

- ▶ PORTFOLIO MAINTAINS ATTRACTIVE YIELD
- ▶ LOW INTEREST RATE ENVIRONMENT
- ▶ CURRENT INVESTMENT STRATEGY

Councilmember Barotz asked for the cost of the services PFM provides. Ms. Brant stated that the City pays an Assets Under Management fee which equates to less than .1% annually. Over the last two years the City has paid \$78,000 and PFM has generated over \$280,000 in earnings.

Mayor Nabours noted that as of December 2011 PFM has eliminated nearly all money market accounts. Ms. Brant agreed and clarified that it is just in the managed portfolio; the City still retains a liquidity portion of \$7-8 million that is managed internally in addition to the \$56 million PFM manages.

Councilmember Oravits asked if the strategy is to continue short term because it is a rising rate environment. Ms. Brant stated that there were securities in the portfolio from 2011 that were gaining higher rates. When interests trended higher there was an advantage to buying US Treasury Security. It is a strategy to stay short to capture the higher levels of return as soon as possible.

Mayor Nabours noted that if the City had simply put all its money into treasury bonds it would have yielded .43% but with the help of PFM the City has yielded an average .63%.

5. Update on a List of Reported Distressed Properties and/or Buildings

Zoning Code Administrator Roger Eastman provided a PowerPoint presentation on distressed properties. The only properties listed in the presentation are those in which the City has had contact with the property owners.

- ▶ LIST OF REPORTED DISTRESSED PROPERTIES
- ▶ MEETING PURPOSE
- ▶ LIST OF REPORTED DISTRESSED PROPERTIES
 - 39 PROPERTIES ON THE INVENTORY
- ▶ DISTRESSED PROPERTY INVENTORY
- ▶ LOCATIONS OF DISTRESSED PROPERTIES
- ▶ INTERACTIVE DISTRESSED PROPERTY MAP
- ▶ SAMPLE PHOTOGRAPHS
- ▶ 1726 N. KUTCH
 - Never been able to make contact with the property owner.
 - Next step is to hire a landscaper to clear the property, make it safe, and eliminate the rat vermin harborage with a lien back to the homeowner for the cost.
- ▶ 523 S. ERNST STREET
- ▶ 1809/1811 N. ARROWHEAD AVENUE
- ▶ 23 S AGASSIZ STREET
 - Cultural Resources Phase One study completed as this is a structure of historic significance. Currently in the process of completing a Phase Two Cultural Resources Study.

- ▶ 46 S. SAN FRANCISCO
 - Cultural Resources Phase One study just submitted to Heritage Preservation Commission for review.
- ▶ 251 E. BRANNEN AVENUE
 - A demolition permit has been pulled for the property.
- ▶ EXISTING CITY CODE PROVISIONS
- ▶ 1997 ABATEMENT OF DANGEROUS BUILDING CODE
- ▶ TITLE 4 – BUILDING REGULATIONS
- ▶ 1997 HOUSING CODE
- ▶ CONCLUSION

Mayor Nabours stated that there are 20 cases where staff action is still needed. Mr. Eastman stated that staff is working as hard as they can with the resources available. There is just not a whole lot of time in the work program to accommodate them all; staff has been dealing with the most extreme first.

Councilmember Oravits stated that he has concerns about the vagueness of the definitions in Chapter Three. It is a matter of interpretation and it needs to go through a process of clearing up the vagueness. Mr. Eastman responded that the Building Official and his staff make the determinations based on experience. The language can be clarified when the code comes back for changes and updates.

Councilmember Brewster asked if properties such as the Tourist Home are dealt with differently due to the fact they are historical in nature. Mr. Eastman responded that there is not a different process but staff includes Karl Eberhard and the Historic Preservation Commission for the examination of the Cultural Resources Study. The primary concern is the health, safety and welfare of the public; it is an attempt to balance historic preservation and historic values with public safety.

Vice Mayor Evans stated that the use of the 1997 codes are good as they are more comprehensive than the proposed Property Maintenance Ordinance the community was asking for and she is not interested in revisiting the codes because they are allowing staff to do the job. The current graffiti codes do not address the cleanup of graffiti on private property and it will be important to address this as soon as possible.

Vice Mayor Evans requested an update on the roof collapse at 621 W. Clay.

Code Enforcement Officer Tom Boughner stated that staff is limited on graffiti enforcement on private property as there is nothing that states graffiti must be covered within a particular time. There are several properties that refuse to let the City cover the graffiti damage; there is a need for a tool that allows the City to step in. Dilapidation brings more dilapidation so it is important to have a reasonable and encompassing ordinance in place.

Councilmember Oravits asked what the tool would be to address graffiti and what exactly is needed from Council. Mr. Eastman explained that staff would need to work with Mr. Burke on that to identify the resources that will help.

The following individuals addressed Council in regards to distressed properties:

- David Monihan
- Derik Spice

Annie Loots, Author of the Cultural Resource Study with SWCA, stated that what started out as a job has now become a labor of love. The study is a new regulatory requirement and it has been a positive element in that it uncovers a lot of historical information about the property and the community. There are truly treasures in town. The City of Flagstaff is unable to do an overlay zone; it is those types of local zoning tools that cities have to protect properties. Proposition 207 precludes the ability for the City to protect these areas with an overlay zone.

A break was held from 7:13 p.m. to 7:27 p.m.

Mayor Nabours asked Council if there is a consensus to ask Mr. Burke to look at adding a position to address distressed properties. A majority of Council would like to have Mr. Burke look into the possibility of adding a position for this purpose.

Mayor Nabours asked if there was a consensus for staff to look into a graffiti ordinance that would allow the City to go onto private property on an emergency basis to remove graffiti, understanding that Zoning and Legal will need to weigh in on what is possible. A majority of Council requested a CCR on the possibility of private property graffiti removal.

6. Regional Plan Discussion #11 – Implementation and Annual Report

Comprehensive Planning Manager Kimberly Sharp provided a PowerPoint presentation on the Implementation and Annual Report.

- ▶ REGIONAL PLAN IMPLEMENTATION
- ▶ CHAPTER III: DECISION MAKING
- ▶ CHAPTER III: DEVELOPMENT PROCESS
- ▶ PROPOSED REGIONAL PLAN AMENDMENT PROCESSES

Councilmember Oravits asked if the major plan amendments have to be done in December or just once per year. Ms. Sharp stated that state statute offers a clear process of submittal and it must be approved by December.

Councilmember Barotz inquired about the difference between a major and minor plan amendment in the Open Space category and why one column includes purchase but the other does not. Ms. Sharp explained that purchase means land that is purchased, deeded, or restricted as open space. Councilmember Barotz stated that the language should be clearer because it is confusing. It was requested that this item be placed on the parking lot for further examination.

Mayor Nabours stated that a major amendment would be to change the category of zoning. He asked how the categories came to be decided. Ms. Sharp stated that depending on one's location, map 20 or 19 would be used to determine current zoning. The public indicated that they did not want another zoning map but instead something more broad and flexible. What was really important to the community was to maintain the character. The result was a more broad designation of areas. The community wants