



The  
**Budget Team**  
CITY OF FLAGSTAFF



**Council Budget  
Retreat  
February 3 - 4, 2022**



The  
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# Welcome and Objectives

# Welcome

- Welcome
- Objectives
- Meeting Protocol



# Agenda



- Budget Timeline
- Priority Based Budget
- Revenue Updates
- Available Resources and Fixed Costs
- Investing in Employees Update
- Bond Committee Update
- Federal Funding Update
- Resource Allocations and Priorities
- Council Forum/Budget Expectations



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# Budget Timeline

# Budget Timeline



- February 3 & 4, 2022 – 2<sup>nd</sup> Council Budget Retreat
- April 21 & 22, 2022 – City Manager Recommended Budget Retreat
- June 7, 2022 – Tentative Budget Adoption
- June 21, 2022
  - Property Tax Levy Hearing
  - 1st Reading of Property Tax Adoption
  - Final Budget Adoption
- July 5, 2022 – Final Reading of Property Tax Adoption



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# Priority Based Budget (PBB)

# Process

- Program Inventory
  - Governance
  - Community
- Program Costing
- Program Scoring
  - Based on Priorities and Objectives
- Budget Requests



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# Key Community Priorities



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## Priority Based Budgeting Priorities and Objectives



 High Performing Governance	 Safe & Healthy Community	 Inclusive & Engaged Community	 Sustainable, Innovative Infrastructure	 Robust Resilient Economy	 Livable Community	 Environmental Stewardship
Serve the public by providing high quality customer service	Enhance community engagement & strengthen relationships between the community & public safety services	Foster community pride & civic engagement by increasing opportunities for public involvement, in line with best practices & legal requirements	Deliver outstanding services to residents through a healthy, well maintained infrastructure system	Support & strengthen a more robust, diverse, & sustainable economy in ways that reflect community values & provides for affordable housing opportunities	Create a welcoming community through partnerships, resilient neighborhoods, & civic engagement	Promote, protect & enhance a healthy, sustainable environment & its natural resources
Foster community-wide clear & consistent communication strategies & products	Support social services, community partners & housing opportunities	Advance social equity & social justice in Flagstaff by supporting social services	Utilize existing long-range plan(s) that identify the community's future infrastructure needs & all associated costs	Maintain & enhance an equitable & effective business recruitment, retention, & expansion program throughout the community	Provide amenities & activities that support a healthy lifestyle	Engage community members through education & volunteer opportunities
Encourage public trust through transparency, accessibility & use of the City's public participation policy	Provide alternative responses, resources & programs, inclusive of mental health & other services	Facilitate & foster diversity & inclusivity, including support of anti-racist policies & practices	Provide effective management of and infrastructure for all modes of transportation	Enhance understanding between the development community, the City & Flagstaff residents	Support regional partners which provide equitable & inclusive educational opportunities for Flagstaff residents of all ages	Implement sustainable building practices, enhance waste diversion programs, alternative energy programs & multi-modal transportation options
Enhance the organization's fiscal stability & increase efficiency & effectiveness	Provide public safety services with resources, staff & training responsive to the community's needs	Enhance community involvement, education & regional partnerships to strengthen the level of public trust	Facilitate & develop carbon-neutral energy opportunities	Attract employers that provide high quality jobs & have a low impact on infrastructure & natural resources	Actively support attainable & affordable housing through City projects & opportunities with developers	Increase the private sector's participation in environmental stewardship efforts
Implement innovative local government programs, new ideas & best practices; be recognized as a model for others to follow	Promote physical health through providing recreation opportunities, parks, open space & multiple transportation options	Ensure city facilities, services, & programs are accessible for all residents & representative of Flagstaff's diverse community	Support the community's social infrastructure needs; assist those partner organizations that provide services the City does not	Enhance the community's workforce development programs & improve partnerships with higher education institutions & the private & public sectors	Support diverse employment opportunities that provide residents with a living wage	Implement, maintain & further the Climate Action & Adaptation Plan (CAAP) with awareness of social inequities
Be an employer of choice through inclusive recruitment & by providing employees with the necessary tools, training, support & compensation	Ensure the built environment is safe through the use of consistent standards, rules & regulations, & land use practices	Promote environmental justice & the fair distribution of environmental benefits		Embrace & invest in responsible tourism opportunities to promote economic development	Achieve a well-maintained community through comprehensive & equitable code compliance, & development that is compatible with community values	Strengthen Flagstaff's resilience to climate change impacts on built, natural, economic, health, & social systems

THE OBJECTIVES LISTED IN THIS DOCUMENT WERE APPROVED BY COUNCIL ON NOVEMBER 10, 2020.

# New Budgeter Tool



- Web-based
- Allows requests by PBB program or line item
- Links request to program scores
  - Grounded in Priorities and Objectives
- Incorporates Carbon Neutrality Plan

# New Budgeter Tool



resourceX Flagstaff Final-2022 All PBB Sections <

Set Up Data Insights Action

1 2 3 4

**Program:** Office of Labor Standards

**Program Description:** Manage community outreach, engagement, education and compliance related to the minimum wage ordinance. Implement increases to the minimum wage as mandated.

**Total Cost:** \$36,701

**Program Revenue:**

Program Budget Request Description \*

0/100

How does this request impact the program service level?: Is this a new funding request or a base budget reallocation request?: Is this request Recurring or One-time? (select one):

For this request you need...

Personnel

NonPersonnel

< Go Back

# New Budgeter Tool



**Program:** Office of Labor Standards

**Program Description:** Reallocated funding to increased business contact

**Total Cost:** \$36,701

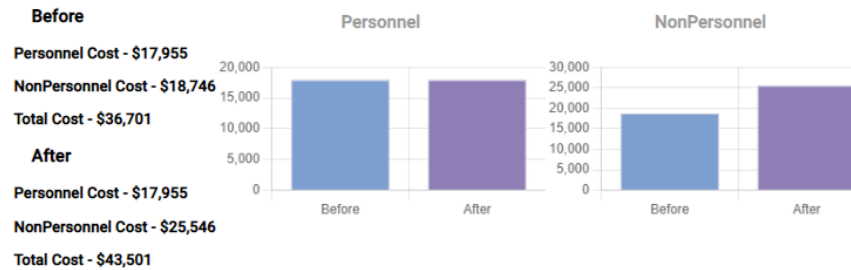
**Program Revenue:**

**Request:**

Enhances service level: **Enhances service level**

Base Budget Reallocation Request: **Base Budget Reallocation Request**

Recurring : **Recurring**



**Quartile: 3**

**Program Attributes**

- MANDATED to PROVIDE PROGRAM:** Self mandate (City ordinance or voter-approved tax)
- RELIANCE on CITY to PROVIDE PROGRAM:** City is sole provider of service (including contracting out services)
- COST RECOVERY of PROGRAM:** 1% - 50% cost recovery
- CHANGE in DEMAND for the PROGRAM:** Increasing Demand
- CAPACITY to SERVE:** The program has the capacity to serve more than 50% of the intended population

**Results Alignment**

- Environmental Stewardship:** None
- Safe & Healthy Community:** Some
- Robust Resilient Economy:** Strong
- Inclusive & Engaged Community:** Extreme
- Livable Community:** Strong
- Sustainable, Innovative Infra.:** Some
- Tools, Training, & Support:** N/A
- Innovation & Best Practices:** N/A
- Trust & Transparency:** N/A
- Customer Service:** N/A
- Efficiency & Effectiveness:** N/A
- Communication Strategies:** N/A

# New Budgeter Tool



**Request:** Reallocated funding to increased business contact

Is there an opportunity to reallocate and reduce other line items to offset this request? If yes, please describe.

Type here...

Have the appropriate parties been contacted & consulted if this request impacts them (such as technology requests, fleet requests, etc)?

Type here...

Carbon Neutrality Plan (CNP) Strategy #1. . . . . Enter the most aligned CNP Strategy # and explain how this funding request aligns with that strategy.

Type here...

Carbon Neutrality Plan (CNP) Strategy #2. . . . . Enter the second most aligned CNP Strategy # and explain how this funding request aligns with that strategy.

Type here...

Carbon Neutrality Plan (CNP) Strategy #3. . . . . Enter the third most aligned CNP Strategy # and explain how this funding request aligns with that strategy.

Type here...

What will the operational impact be if the funding request is not approved?

Type here...

Was this request funded with one-time allocation in the current year? If yes, provide the amount requested and approved.

Type here...

If this request funds a Quartile 4 program, provide reason for investing additional funding.

Type here...

Is this request funded with program revenue or is there outside funding available for the request? If yes, provide the details of that funding, such as the amount, source, length of funding, etc.

Type here...

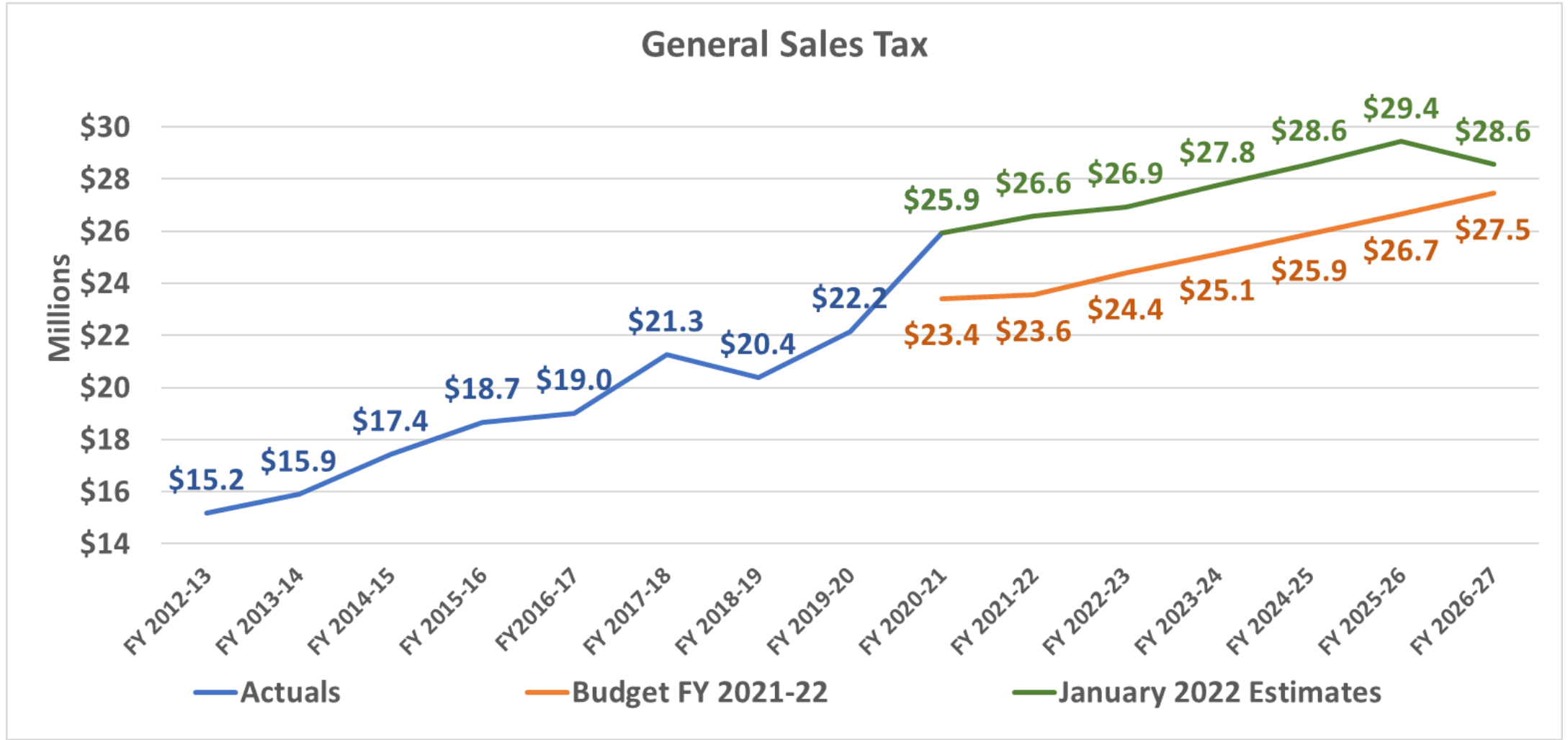


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# Revenue Update

# General Fund

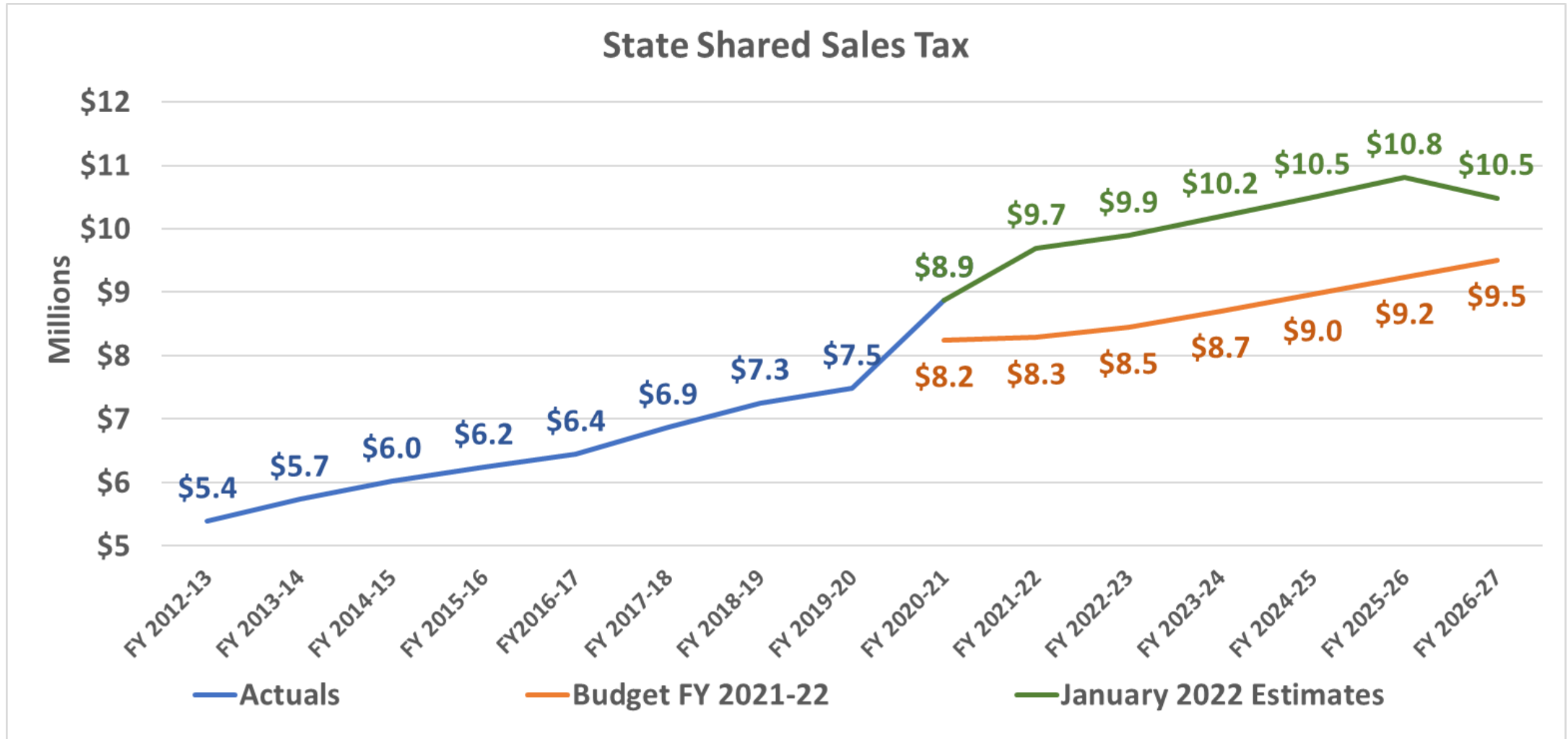


# General Fund



Category	FY 2020-21		FY 2021-22 Estimate	Change	% Change
	Actual				
<b>Sales Taxes</b>					
Utilities	\$ 1,048,716	\$	1,063,000	\$ 14,284	1%
Telecommunications	146,517		146,000	(517)	0%
Restaurant/Bars	2,932,835		3,232,000	299,165	10%
Amusements	43,459		74,000	30,541	70%
Commercial Rental	1,155,087		1,066,000	(89,087)	-8%
Personal Property Rental	692,359		755,000	62,641	9%
Contracting	2,352,792		2,230,000	(122,792)	-5%
Retail	13,075,833		13,390,000	314,167	2%
Marketplace Retail (outside AZ)	860,794		1,002,000	141,206	16%
Hotel/Motel/STR	1,592,928		1,743,000	150,072	9%
Miscellaneous	110,436		96,000	(14,436)	-13%
Use Tax	1,920,847		1,777,000	(143,847)	-7%
<b>Sales Taxes Total</b>	<b>\$ 25,932,603</b>	<b>\$</b>	<b>26,574,000</b>	<b>\$ 641,397</b>	<b>2%</b>

# General Fund



# General Fund

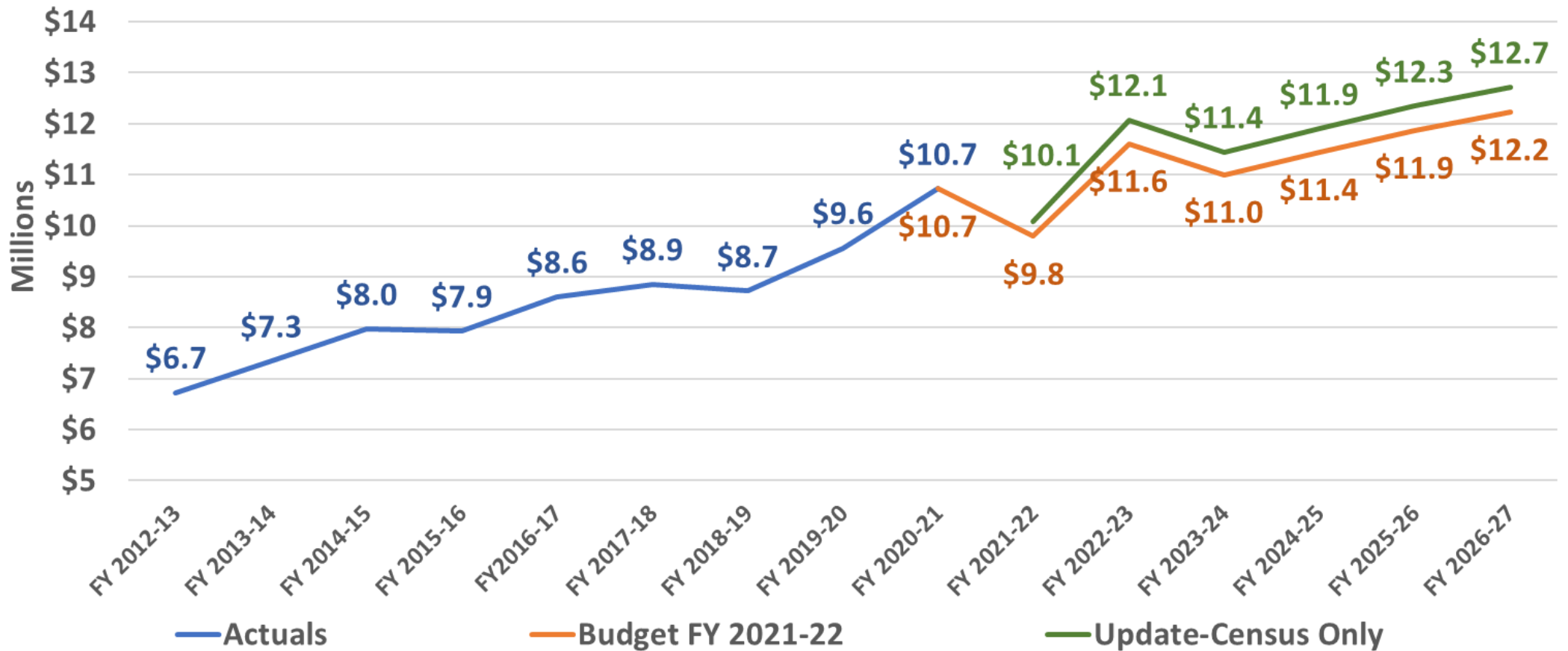
- State Shared Income Tax



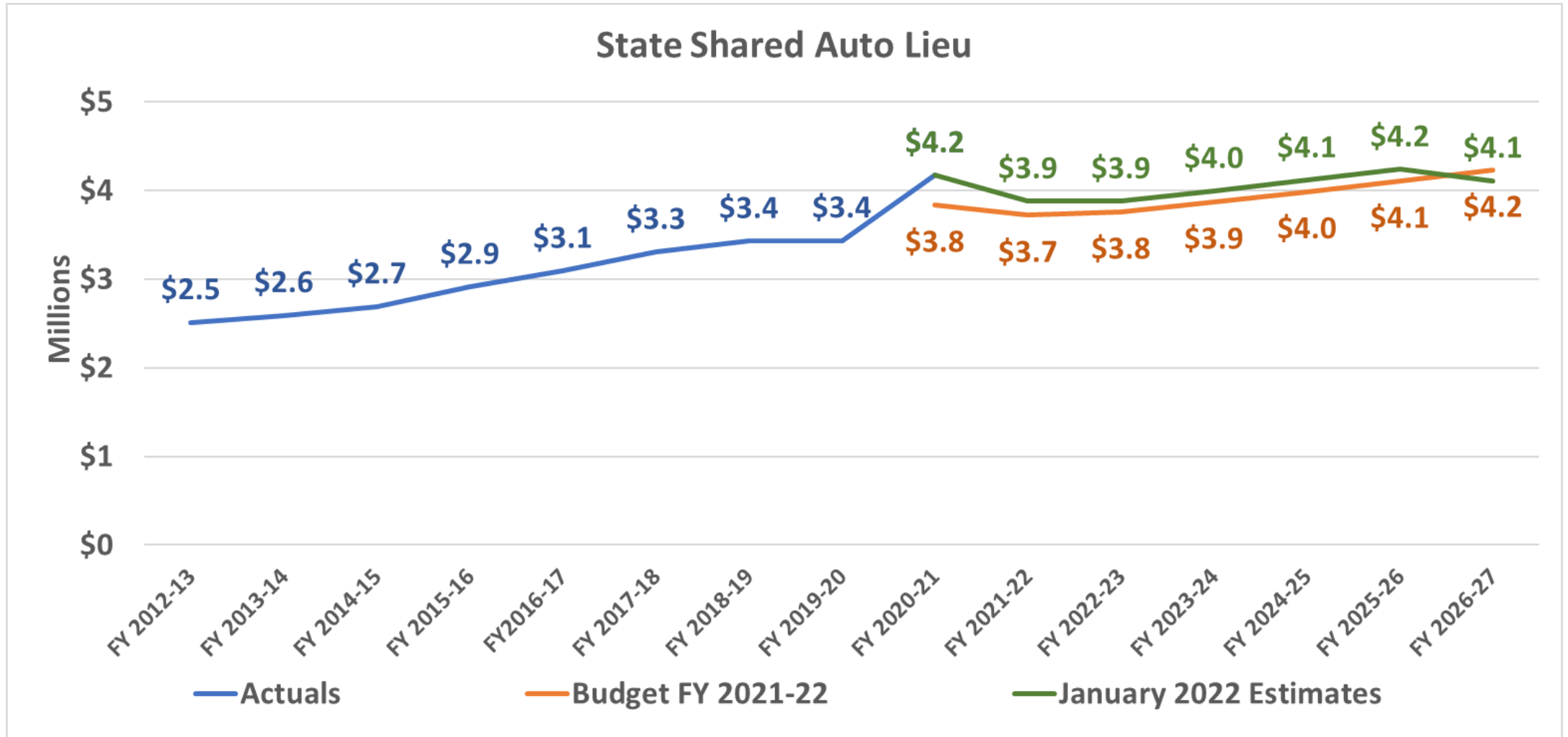
# General Fund



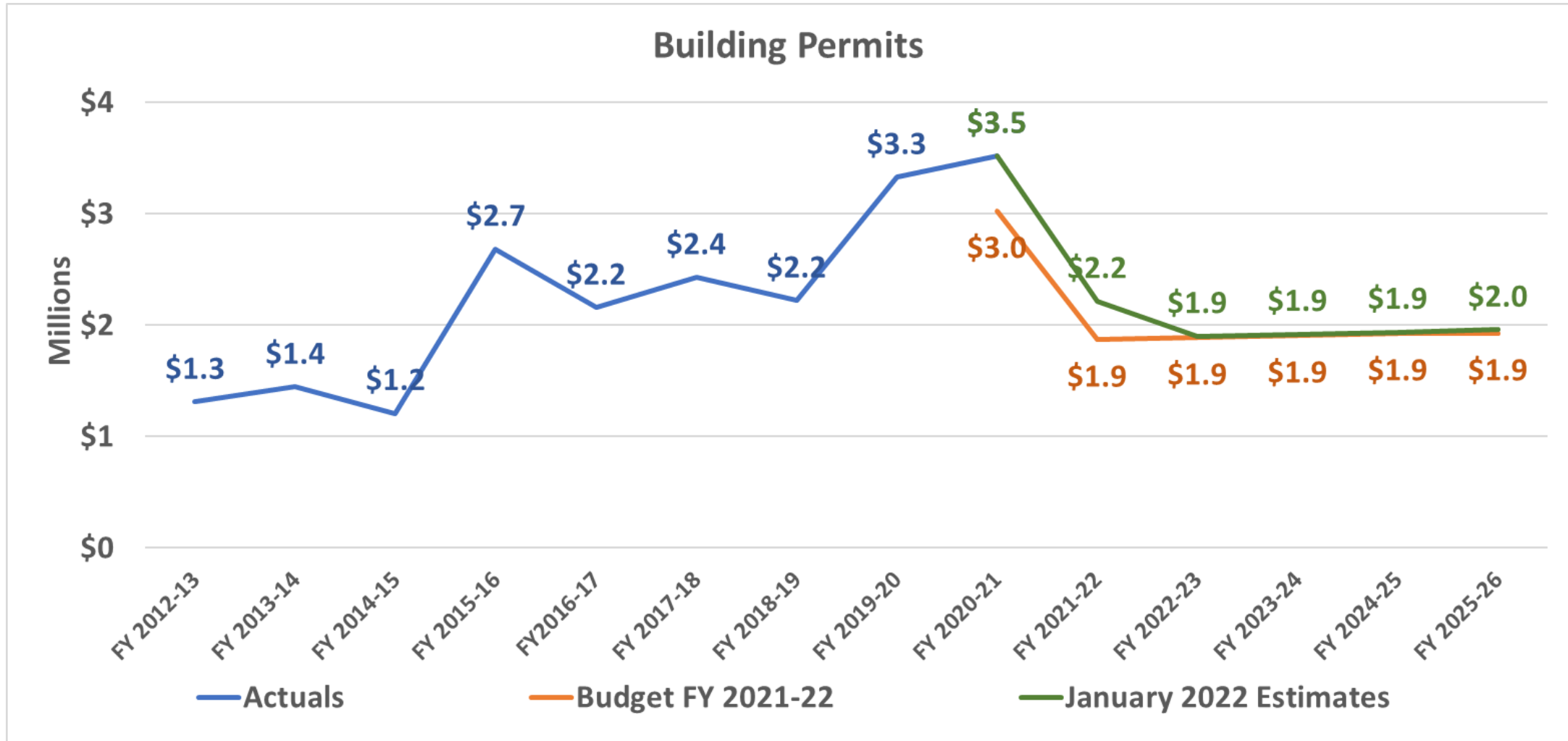
### State Shared Urban Revenue (Income Tax)



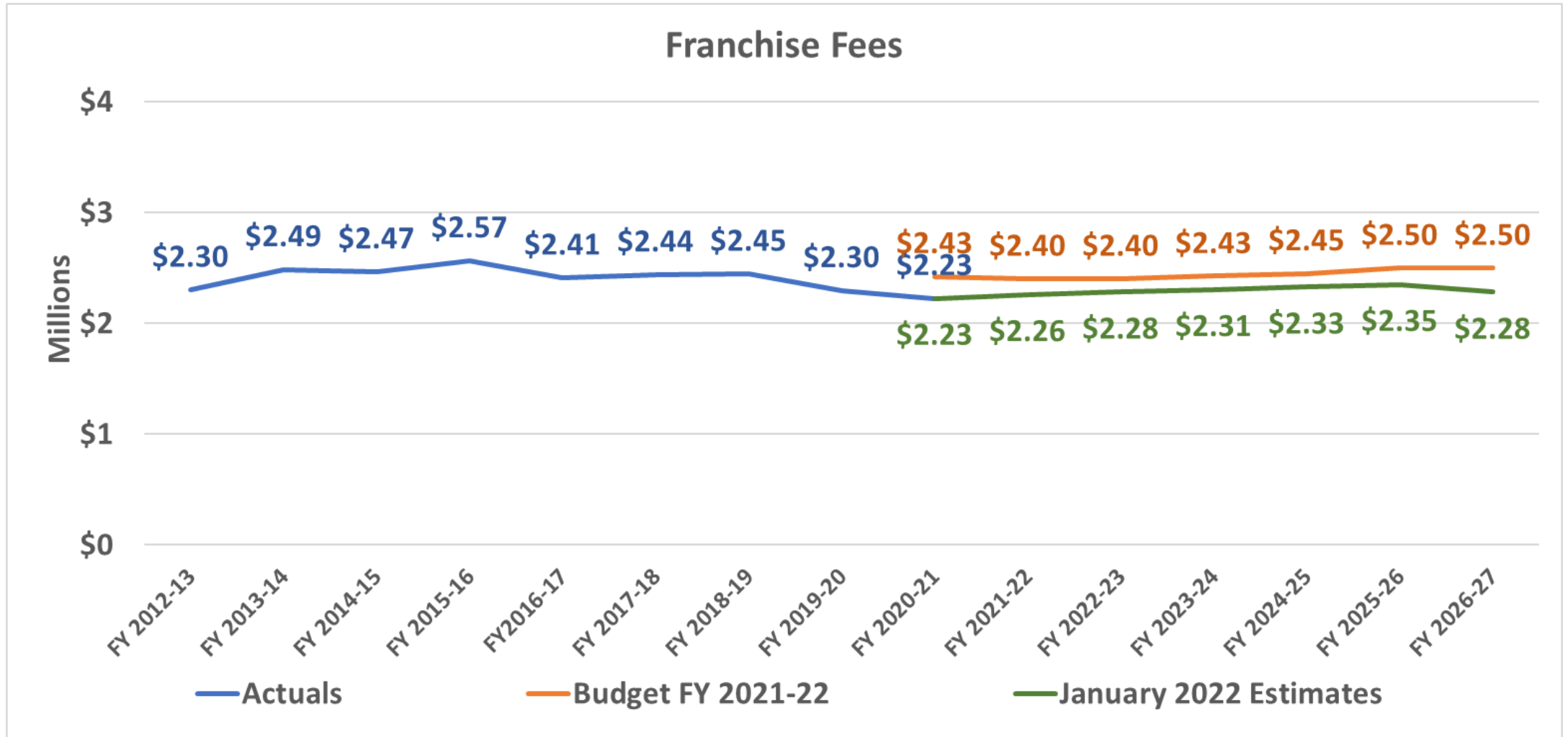
# General Fund



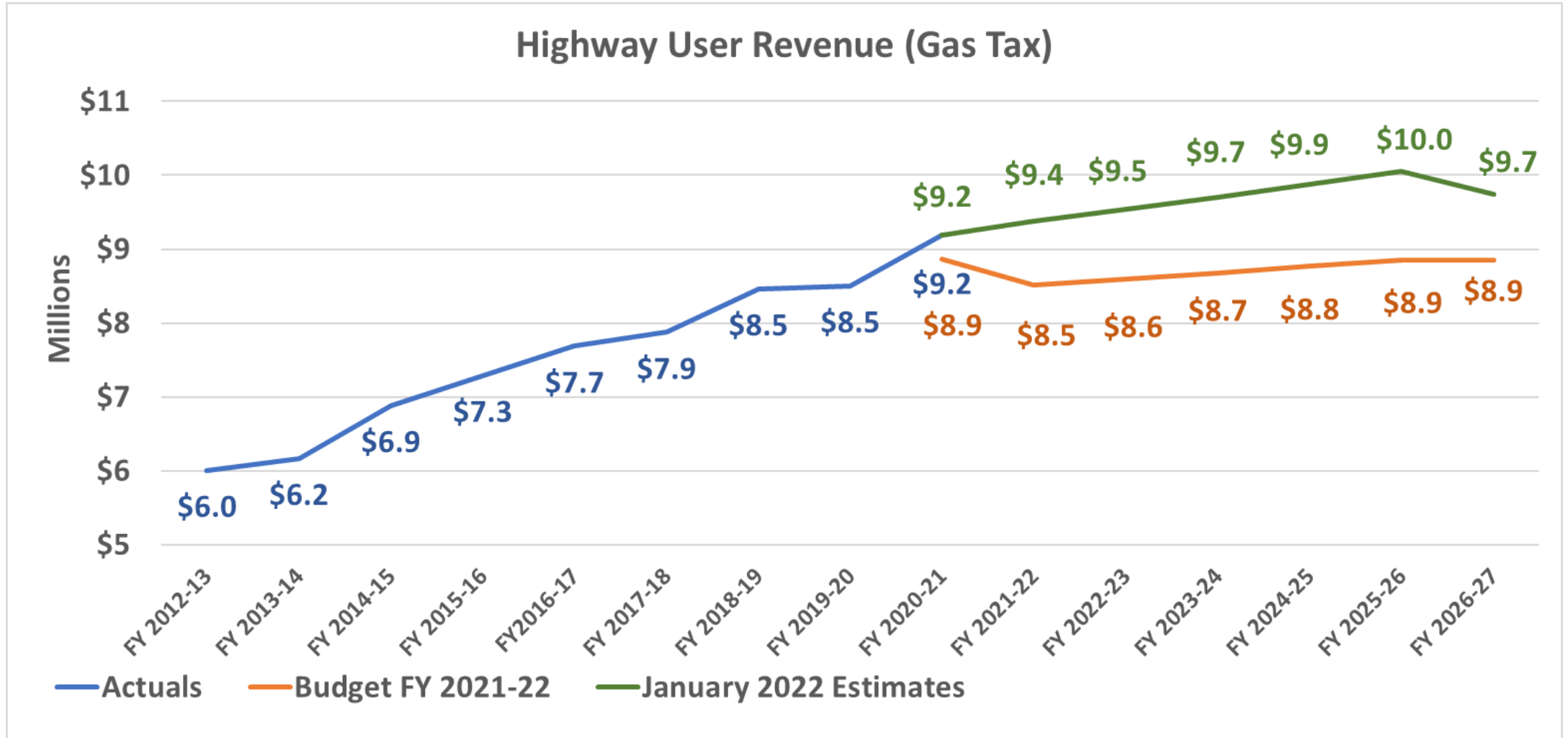
# General Fund



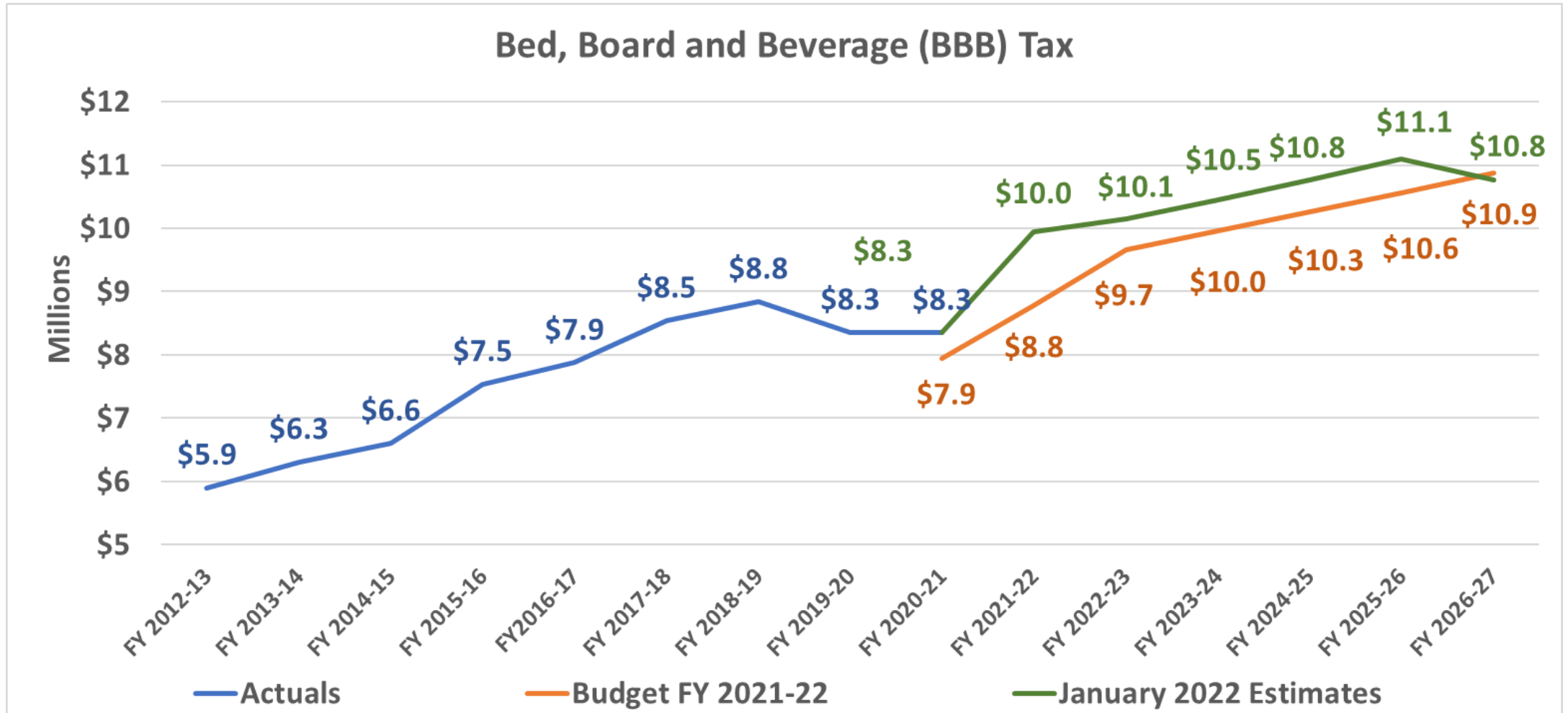
# General Fund



# Highway User Revenue Fund



# Bed, Board and Beverage Funds



# Other Revenues

- Transportation Taxes
- Marijuana Excise Tax





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# Available Resources and Fixed Costs

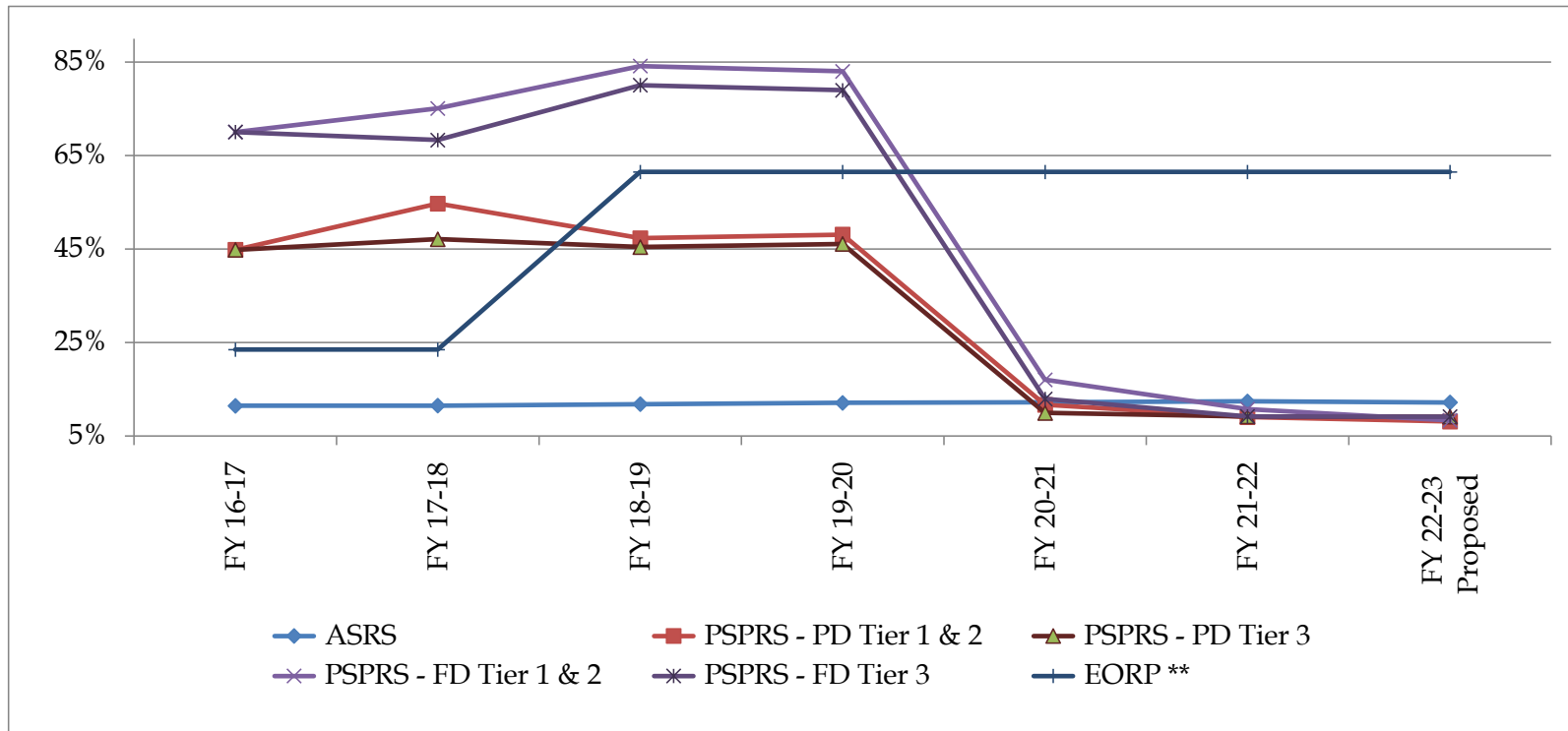
# Available Resources – General Fund



General Fund	One-Time	Ongoing
FY 2020-21 Revenue growth	\$ 5,000,000	\$ -0-
FY 2020-21 Expenditure savings	3,500,000	-0-
FY 2021-22 Revenue estimate	2,000,000	-0-
FY 2022-23 Revenue projection growth	-0-	3,000,000
<b>Total Capacity</b>	<b>\$ 10,500,000</b>	<b>\$ 3,000,000</b>
Option: Primary Property Tax (6% Increase)	-0-	420,000
	<b>\$ 10,500,000</b>	<b>\$ 3,420,000</b>

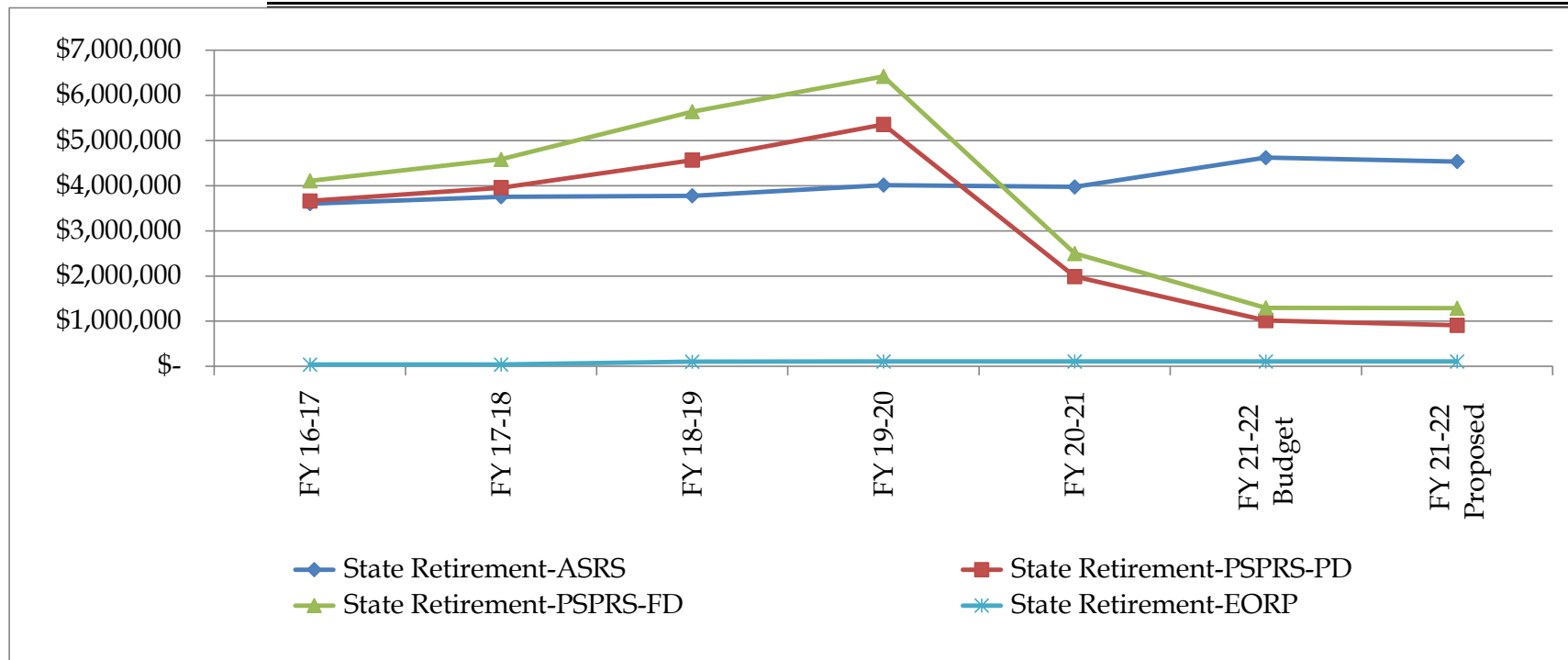
# Pension Contribution Rates

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23 Proposed
ASRS	11.48%	11.50%	11.80%	12.11%	12.22%	12.41%	12.17%
PSPRS - PD Tier 1 & 2	44.83%	54.73%	47.34%	48.09%	11.67%	9.04%	8.10%
PSPRS - PD Tier 3	44.83%	47.11%	45.43%	46.10%	9.94%	9.18%	9.12%
PSPRS - FD Tier 1 & 2	70.05%	75.11%	84.17%	83.03%	17.03%	10.77%	8.35%
PSPRS - FD Tier 3	70.05%	68.34%	80.08%	78.99%	12.94%	9.18%	9.12%
EORP **	23.50%	23.50%	61.50%	61.50%	61.50%	61.50%	61.50%



# Pension Expenditures

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22 Budget	FY 22-23 Proposed
State Retirement-ASRS	3,603,589	3,754,600	3,776,918	4,013,187	3,973,921	4,622,757	4,533,356
State Retirement-PSPRS-PD	3,662,344	3,954,905	4,565,973	5,356,624	1,987,409	1,013,379	908,006
State Retirement-PSPRS-FD	4,107,600	4,584,857	5,641,220	6,421,351	2,498,080	1,295,764	1,004,608
State Retirement-EORP	40,588	39,679	102,903	106,743	107,039	108,890	108,890
	11,414,121	12,334,041	14,087,014	15,897,905	8,566,449	7,040,790	6,554,860

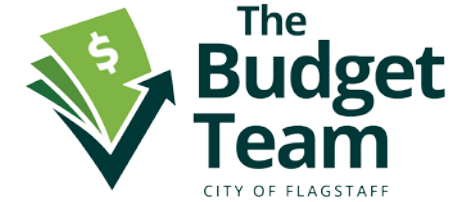


# Fixed Costs - General Fund



General Fund	Ongoing
Merit Increase (3%) <span style="float: right; color: blue;">FUNDED!</span>	\$ 1,600,000
Minimum Wage (\$15.50 - CPI?)	49K-289K
Pension Cost - New	(355,000)
Health & Dental Insurance Increase - City Share	359,500
Liability and Property Insurance	TBD
Workers' Compensation	TBD

# Other Considerations



FY 2022-2023 Budget Considerations	Ongoing
Move annual one-time to ongoing (25% minimum)	\$700,000 - \$2.8M
State assessment for minimum wage	1,110,000 +
State assessment firefighter cancer fund	200,000
State legislative changes	?
New personnel 18 FTEs/6 add pays – General Fund	2,004,500
New personnel 12.96 FTEs – all other	972,500
Reclass requests – all	265,600



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# Investing in Employees Update

# Human Resources Employee Advisory Committee



## Benefits and Compensation February 2022 Budget Retreat

Greg Clifton, City Manager

Heidi Hansen, Economic Vitality Director

Brandi Suda, Interim Human Resource/Risk Management Director

Jared Wotasik, EAC Co-Chair and Budget Team Delegate

Jeanie Gallagher, Consulting Human Resources Director

# Recruitment/Retention



Placeholder

Updated slides will be provided at the retreat

# Recruitment/Retention



## City of Flagstaff Recruitment Campaign

**WE LOVE FLAGSTAFF,  
YOU LOVE FLAGSTAFF**

<input checked="" type="checkbox"/> State Retirement	<input checked="" type="checkbox"/> Four Seasons
<input checked="" type="checkbox"/> Healthcare Benefits	<input checked="" type="checkbox"/> Outdoor Adventure (60 mph)
<input checked="" type="checkbox"/> 11 Paid Holidays (and 60 mph)	<input checked="" type="checkbox"/> Diverse Population
<input checked="" type="checkbox"/> Vacation Package	<input checked="" type="checkbox"/> Great Schools
<input checked="" type="checkbox"/> First-Time Homebuyer Assistance	<input checked="" type="checkbox"/> Friendly Neighbors
<input checked="" type="checkbox"/> Paid Parental Leave	<input checked="" type="checkbox"/> Enhanced Quality of Life

**Join Team Flagstaff - we check all the boxes.**

Apply now at [FlagstaffCityCareers.com](http://FlagstaffCityCareers.com)

Video

**COOL CAREERS.  
COOL PEOPLE. COOL MOUNTAINS.**

<input checked="" type="checkbox"/> State Retirement	<input checked="" type="checkbox"/> Four Seasons
<input checked="" type="checkbox"/> Healthcare Benefits	<input checked="" type="checkbox"/> Outdoor Adventure (60 mph)
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**We check all the boxes.**

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Video

**BE A PART OF MAKING  
FLAGSTAFF THRIVE**

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Video

# Recruitment/Retention



Police Department Video

# Recruitment/Retention



- Next steps
  - Committee creating a marketing plan
  - Organizing photography and video services
  - Gathering City staff for models

# Benefits - Pension

- Elected Officials Retirement Plan – no update available yet
- ASRS decrease - \$50,000 decrease to General Fund
  - FY 2021-2022 (Effective 7.1.21)
    - Pension & Health Ins 12.22%
    - Long Term Disability 0.19%
    - Total 12.41%
  - FY 2022-2023 (Effective 7.1.22)
    - Pension & Health Ins 12.03%
    - Long Term Disability 0.14%
    - Total 12.17%
- PSPRS
  - City's Tier 1 & 2 rate decreases
    - Tier 2 employee rate will decrease from 11.65% to 7.65%
- PSPRS
  - Police decrease - \$109,000
  - Fire decrease - \$196,000

# Benefits



- Vision - no increase
- Dental
  - 5.00% increase
    - \$19,500 increase to General Fund if fully paid by the City
- Medical insurance
  - 5.00% increase
    - \$340,000 increase to General Fund if fully paid by the City
- Total pension and health insurance net increase to General Fund
  - \$4,500

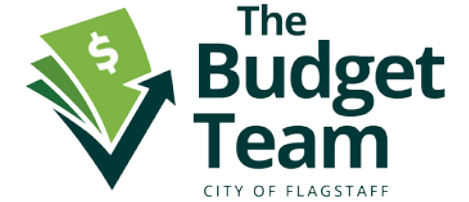
# Compensation



- Employee Increase Terminology
  - Compression Adjustment
    - Individual employee salaries are adjusted upward to properly position them in their pay range (compa ratio)
  - Cost of Living Adjustment (COLA)
    - All eligible employees receive at the same time
    - All eligible employees usually receive the same percentage (pay ranges are NOT adjusted)
  - Market Adjustment
    - Ranges (and employees) adjusted upward to maintain competitive position with benchmarks
    - Amounts may vary by position
  - Merit – or Performance Based
    - Eligibility and amount received normally based on performance

# Compensation History

## FY 2008-2009 to FY 2021-2022



Fiscal Year	Merit	Market	COLA	Other
2008 - 2009	Avg 3.2%	2%		1.2% pay decrease on 5/1/2009
2009 - 2010				
2011 - 2012				1.2% pay decrease restored
2012 - 2013				
2013 - 2014		3.20%		
2014 - 2015	0.4 - 2%			\$100 - \$450 longevity bonus
2015 - 2016		2%		
2016 - 2017		Min 2%		Plus Phase I Market Based Pay Plan
2017 - 2018		Min 2%		Plus Phase II Market Based Pay Plan
2018 - 2019		Min 2%		Plus Phase III Market Based Pay Plan
2019 - 2020	1-3%			Merit based on years of service
2020 - 2021			2%	Effective 2/21 - ranges not adjusted
2021 - 2022	3% or Step			New Pay Plan Structure with completely updated market-based pay ranges, compression adjustments

# Budget Team Compensation by Priority

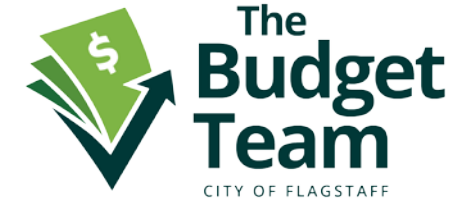


1. Minimum Wage Ordinance (Mandatory) Recap
2. Merit Increase Recap (approved and budgeted)

Additional recommendations to maintain compensation plan health:

3. Market Adjustments
4. Compression Adjustment
5. Cost of Living Adjustment (COLA)

# 1. Minimum Wage Ordinance (Mandatory) Recap



- Beginning in 2023 the minimum wage must increase by the Consumer Price Index (CPI) AND be at least \$2.00 higher than the State of Arizona minimum wage
- Two (2) cost assumptions – a moderate CPI increase of 3% and a more likely closer estimate of 5% ( could be higher)
- A CPI adjustment greater than 3% will require modifications to our current Regular Pay Plan structure
- Cost assumptions include maintaining employee compa-ratios
- Cost Impact:
  - 3% = \$ 49,100
  - 5% = \$288,700

## 2. Merit Increase Recap

- Aligned with a profound commitment that employee compensation will remain a priority
- Approved and budgeted (5-year plans) as an outcome of the Compensation Study beginning FY 2021-2022
  - Regular Pay Plan – 3%
  - Step increase for Fire, Police (Public Safety) and Water Services Operators\*
- Total estimated cost of increase: \$2,057,000

\*Step plan for Water Services Operators designed and implemented October 11, 2021

# 3. Market Adjustments Recap



- A sampling of 25% of positions should be surveyed each year and adjusted if indicated
- Employee compa-ratio should be maintained in adjusted ranges
- Budget .25% of the annual salary expense as a starting point
- Unused funds would carry over with the intent of developing adequate funding year over year
- Estimated budget for Market Adjustments: \$143,000

# 4. Compression Recap



- Adjustments implemented in July 2021 did not correct over ten years of increasing compression
- Recruitment/retention challenges furthering compression
- Recommendation to apply one more compression adjustment for employees in the Regular Pay Plan effective 7/10/22
- Analysis based on combination of tenure and compa-ratio
- Expense estimate: \$205,800

# 5. Cost-of-Living Adjustment (COLA)



- All employees are adjusted upward by a budgeted %
- Pay ranges are NOT adjusted
- Estimated expense per 1% adjustment: \$ 575,000  
3% adjustment: \$1,725,000  
5% adjustment: \$2,875,000
- While not routinely needed, events such as exceptional increase in inflation may trigger a need to do this to maintain competitive employee compensation
- NOTE: If adopted will likely minimize the need for compression adjustments and would recommend deferring until following fiscal year to analyze need at that time



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# Employee Advisory Committee

Jared Wotasik, EAC Co-Chair and Budget Team Delegate

# EAC Recommendations and Priorities



## Priority 1:

- 9-9 split vote between a Cost-of-Living Adjustment (COLA) and the City picking up the total insurance benefits increase

## Recommendation for City to provide:

- 5% Cost of Living Adjustment (COLA) effective July 1<sup>st</sup>,  
AND
- 5% increases to health and dental insurance plans
- Priority 2:
  - Compression adjustment (details to be determined)

# EAC Recommendations and Priorities



- City to cover 5% increase to health insurance premiums
  - Current COF Premium Sharing (Employer/Employee)
    - Employee only premium split: 90%/10% - employee premium \$65.60
    - Family premium split: 62%/38% - employee premium \$622.08
  - Coconino County Current Premium Sharing (same health plan)
    - Employee only premium split: 97%/3% - employee premium \$20.00
      - \$45.60 less than COF
    - Family premium split: 72%/28% - employee premium \$480.40
      - \$141.68 less than COF
  - Premium increase impact to employee if City does not cover the increase
    - Employee only: \$33.16 increase
    - Family: \$82.26 increase

\*All amounts are monthly

# EAC Recommendations and Priorities



- Continue to make employee compensation a priority!
- Do not lose traction with improvements made this year with the new Compensation Plan
- Ensure we offer a competitive total compensation package to support recruitment and retention
- Employee appreciation
  - Recent approval of one (1) additional week of Public Health Emergency Leave (PHEL)
  - Merit: already approved and budgeted with continuation unanimously supported by EAC

# In Summary



- In FY 2021-2022 Council and Leadership committed to ongoing merit increases and EAC agrees - these are already in the budget
- Increasing our employee contribution to health insurance would make us less competitive - even with Coconino County
- EAC's recommendation for a COLA is framed in the spirit of the fact that the cost of living is going up for everyone - so everyone should receive an additional increase
- How is the EAC recommendation different from Budget Team's recommendation?
  - EAC recommends a COLA which gives a raise to everyone but does not adjust pay ranges
  - Budget Team recommends compression and market adjustments which target areas of greatest need and ensures our pay ranges are competitive - every employee would not receive an increase



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Thank You

Questions?



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# Bond Committee Update

# Bond Committee Update



- Process update
  - Presentations to committee members on bond projects
  - Timeline
- Communication efforts



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# Federal Funding Update

# Coronavirus State and Local Fiscal Recovery Funds (CLFRF)



- This fund remains an urgent lifeline for local governments and the community
- Final rule was released the first of January with broader flexibility and greater simplicity in the program
- New content is aimed at providing greater clarity and direction
- Its intent was to help minimize administrative burden, and in recognition of the fact that thousands of local governments continue to operate at some level of reduced capacity
- Final rule offers a “standard allowance” for revenue loss replacement of \$10M to spend on government services

# Coronavirus State and Local Fiscal Recovery Funds (CLFRF)



- Spending on government services generally include any service traditionally provided by a government
- Government services is the most flexible eligible use category and funds are subject to streamlined reporting and compliance requirements
- By utilizing the standard allowance this adds effectiveness and efficiency in delivering Council directed programs
- Alleviates the administrative burden, procurement restrictions, compliance/audit risks and extensive reporting
- City Council's commitment to the project allocations will be preserved through accounting, reporting and tracking

EXPENDITURE CATEGORY	COUNCIL DIRECTION	PROJECT	FEDERAL	NON-FEDERAL
			ARPA FUNDS	UP TO \$10M REVENUE REPLACE
<b>1: PUBLIC HEALTH</b>				
1.4	\$ 400,000	Congregate care services, such as shelters	\$ 400,000	
1.10	\$ 2,400,000	Alternate care facility/services		\$ 2,400,000
1.12	\$ 75,000	Community ambassadors to assist with mental health/substance use	\$ 75,000	
<b>2: NEGATIVE ECONOMIC IMPACTS</b>				
2.2	\$ 1,900,000	Housing assistance programs	\$ 1,900,000	
2.7	\$ 60,000	Job training assistance	\$ 60,000	
2.9	\$ 300,000	Small business grants		\$ 300,000
2.10	\$ 150,000	Aid to non-profits - Arts and Sciences		\$ 150,000
2.10	\$ 300,000	Aid to non-profits - Food		\$ 300,000
2.10	\$ 150,000	Aid to non-profits - Other		\$ 150,000
2.10	\$ 300,000	Aid to non-profits - Victim Services	\$ 300,000	
2.11	\$ 150,000	Aid to tourism, travel, & hospitality		\$ 150,000
2.12	\$ 85,000	Local event support, permits & fees	\$ 85,000	
2.14	\$ 100,000	Support for filling vacancies, promotion of Team Flagstaff	\$ 100,000	
<b>3: SERVICES TO DISPROPORTIONATELY IMPACTED COMMUNITIES</b>				
3.1	\$ 250,000	Education Assistance - Early learning	\$ 250,000	
3.3	\$ 350,000	Education Assistance - Facility construction for education programs		\$ 350,000
<b>4: PREMIUM PAY</b>				
4.1	\$ 700,000	Premium Pay for public safety employees		\$ 700,000
<b>5: INFRASTRUCTURE</b>				
5.15	\$ 1,500,000	Drinking Water Infrastructure - Cybersecurity		\$ 1,500,000
<b>6: REVENUE REPLACEMENT</b>				
6.1	\$ 3,832,816	Revenue Loss Replacement		\$ 3,832,816
<b>7: ADMINISTRATION</b>				
7.1	\$ 250,000	Administration of ARPA Local Recovery	\$ 82,816	\$ 167,184
	\$ 13,252,816		\$ 3,252,816	\$ 10,000,000

# Infrastructure Investment and Jobs Act (IIJA) Enacted as the Bipartisan Infrastructure Law (BIL)



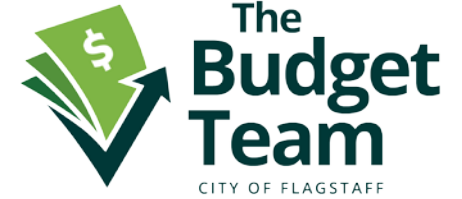
- Signed into law by President Biden on November 15, 2021
- Focus points include
  - Generational transportation investments
  - Combatting the climate crisis
  - Advancing equitable access to transportation
- Federal Highway Administration (FHWA) released [policy memorandum](#)/ additional guidance on December 16, 2021
  - Additional guidance on how the BIL will be interpreted
  - Priorities include "future-proofing" infrastructure, reconnecting communities, and including under-represented groups in project selection and design

# Bipartisan Infrastructure Law (BIL) Impacts for Arizona



- Repair and rebuild roads and bridges
  - \$5.3B in formula funding alone – a 28.4% increase from current State Federal-aid highway formula funding
  - \$117M in formula funding to reduce transportation-related emissions
  - \$133M to increase transportation system resiliency
- Make our transportation system safer
  - \$36M in formula funding to improve driver behavior and reduce deaths from accidents – a 29% increase from current funding levels
  - New \$6B Safe Streets for All Program ("vision zero" plans and other improvements)

# Bipartisan Infrastructure Law (BIL) Impacts for Arizona



- Build an electric vehicle charging network
  - \$76M to build out the charging network
  - Additional \$2.5B in grants
- Passenger rail and freight
  - Eliminate Amtrak maintenance backlog, expand service outside the northeast and mid-Atlantic
  - Arizona eligible to compete for \$10B in rail improvement grants and \$5.5B in grade crossing safety improvements
- Improve our airports
  - Arizona airports to receive \$348M for airside and landside needs
  - Additional funding to expand accessibility, improve access, and improve energy efficiency

# Bipartisan Infrastructure Law (BIL) New and Expanded Competitive Grants



Transportation Grant Programs	IIJA Impact	When will FY22 applications open?
Rebuilding American Infrastructure Sustainably and Equitably (RAISE)	Expanded - \$7.5B	Q1 of 2022
Bus & Bus Facilities Competitive Grants	Expanded - \$2B	Q1 of 2022
National Infrastructure Project Assistance (MEGA)	New - \$5B	Selection criteria posted Feb 2022
Infrastructure for Rebuilding America (INFRA)	Expanded - \$14B	Q1 of 2022
Safe Streets and Roads for All	New - \$5B	May 2022
Charging and Fueling Infrastructure Grants	New - \$2.5B	Comments accepted this spring
Reconnecting Communities	New - \$1B	Q2 of 2022
Rural Surface Transportation Grant	New - \$2B	Q1 of 2022

# Bipartisan Infrastructure Law (BIL) New and Expanded Competitive Grants



Climate, Energy & Environment Grant Programs	IIJA Impact	When will FY22 applications open?
Building Resilient Infrastructure & Communities Program	Expanded - \$1B	Sept. 30, 2022
Flood Mitigation Assistance	Existing - \$3.5B	Sept. 30, 2022
Water & Groundwater Storage and Conveyance	Expanded - \$1B	Spring 2022
Brownfields Remediation Program	Expanded - \$1.2B	Announcements this spring
Grants for Energy Efficiency and Resilience Code Adoption	Existing - \$225M	End of 2022
Regional Clean Hydrogen Hubs	New - \$8B	Summer 2022
Community Wildfire Defense Grant Program	New - \$1B	Early 2023

# Bipartisan Infrastructure Law (BIL) New and Expanded Competitive Grants



Broadband, Cyber and Other Grant Programs	IIJA Impact	When will FY22 applications open?
ReConnect Program	Expanded - \$2B	Q3 of 2022
Middle Mile Grants	New - \$1B	Q2 of 2022
State and Local Cybersecurity Grant Program	New - \$1B	Q3 of 2022
Smart Grid Investment Grant Program	Expanded - \$3B	End of 2022
Energy Sector Operational Support For Cyber Resilience Program	Expanded - \$50M	Summer of 2022

# Environmental Infrastructure Program

Summary of Work to Be Accomplished with Allocation	FY22
Initiate and complete West Causeway Extension.	250,000,000
Physically complete and fiscally close out project.	88,540,000
Complete project and fiscally close out project	28,050,000
Initiate, physically complete and fiscally close out project.	185,225,000
Physically complete and fiscally close out project.	109,147,000
Initiate, physically complete and fiscally close out project.	65,750,000
Install Avra WRF Backup Generators	2,250,000
Install reclaimed water pipeline and rehabilitate existing infiltration gallery at the Queen Creek Restoration Project, Superior, AZ	2,250,000
Continue construction of Flagstaff Downtown Flood Lateral Tunnel, AZ	1,200,000
Construction of a water distribution line delivering non-potable water in lieu of potable water to the reservation from the City of Tucson for irrigation at the Tribe's Wellness Center, Pueblo Park and associated ballfields on the Pascua Yaqui Reservation (Wellness Center Unit).	578,000
Continue Quartzsite Water System Improvements	772,500
Wastewater Treatment Plant improvements in the town of Buckeye, AZ	2,250,000
Install new combination and rate of flow and backwash pressure reducing valve and install new pressure transmitters in the Town of Kearny, AZ	1,155,000
Construction of Interconnection of Waterline in Maricopa, AZ	3,500,000
Construct the WF Killip Elementary School Regional Flood Detention Basin, AZ	1,500,000
Connect the Camp Verde School District and an area assisted living facility to the Yavapai-Apache Wastewater Treatment Plant for more reliable service.	3,000,000
Cambria Design & Environmental Documents	200,000
Work on FONSI, Environmental Documents and Initiate PPA	250,000
Fully fund first construction contract for Taylor Yard.	28,000,000
Complete initial sand placement on Encinitas and Solana beaches.	30,542,000



# Infrastructure Investment and Jobs Act (IIJA)

## Next steps

[Home](#)[Overview](#)[Funding](#)[Assistance / Local Support](#)[Fact Sheets](#)[Guidance](#)

### Overview

The [Infrastructure Investment and Jobs Act \(IIJA\)](#) (Public Law 117-58, also known as the “[Bipartisan Infrastructure Law](#)”) is a once-in-a-generation investment in our infrastructure that will help grow the economy, enhance U.S. competitiveness, create good jobs, and build our safe, resilient, and equitable transportation future.

### Overview of Highway Provisions under the Bipartisan Infrastructure Law

- **Key Highway Provisions, November 2021**
  - [PowerPoint](#) (522 KB)
  - [PDF](#) (506 KB)

The FHWA will add new information to this page over the weeks and months to come.

# Flagstaff Airport CARES Act Grants



- The CARES Act Airport grants are for eligible US airports to prevent, prepare for, and respond to coronavirus impacts, including support for continuing airport operations
- FAA 45 - \$18.1M for operational and maintenance expenses or debt service
- FAA 46 - \$1.4M for operational and maintenance expenses or debt service
- FAA 47 - \$25,672 for concessions relief
- FAA 48 - \$1.9M for operational and maintenance expenses or debt service
- FAA 50 - \$102,687 for concession relief

# Flagstaff Airport Grants



New grants since the December Budget Retreat:

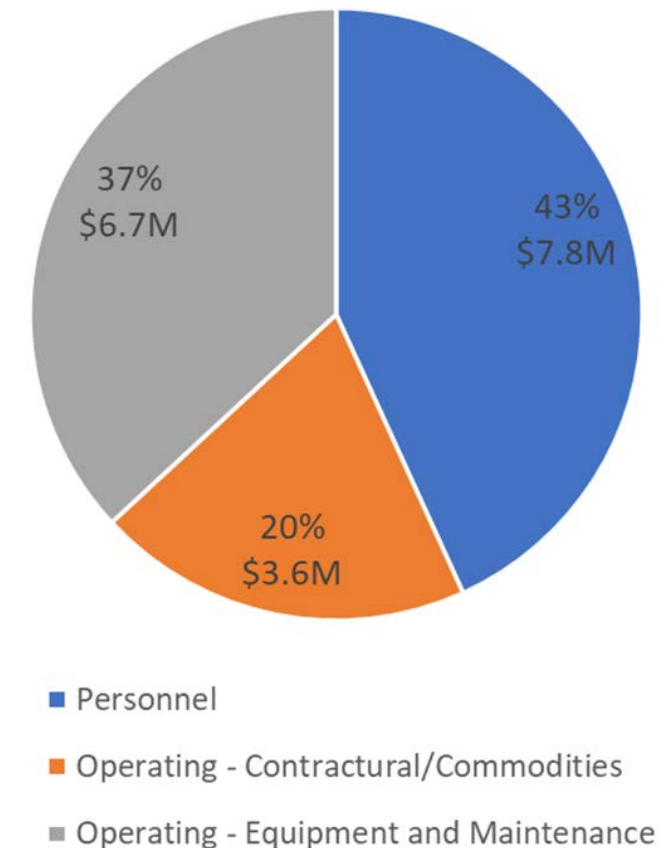
- Bipartisan Infrastructure Law grant: \$1,493,448
- Arizona Department of Transportation (ADOT) State/Local Grant: \$2M for land protection
- ADOT State/Local Grant: \$1.4M for airfield pavement preservation

# Flagstaff Airport CARES Act Grants



- FAA 45: Original \$18.1M CARES Grant
- \$4.52M spent as of December 31, 2021
  - Airport personnel, operating costs, and nine months of rent abatement for airport tenants
- Ongoing projects
  - ~\$350k for aircraft hangar and shade maintenance
  - ~\$160k for airfield maintenance
- Upcoming projects
  - Terminal hold room expansion, airline counter expansion, and facilities maintenance
  - Terminal parking lot maintenance
  - Additional airfield and hangar maintenance

CARES Act Budget - \$18,134,294



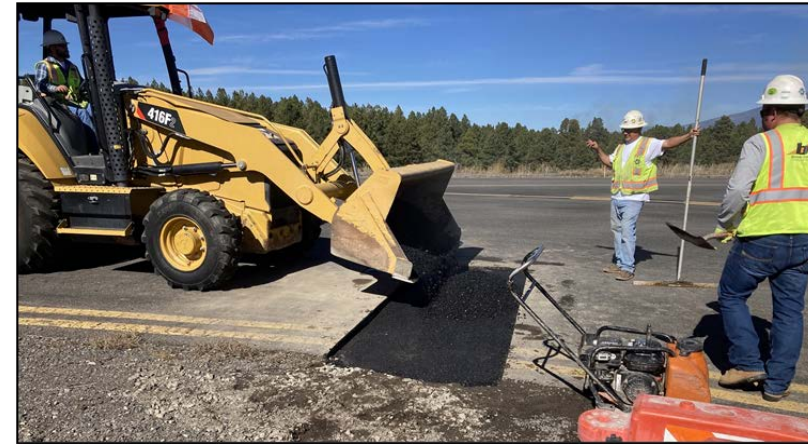
# Flagstaff Airport CARES Act Grants



## Westplex Hangar and Shade Repairs - Phase I



## Airfield Maintenance



# Future Federal Funding Updates



- Regular legislative email updates from Bob Holmes on BIL, ARPA and other relevant funding legislation
- City project implementation updates
- Legislative and project implementation updates to be included in City Manager reports on an as needed basis



The  
**Budget Team**  
CITY OF FLAGSTAFF



# Resource Allocations and Priorities

# Stormwater



## Needed Capacity:

- 10-year capital plan includes \$60.2 million in projects
- Effective ongoing maintenance and asset management
  - \$675,000 in ongoing operations
  - \$500,000 in equipment investment

## Risk:

Infrastructure/property damage  
Erosion of natural areas  
Continued flood response

- \$1.8 million/year

Quality of life for residents

## Efforts Underway:

- Dedicated maintenance program
- Bond discussions
  - \$22 million identified need
- Grants
  - \$4.2 million in applications for FY 2023
  - \$12.3 million earmarked for FY 2024 projects
    - *Grants are highly competitive and not guaranteed; require local match*
- Utility rate discussions

# Stormwater



## FY 2022-2023 Capital Project and Ongoing Maintenance Needs

- Ongoing flood mitigation budget
- Ongoing operations - capital maintenance budget
- Ongoing operations maintenance
  - Open channel maintenance (wash, waterways, open channel conveyance)
  - Closed channel maintenance (culverts, box culverts, underground utility)
  - Problem area identification and spot improvements
- Equipment investment - backhoe, combination truck, mini-dozer
- Spruce Wash flood mitigation projects
  - \$29 million, with design estimates still coming in
- Other capital projects
  - \$28 million, including Rio de Flag Flood Control Project

# Wastewater

## Resiliency, Redundancy, Compliance

### Necessary upgrades and replacements

*over next 6 years*

- \$28 million in capital budget
- versus*
- \$69 million in capital needs
  - \$32 million identified bond projects
- Does not address future capacity needs

## Risk: Plant and Utility Failure

- Facilities flooded and damaged
- Environmental contamination
- Loss of community trust
- Regulatory non-compliance
- Reclaimed water supply loss

## Efforts Underway:

### Bond discussions – project funding

- Citizen Bond Committee discussions

### Rate studies

- Rates meet demand needs

### Master planning

- Master Plan captures current and anticipated needs

### Strategic Plan

- Following 2020 5-year Strategic Plan

# Wastewater



## Unfunded FY 2022-2023 Projects \$8.2 million

- Rio Plant bar screens - balance (\$500,000)
  - Rio Plant clarifiers (\$250,000)
  - Rio Plant grit removal (\$750,000)
  - Wildcat Plant headworks rehab (\$1.5M)
  - Wildcat Plant co-gen (\$2.5M)
  - Sewer line replacements (\$1.8M)
  - Other projects (\$900,000)
- 
- *\*\$4 million in project funding for FY 2022-2023*

# Public Safety



## Joint Safety Communication Equipment



### Public Safety Emergency Radio Equipment

- Replacement and upgrades to the repeater towers on Mount Elden to keep frequencies in dispatch and on the ground operational
- Replacement of all handheld and mobile radio units in Police, Fire and Public Works
- Units currently operational but are 10-years old with a 7-year recommended life span and are no longer supported for minor or major repairs

**Priority #1**

**Estimated Cost - \$2.75M + \$415K (15% inflation)**

**Total Cost = \$3,165,000**

# Public Safety



## Fire Apparatus Replacement



### All Risk Operations

- All units are over recommended life (20+ years) as front-line units - City moved to 25-year replacement plan in 2008 due to recession and have remained
- Building configurations and demand on units continues to increase
- 1 - Quint - \$1.75M (23 years old)
- 1 - All risk pumper - \$1.5M (21 years old – electric vehicle option built into cost)

**Quint Priority #2, Engine Priority #3**

**Estimated Cost - \$3.25M + \$490K (15% inflation)**

**Total Cost - \$3,740,000**

# Public Safety

## Fire Apparatus Replacement

### Wildfire

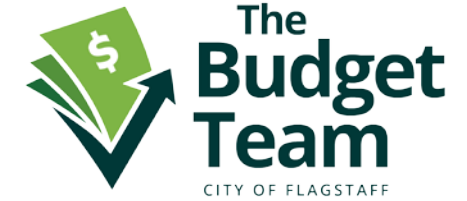


- These units are over recommended life (20+ years) as front-line units
- Wildfire risks continue to elevate in and around our community
- 2 - Wildfire engines - \$1M (21 years old)
- 2 - Water tenders - \$900k (22 years old)



**Engines Priority #4, Tenders Priority #6**  
**Estimated Cost - \$1.9M + \$285K (15% inflation)**  
**Total Cost - \$2,185,000**

# Public Safety



## Fire Apparatus Bay Storage



### Storage Needs

- Out of bay space with current apparatus placement
- In need of at least five additional bays
- Metal buildings are the cheapest route on current City owned property

**Estimated Cost - \$1.2M + \$180K (15% inflation)**

**Total Cost - \$1,380,000 (Two bay = \$600K)**

**Two Bay Priority #7, Three Bay priority #5**

**Grand Total Public Safety Bond Cost =  
\$10,470,000 (all priorities included)**

# Carbon Neutrality: Proposed Bond Projects

Healthy and  
Efficient Homes

Energy  
Independence  
Initiative

Safe and  
Accessible Bike  
and Pedestrian  
Infrastructure

Community  
Health and  
Resilience  
Initiative

Accessory  
Dwelling Units  
Infill  
Accelerator

Healthy Homes  
and Stoves

Community  
Electric  
Mobility

Northern  
Arizona Food  
Systems  
Support

# Carbon Neutrality



<b>Healthy and Efficient Homes</b>	\$15.5 million	Increase home health, safety, affordability, and energy-efficiency through: <b>1) 500 deep energy retrofits</b> for low-income families <b>2) Expanded rebates</b> for energy efficiency upgrades <b>3) Loan guarantee and interest buy-down program</b> <b>4) Workforce development</b>  <i>Current funding: \$20,000 annually – rebates for home energy efficiency upgrades</i>
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<b>Energy Independence Initiative</b>	\$ 15 million	<b>1) Large-scale, COF-owned renewable energy project.</b> <b>2) Solar and battery microgrid systems</b> at emergency response facilities – police, fire, airport.  <i>Current funding: \$95,000 one-time – investment in the Leeward wind project (NM) to offset 100% of COF electricity usage in 2022</i>
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# Carbon Neutrality



## Safe and Accessible Bike and Pedestrian Infrastructure

\$ 30 million

**Construct safe biking and walking infrastructure** to fulfill the goals of Active Transportation Master Plan (ATMP). Includes pedestrian crossings, primary bikeways, new FUTS trails, protected bike lanes.

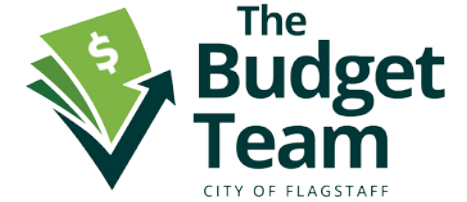
*Current funding: \$34.5 Million from Proposition 419 and the First-last mile grant.*

## Community Health and Resilience Initiative

\$ 3.3 million

- 1) Create **Community Resilience Hubs** by retrofitting existing COF recreation facilities with advanced air filtering, solar panels and battery back-up systems. Neighborhood-based Hubs will provide refuges and resources in emergencies big and small.
- 2) Expand the **HEPA filtration system grant program**. Breathing-impaired and smoke-sensitive residents will receive filters to assist on unhealthy air days, which are becoming more frequent.

# Carbon Neutrality

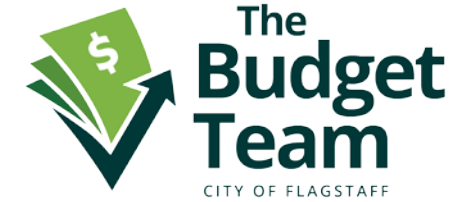


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<b>Accessory Dwelling Units Infill Accelerator</b>	\$ 1.5 million	<b>Incentives for new Accessory Dwelling Units (ADUs)</b> that provide affordable and energy-efficient rental housing.  This will increase the availability of housing in existing neighborhoods through financial incentives and pre-approved plan sets for small, energy-efficient homes.
<b>Healthy Homes and Stoves</b>	\$ 0.75 million	<b>1,500 woodstove rebates</b> to assist residents with the purchase of EPA-certified wood stoves.  These stoves are more energy-efficient, require 33% less wood for the same heat, and improve air quality. Stove upgrades will lead to cleaner air in homes and in neighborhoods and will help residents save money on fuel.

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# Carbon Neutrality



<b>Community Electric Mobility</b>	\$ 2.2 million	<ol style="list-style-type: none"><li>1) <b>Launch Flagstaff bike share.</b> A City-operated bike share system will provide affordable and convenient transportation to Flagstaff residents and visitors. Bike share can reduce reliance on vehicles, complement transit, and help manage congestion.</li><li>2) <b>Subscription Electric Vehicle-Sharing Program</b> in Flagstaff Housing Authority neighborhoods. Enables as-needed car access while drastically reducing costs from private vehicle ownership. 15 vehicles and charging infrastructure across three sites.</li></ol>
<b>Northern Arizona Food Systems Support</b>	\$ 3 million	<p>Launch a <b>multi-pronged initiative to increase food security and resilience.</b> Develop community gardens, indoor community greenhouses, and a regional commissary kitchen. Provide business development and food-to-market assistance to local farm and food businesses.</p> <p><i>Current funding: \$16,500 annually - for current food initiatives</i></p>

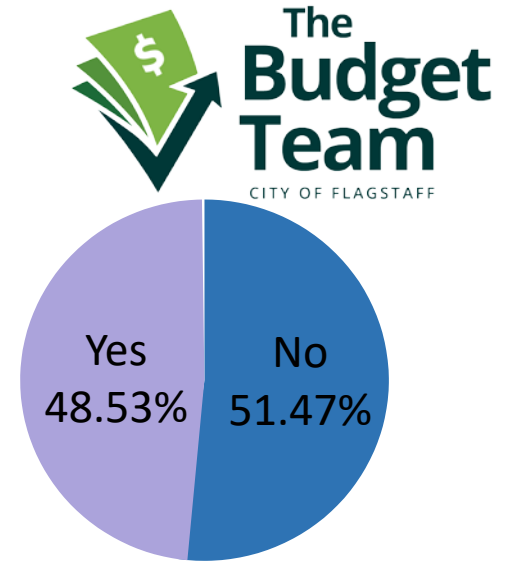
# Housing



- Review the Housing Commission bond recommendations
  - A touch of history
- Housing resource allocation needs

# Lessons Learned

In 2018, Proposition 422 did not pass by fewer than 3% of votes. The Housing Commission explored why and found:



- Council direction to place 422 on the November 2018 ballot was later than typical timing for similar items, limiting the time available to prepare to inform and educate citizens
- Divided Council support (4 - 3 decision to place on ballot)
- Citizens felt the proposition was vague and lacked accountability
- Many citizens misunderstood the tax implications of the bond



# What has changed in the last 4 years?



## Timing

- It has been four years
- Work started in 2019
- Framework for recommendations in place early (2020 and refreshed in 2021)

## City Council Support

- Established a Housing Commission and declared a Housing Emergency
- Council has expressed support for a housing bond measure multiple times

## Oversight and Accountability

- Housing Commission with specific, broad membership
- Ordinance creating the Housing Commission specifically mentions oversight responsibility of bond funds

## Specificity in Programs/Activities and Predicted Outcomes

- Housing Commission created very specific bond recommendations with projected outcomes
- 10-Year Housing Plan scheduled for approval by City Council February 15

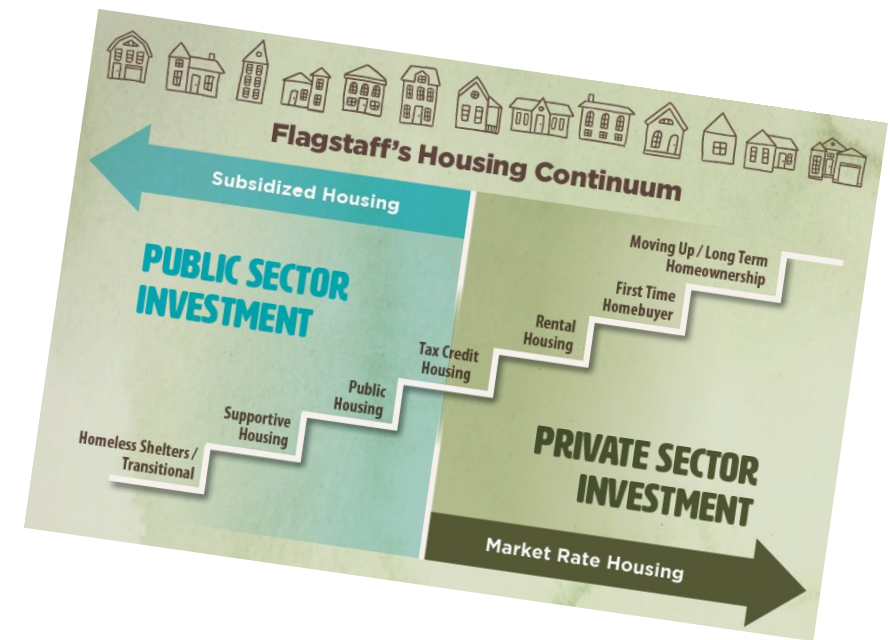
## Growing Community Interest and Understanding of Affordable Housing Challenges

# Housing

Housing Commission developed bond recommendations in 2019 and revisited the recommendations in 2021 based on Council request made in early summer 2021

Three categories:

- Emergency Housing (EH)
- Rental Housing (RH)
- Homeownership (OWN)



# Emergency Housing Recommendations - \$17 Million



Project ( <i>Prioritized</i> )	Amount	Estimated Community Benefit	Revolving Fund Capability (Yes/ No)
<p><b>EH1:</b> Partner with local service providers in support of existing, development of new, and/or expansion of housing assistance programs.</p> <p><b>EH2:</b> Eviction prevention and diversion programs to serve households experiencing or at risk of experiencing homelessness. (\$3,000 per household)</p> <p>Funds utilized over 20 years</p>	<p>\$11 Million</p> <p>\$ 6 Million</p>	<p>Initially 2,200+ Households Served</p> <p>Initially 2,000 Households Served</p>	<p>Potentially</p>

# Rental Housing Recommendations - \$16 Million



Project ( <i>Prioritized</i> )	Amount	Estimated Community Benefit	Revolving Fund Capability (Yes/ No)
RH1: Redevelopment of housing owned & managed by the City	\$5 million	250 units minimum (serving various AMIs)	No
RH2: Incentivize private sector affordable rental housing development through the creation of a revolving loan fund	\$8 million	700-800 units (assuming an investment of \$750K per project – 10 projects)	Yes, with repayment after expiration of affordability time period
RH3: Acquisition of property in partnership with private developers to adaptively reuse available property for the creation of affordable housing	\$3 million	Approximately 75 households	Yes

# Workforce Housing / Homeownership - \$17 Million



Project (Prioritized)	Amount	Estimated Community Benefit	Revolving Fund Capability (Yes/ No)
<b>OWN 1:</b> Homebuyer Purchase Assistance Loan Program	\$11 million	480 homeowners served with initial purchase funding	Yes
<b>OWN 2:</b> Development and/or Acquisition Assistance for land/units to create affordable homeownership opportunities	\$5 million	125 housing units created	Yes
<b>OWN 3:</b> Owner Occupied Health and Safety Housing Rehabilitation Loan Program	\$1 million	25 households served with initial funding	Yes

Proposed Housing Bond Projects	Rec. #1	Rec. #2	Rec. #3
<b>EH1: Partner with local service providers in support of existing, development of new, and/or expansion of housing assistance programs.</b>	\$ 11,000,000	\$ 8,000,000	\$ 7,000,000
<b>EH2: Eviction prevention and diversion</b> programs to serve households experiencing or at risk of experiencing homelessness. (\$3,000 per household)	\$ 6,000,000	\$ 5,000,000	\$ 3,000,000
<b>RH1: Redevelopment of housing</b> owned & managed by the City	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
<b>RH2: Incentivize private sector affordable rental housing development</b> through the creation of a revolving loan fund (Revolving)	\$ 8,000,000	\$ 6,000,000	\$ 3,000,000
<b>RH3: Acquisition of property in partnership with private developers</b> to adaptively reuse available property for the creation of affordable housing (Revolving)	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000
<b>OWN 1: Homebuyer Purchase Assistance Loan Program</b> (Revolving)	\$ 11,000,000	\$ 9,000,000	\$ 6,000,000
<b>OWN 2: Development and/or Acquisition Assistance for land/units to create affordable homeownership</b> opportunities (Revolving)	\$ 5,000,000	\$ 4,000,000	\$ 3,000,000
<b>OWN 3: Owner Occupied Health and Safety Housing Rehabilitation Loan Program</b> (Revolving)	\$1,000,000	\$1,000,000	\$1,000,000
<b>TOTALS</b>	<b>\$ 50,000,000</b>	<b>\$ 40,000,000</b>	<b>\$ 30,000,000</b>

# Housing - 10 Year Plan

Resource needs tied to plan and potential bond measure



## *Immediate / Short-Term*

### Create 3: Create a dedicated funding source for affordable housing in Flagstaff

Create 3.1 - Present 2022 Bond Measure to Council and Community for consideration for additional funding to be leveraged with local, state and federal dollars (already underway)

Create 3.2 - Create a fund for the purpose of acquiring land/units for affordable housing in order to be able to respond to opportunities as they arise

Create 3.3 - Identify ongoing resource opportunities for the purpose of assisting households experiencing homelessness, households at risk of becoming homeless, first-time homebuyers, and affordable housing targeted to these populations

# Housing - 10 Year Plan

## Resource needs tied to plan implementation

### *Immediate / Short-Term*

#### **Create 5: Explore regulatory efficiency and cost saving practices**

##### **Create 5.1 - Hire an independent consultant to review city codes, processes and fees to determine whether modifications, reductions, or eliminations would facilitate cost saving housing development strategies**

Create 1.2 - Update the City's affordable housing incentive policy to implement the goals and policies of the 10-Year Housing Plan

Create 1.3 - Amend the City code to implement the revised affordable housing incentive policy

Preserve 1.2 - Review the Land Use Goals and Policies in the Regional Plan, Specific Plans, and City code to remove barriers to adaptive reuse for the creation of affordable housing

Create 4.3 - Explore adding affordable housing as an allowed use in the Public Facilities (PF) Zone

Create 4.7 - Continue to evaluate and amend the current Accessory Dwelling Unit (ADU) zoning code standards with the goal of increasing supply

**Resource Need - \$250K**



# Housing - 10 Year Plan

## Resource needs tied to plan implementation



### *Immediate / Short-Term*

**Connect 1.2 - Create housing navigator or advocate positions to assist both landlords and housing challenged populations in securing and maintaining housing**

**Resource Need - \$82,173**

**Protect 2.4 - Implement a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community, creating a groundswell of support for affordable housing and combat community opposition to housing and affordable housing**

**Resource Need - \$10,000**

**First Year Plan Implementation**

**Resource Need - \$10,000**

# Housing - 10 Year Plan



## Resource needs for ongoing programs

- Community Homebuyer Assistance Program (CHAP) - \$250K
- Organization Wide Employer Assisted Housing Program - \$75K
- Developer Incentives - \$100K

# Housing Funding



## Federal - Grant / Entitlement - ongoing funding

- Community Development Block Grant
- Housing Authority Programs

## All Other Housing Programs

- General Fund one-time annual requests



# Capital Improvements



- FY2021-22

## Planning

JWP Lake Mary to Airport  
JWP Lone Tree to Fourth Street  
Downtown Mile

## Design

Lone Tree Overpass  
Beulah University  
Butler Avenue Widening  
Rio de Flag  
Fanning-Route 66 Landscaping

## Construction

La Plaza Vieja Traffic Calming  
Coconino Estates I and II  
Library Entry  
West Flag Improvements

- FY2022-2023

## Planning

Butler O'Leary Crossing  
Ft. Valley Sidewalk  
Downtown Mile  
Pilot Program Separate Bike  
First Mile Last Mile

## Design

Rio de Flag  
Fourth-Lockett Roundabout  
Aspen Bike & Ped. Imp.  
Switzer Canyon Trail

## Construction

Beulah University  
Coconino Estates I and II

# Capital Improvements

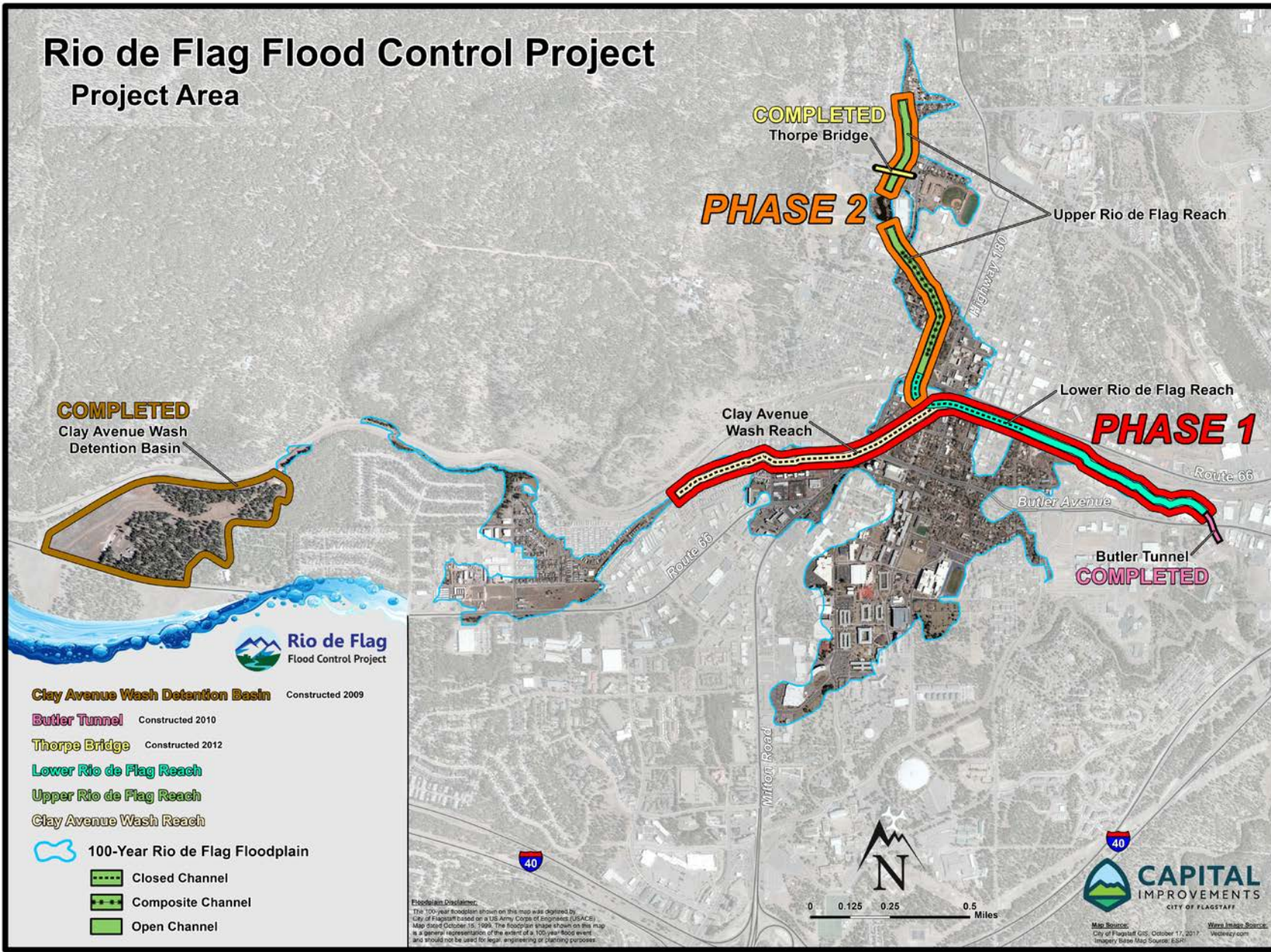


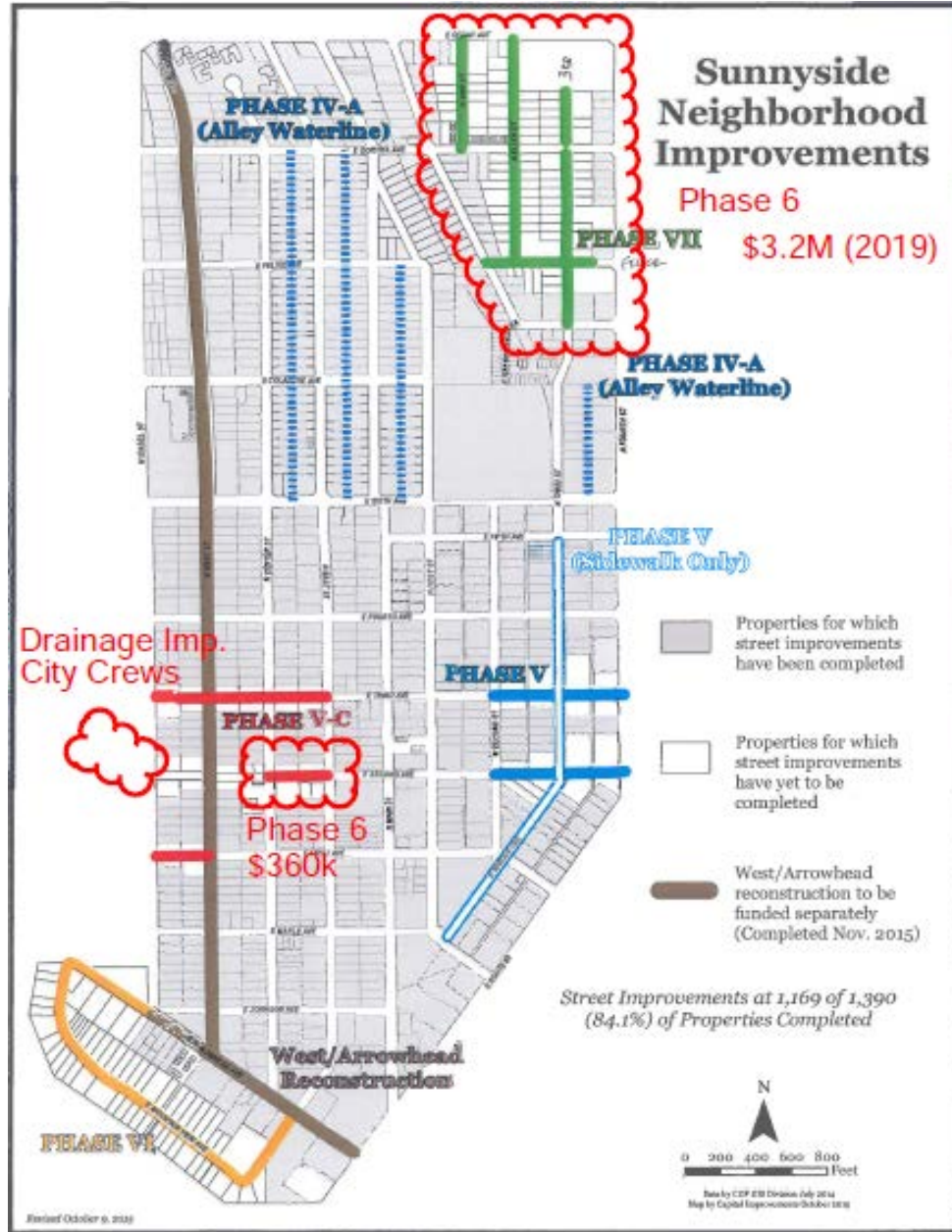
- Staffing is adequate for the proposed 5-Year Program (FY2023-FY2027)
  - High priority projects include Rio de Flag Flood Control project, Downtown Mile projects, Lone Tree overpass, Museum Fire flood mitigation and Prop 419 projects (Butler, Lone Tree and John Wesley Powell)
  - Pedestrian, Bicycle and Flagstaff Urban Trails System (FUTS) projects/program
  - Depends on extent of available funding (bond initiatives/grants)
- Sunnyside Neighborhood Improvements
  - \$4M estimated to complete
  - \$1.69M of this amount to be dedicated as final two AutoMall lots sell, leaving a shortfall of \$2.7M
- Carbon Neutrality
  - Multi-modal; transportation engineer; engagement coordinator
  - Transportation Demand Management coordinator
  - Depends on extent of available funding (bond initiatives/grants)



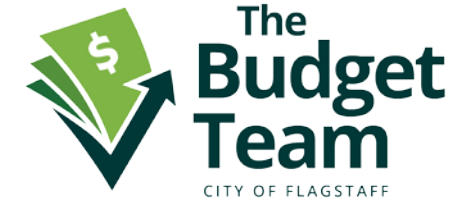
# Rio de Flag Flood Control Project

## Project Area





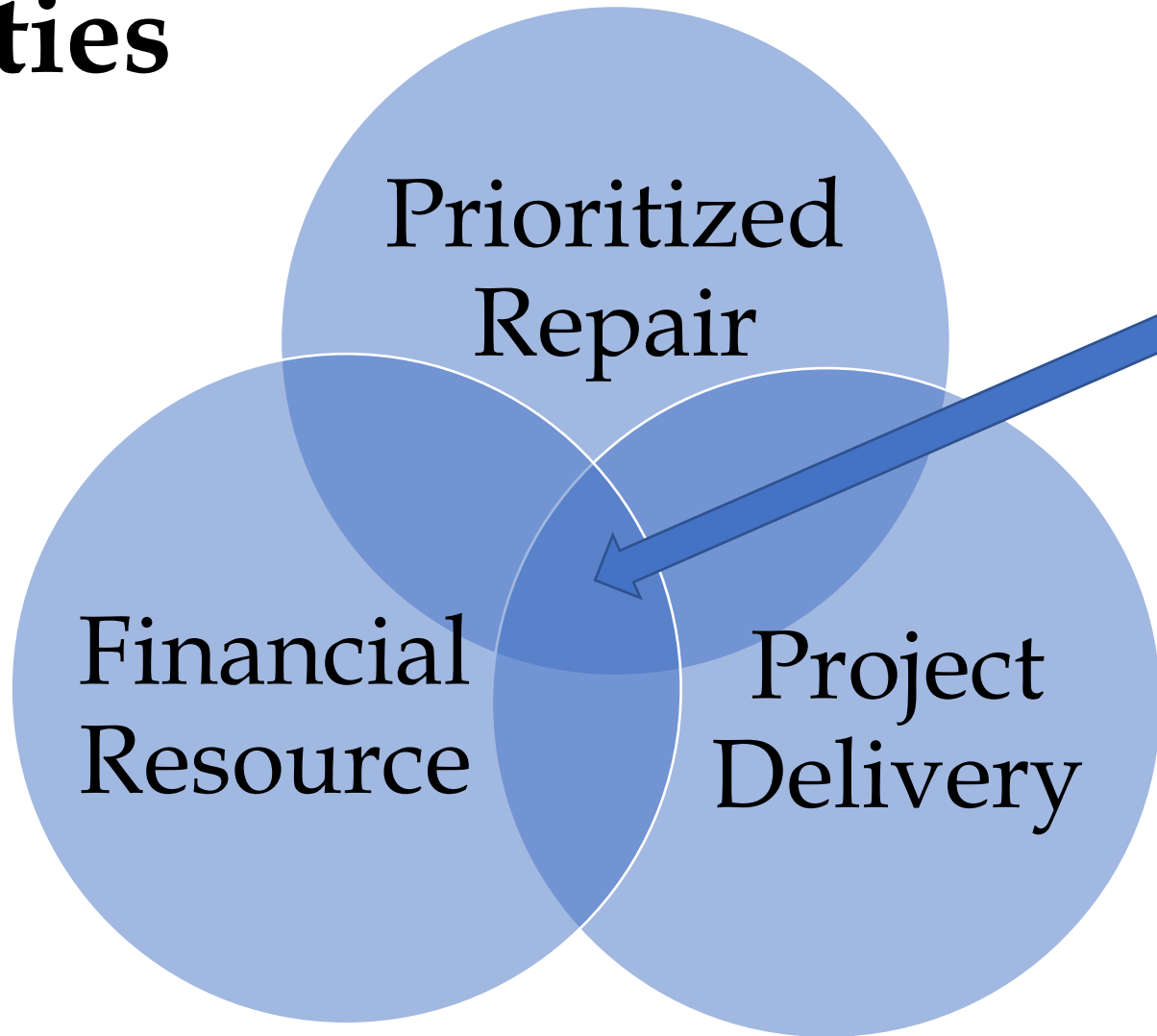
# Facilities



**Commitment to community facilities, demonstrating the focused attention to asset preservation, maintenance and high-quality energy stewardship.**

- Assets
  - 1 Million square feet in 96 structures with a 116-year spread
    - 1904 Milligan House to 2020 Courthouse
  - Unique uses, complex needs and mixed funding resources
  - Totality of the asset and honest assessments = data driven decisions
- Facilities Advisory Committee
  - Representation of all users and internal support staff for strong collaboration
  - Reviewing asset assessments and prioritizing capital renewal projects and major repairs
  - Totality of the asset and honest assessments = data driven decisions
  - Working to find efficiencies in delivery and investing in existing assets

# Facilities



*2022-2023 Capital  
Renewal Work  
Program*

# Facilities



- Projects in recent work program
  - Chambers enhancement
  - City Hall window replacement project
  - Main Library window replacement project
  - Boiler projects at City Hall and Main Library
- Annual budget appropriation is currently \$270K per year
  - *FY 2022 -2023 request is to increase General Fund contribution, \$500K to \$1M to provide work program dollars focused on addressing top ranking capital renewal projects*

# Fleet



**Responsible for the City rolling stock, demonstrating the focused attention to asset preservation, maintenance, replacement of vehicles and equipment.**

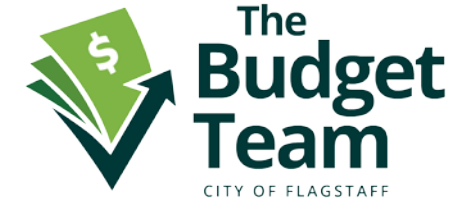
- Assets
  - 700 units of unique vehicles
  - \$ 26.8M fleet value
  - Unique uses, complex needs and mixed funding resources
  - Robust replacement criteria by mileage, age, maintenance costs and service reliability
- Fleet Advisory Committee
  - Representation of all users and internal support staff for strong collaboration
  - Reviewing asset assessments and prioritizes purchases regardless of fund source
  - Fleet assignments, repurposing and highest utilization
  - Provides recommendations for Budget Team and Council
  - Stronger focus on emerging technologies and advancements

# Fleet



- General Fund allocation is in the greatest need
- Annual budget appropriation is currently \$765K per year
  - Replacement slip is occurring with units at end of life resulting in out of service conditions and increased maintenance costs
  - FY 2022 -2023 request is to increase General Fund contributions
    1. *Increase annual allocation to \$1.487M to support recommended fleet replacements*
      - *Replaces 90% of our inventory at recommended hours/miles/use*
    2. *Provide a one-time allocation to address some larger ticket items that are at or near end of service; Fire \$2.2M, Parks \$200K and Police \$500K*

# Information Technology



## Broadband

- \$2 million in funding (across multiple programs)
  - Fiber construction costs have almost doubled
  - \$1.5 million ARPA funding
- Working with 5+ fiber providers showing interest in Flagstaff
- City fiber priorities
  - City Hall to Butler (Priority #1)
  - Water infrastructure
  - Police station
  - Economic Development (NACET, Airport, long-haul fiber connects)

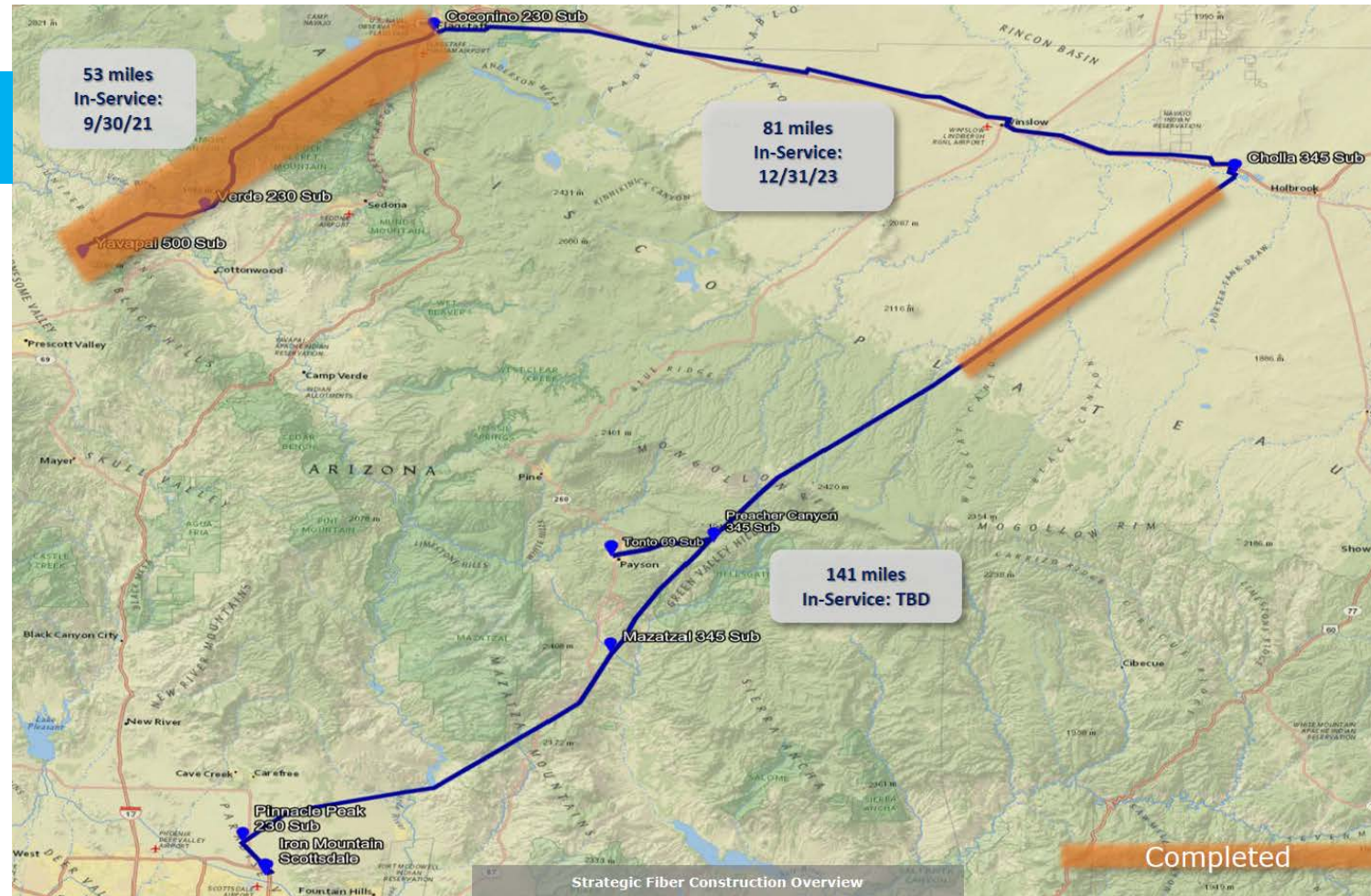
# Information Technology

ADOT



# Information Technology

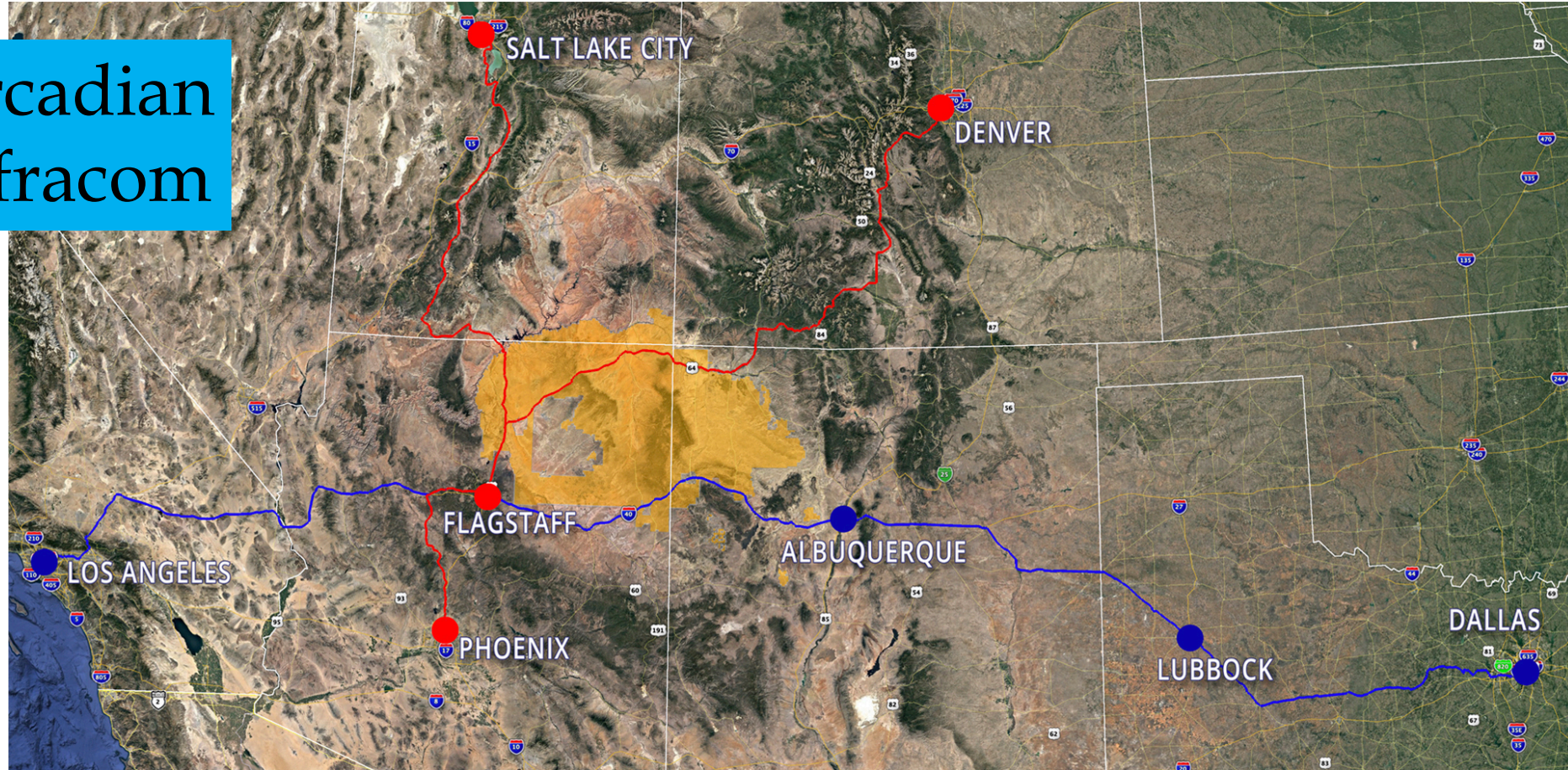
APS



# Information Technology



Arcadian  
Infracom



# Information Technology



## Broadband

- Staff recommendation:
  - Dedicate primary resources to other capital infrastructure projects
  - Continue some fiber funding to add scope to capital projects, public/private partnerships or grant match opportunities
  - Patience 😊

# Information Technology



- Infrastructure includes servers, network, PC replacements, security, licensing, etc.
- Infrastructure funding
  - Current annual allocation = \$102,561
  - Total annual need = \$750,000
  - **Total gap = \$650,000**
- Software licensing
  - Current annual allocation = \$295,605
  - Total annual need = \$620,605
  - **Total gap = \$325,000**



# Council Direction



The  
**Budget Team**  
CITY OF FLAGSTAFF



# Council Forum/ Budget Expectations



The  
**Budget  
Team**

CITY OF FLAGSTAFF