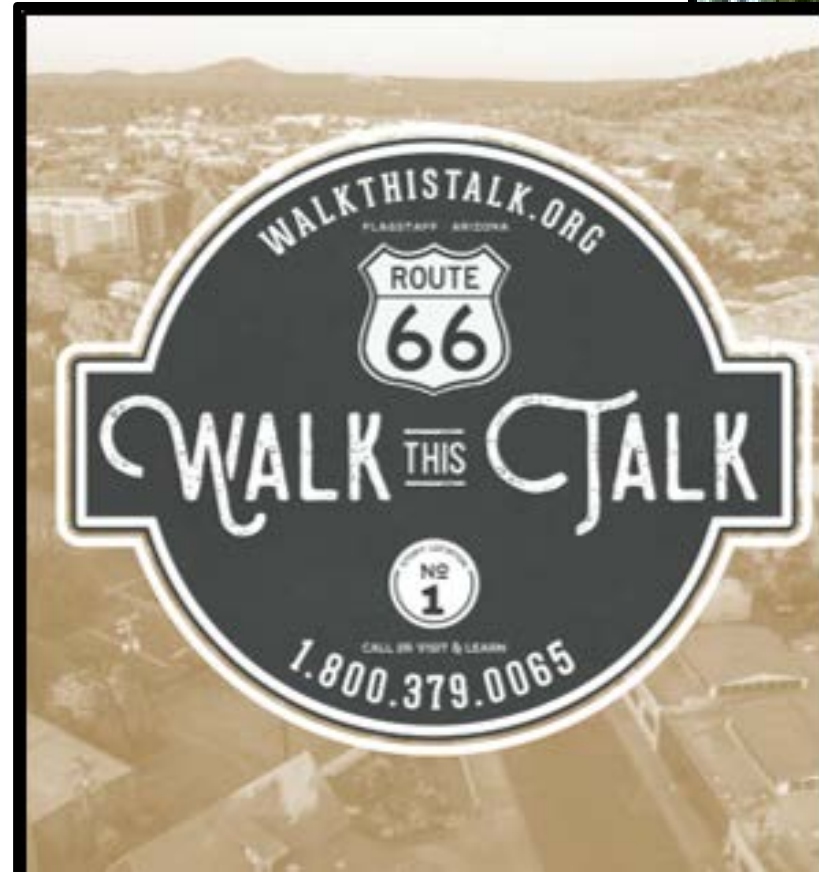
JWP Extension - Lone Tree to Fourth Street

- Specific plan (preliminary engineering) complete FY 2020-2021
- Public process and adoption beginning in FY 2021-2022
- Next steps: continue planning and design and identify funding mechanism



BBB

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER





BBB



FY 2019-2020 Estimate

\$3,393,992

- New Courthouse Art Piece
- Buffalo and Thorpe Park Restrooms
- Joel Montalvo Park Enhancements

FY 2020-2021 Budget

\$1,933,000

- Library Art Piece
- Buffalo Park Enhancements
- City Hall Lawn

FY 2022-2025 Projected

\$6,769,300

- Rio de Flag
- Phoenix Parking Plaza

Total Plan: \$12,096,292



Water Services





Drinking Water

FY 2019-2020 Estimate

\$18,342,516

- Lake Mary Land Acquisition
- Lake Mary Sedimentation Basin Rebuild
- New Well Fort Tuthill #2
- Fort Tuthill Waterline Loop
- McAllister Well Pumphouse
- Fir Avenue Waterline Replacement

Total Plan: \$47,642,516

FY 2020-2021 Budget

\$4,375,000

- Industrial Drive Waterline Replacement
- Switzer Canyon Phase 4 & 5 Design
- Aging Water Infrastructure Replacement

FY 2022-2025 Projected

\$24,925,000

- Aging Water Infrastructure Replacement
- Red Gap Right-of-Way Acquisition
- New Well and Pumphouse



Wastewater



FY 2019-2020 Estimate

\$6,206,497

- Aging Sewer Infrastructure Replacements
- Westside Interceptor Oversizing
 - Thompson/Kaibab
 - Clay Avenue Wash
- Fort Tuthill Sewer Oversizing
- Wildcat Gas Conveyance System
- Bio-Solids Master Plan

Total Plan: \$36,784,312

FY 2020-2021 Budget

\$4,447,815

- Wildcat Co-Gen Replacement
- Wildcat Digesters 3 & 4
- Rio Primary Clarifier Basins Design
- Wildcat Flow Diversion Design

FY 2022-2025 Projected

\$26,130,000

- Wildcat Digesters 3 & 4
- Wildcat Solids Dewatering Facility
- Wildcat Primary Pump Station Rebuild



Reclaimed Water

FY 2019-2020 Estimate

\$175,000

- 8" Bottleneck Line Replacement
- Master Plan
- Rate Study

FY 2020-2021 Budget

\$950,000

- 8" Bottleneck – Reclaimed Line Replacement Construction
- SCADA Enabled Water Meters and Vaults

FY 2022-2025 Projected

\$3,675,000

- 8" Bottleneck – Reclaimed Line Replacement Construction
- 2nd Buffalo Park Two Million Gallon Storage Tank

Total Plan: \$4,800,000



Stormwater



FY 2019-2020 Estimate

\$3,845,401

- Rio de Flag Project
- Phoenix Avenue Bridge
- Linda Vista Culvert Upsizing
- Wildwood Drainage Project

Total Plan: \$44,786,401

FY 2020-2021 Budget

\$19,841,000

- Rio de Flag Project
- Phoenix Avenue Bridge Construction
- Columbia Circle
- Steves Boulevard Wash at Soliere

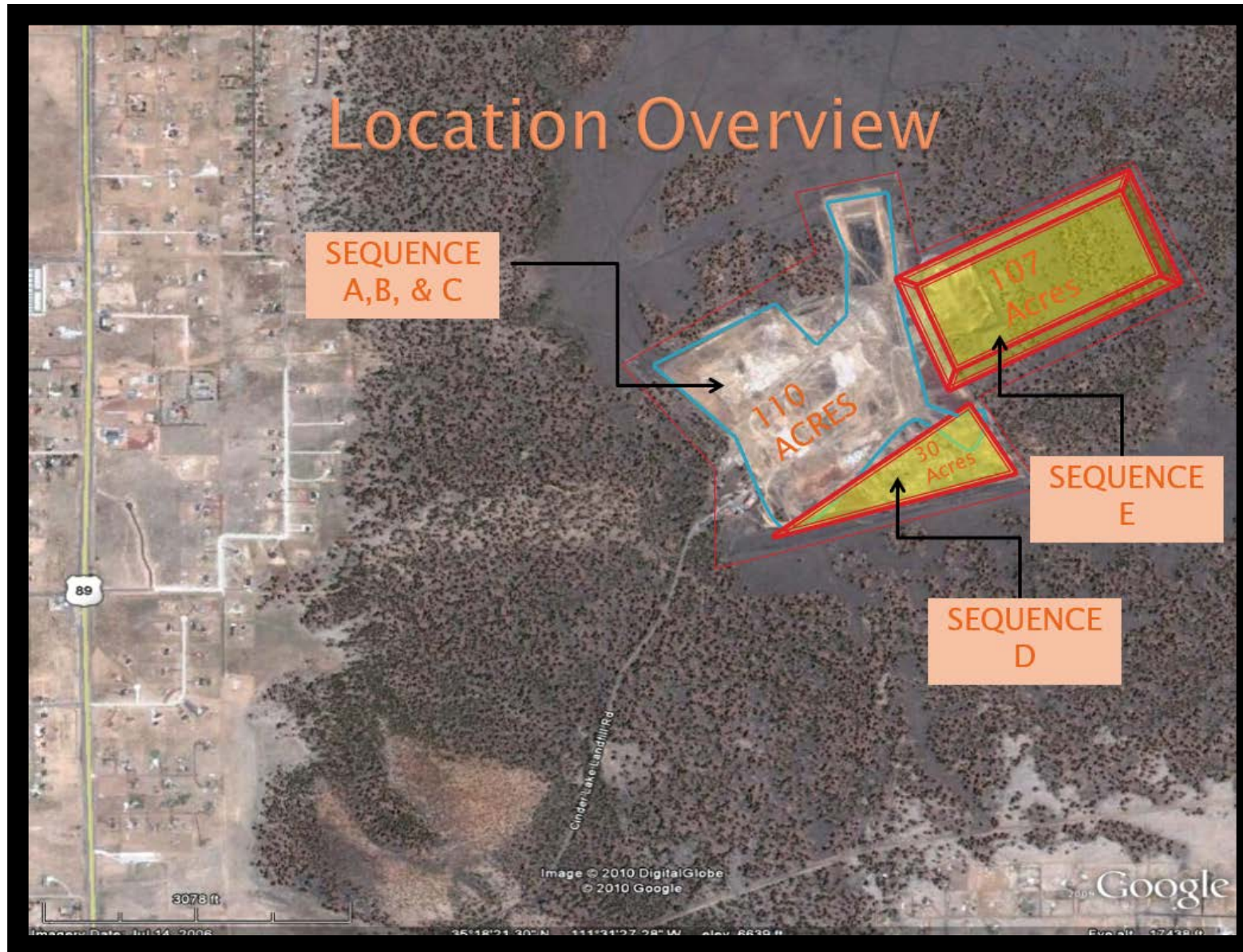
FY 2022-2025 Projected

\$21,100,000

- Rio de Flag Project and Side Drain Laterals
- Aspen Avenue Culvert



Solid Waste





Solid Waste



FY 2019-2020 Estimate

\$615,646

- National Environmental Policy Act Review
- Excavation of Cell D

FY 2020-2021 Budget

\$3,765,000

- Landfill Road Infrastructure Project
- Excavation of Cell D

FY 2022-2025 Projected

\$8,450,000

- Landfill Road Infrastructure Project
- Excavation of Cell D

Total Plan: \$12,830,646



Airport





Airport



FY 2019-2020 Estimate

\$1,765,517

- Multi Use Building Design
- Drainage Improvements Design
- Temporary Parking Lot Improvements

FY 2020-2021 Budget

\$4,050,000

- Parking Improvements
- Taxiway Apron Design
- Land Acquisition

FY 2022-2025 Budget

\$32,400,000

- Taxiway Rehabilitation/Relocation
- Multi Use Building Construction
- Perimeter Service Road Rehabilitation

Total Plan: \$38,215,517

Capital Improvement Program

Council Discussion



Compensation and Benefits



Employee Advisory Committee





EAC Budget Recommendations

- **Cost of Living Adjustment (COLA) Effective July 1st**
 - Fair to all employees - all get raise on same date
 - Changes in expenses do not wait to kick in until evaluation date
- **City to cover entire 5.79% increase to health insurance**
 - If not, employees enrolled in family plan and earning \$40,000 or less will not break even, even with the 2% COLA
- **Future Considerations**
 - 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



Compensation Study

- Work in process (vendor – Evergreen)
 - Benchmark survey responses have been slightly delayed by COVID-19
- Outcomes include evaluation and recommendation for:
 - Pay plan adjustments
 - Pay plan structure (regular, broadband, skill-based)
 - Minimum wage adjustment impact
 - Compaction
 - Compensation policies
 - Other recommendations



Benefits



- A City of Flagstaff benchmark study was not performed this year
- The NAPEBT Trust is currently evaluating RFP responses for an audit of the Trust Benefit Design



Retention Trends – Turnover Comparison



Calendar 2018

- 105 Total separations
- 35 Retirements
- 68 Voluntary
- 11.98% Total turnover
- 19.4% State and local rate*
- 7.98% Avoidable**

Calendar 2019

- 108 Total separations
- 25 Retirements
- 74 Voluntary
- 12.16% Total turnover
- 18.0% State and local rate*
- 9.12% Avoidable**

*BLS **Excludes death and retirements



Retention Trends – CY 2019 Exit Interview Summary



- Length of employment
 - 1-3 years continues to be the highest
 - 30% in CY 2018 and 26% in CY 2019
 - 5-10 years saw the highest increase – concerning as these are invested employees
 - 11% in CY 2018 and 23% in CY 2019
- Top reasons for leaving
 - Better pay or benefits – 45% in CY 2019
 - Lack of career advancement from 21% in CY 2018 to 35% in CY 2019



Retention Trends – CY 2019 Exit Interview Summary



- **Satisfaction with compensation**
 - Movement through pay plan declined from 45% to 57% dissatisfaction
 - Rating of poor for promotional increase went from 52% to 62%
- **Satisfaction with benefits**
 - Slight improvement with dental, vision and life insurance
 - Overall decline in satisfaction with health insurance
 - Rating of average: CY 2018 49% and CY 2019 39%
 - Rating of poor: CY 2018 15% and CY 2019 31%
- **Positive note**
 - Overall higher score of excellent for supervisor and work environment in every category



Retention and Attraction Trends

- Champions 2019 Employee Survey
 - Compensation question
 - Compared to others in my line of work, I am paid fairly
 - Disagree 28.2% Strongly Disagree 26.68%
- Recruitment
 - 2018: 216 Hires (65 internal (30.1%)/151 external)
 - 2019: 189 Hires (56 internal (29.6%)/133 external)
 - Declines:
 - 2018 18 (8.3%) Other Offer 38.8%, \$ or Cost of Living 1.1%
 - 2019 32 (16.9%) \$ or Cost of Living 37.5%, Other Offer 31.3%



Compensation Recommendations

Included in current balanced budget:

- 2% COLA
 - General Fund \$1,000,000
 - Special Revenue Funds \$138,000
 - Enterprise Funds \$246,000



Benefit Recommendations

Recommendations in current balanced budget:

- Health insurance premium increase of 5.79%
 - City to pay 100% of increase for base plan of \$36.70/month
 - Employee increase of \$0.00-\$9.67/month
- No increase to dental and vision premiums
- Maintain three PTO days until annual merits are funded
- Citywide tuition assistance program - \$35,000 budgeted
- Additional funding for Employer Assisted Housing Program

Council Parking Lot Discussion





Parking Lot



Recommendations	Fund	Cost
United Way - Launch Program (Year 2)	General	\$ 70,000
United Way – Step Up for Youth (New)	General	30,000
High Country Animal Shelter	General	79,750
Boys and Girls Club	General	35,000
Litigation	General	100K – 300K
Short Term Rentals	General	Carryover

Council Adds and Deletes

