

MINUTES

1. Call to Order

Mayor Daggett called the Budget Retreat of the Flagstaff City Council held April 28, 2023, to order at 8:34 a.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. Roll Call

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

PRESENT:

ABSENT:

MAYOR DAGGETT
VICE MAYOR ASLAN
COUNCILMEMBER HARRIS (arrived at 8:36 a.m.)
COUNCILMEMBER HOUSE
COUNCILMEMBER MATTHEWS
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SWEET

Others present: City Manager Greg Clifton; City Attorney Sterling Solomon.

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

The Council and audience recited the pledge of allegiance, Vice Mayor Aslan read the Mission Statement of the City of Flagstaff, and Councilmember McCarthy read the Land Acknowledgement.

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life for all.

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. City Council FY 2023-24 Budget Retreat

Mr. Clifton offered some opening remarks then turned things over to Katie Wittekind who facilitated the retreat.

A PowerPoint presentation was presented that covered the following:

DAY 2 OPENING AND OVERVIEW
KEY COMMUNITY PRIORITIES
KEY COMMUNITY PRIORITIES – FY 2022-2023 BASE BUDGET

Interim Deputy City Manager Heidi Hansen continued the presentation.

ROBUST RESILIENT ECONOMY
LIVABLE COMMUNITY
ENVIRONMENTAL STEWARDSHIP

Vice Mayor Aslan asked if the Active Transportation Master Plan will have its own lead engineer. City Engineer Paul Mood state that the Traffic Engineer will be the lead engineer over the Active Transportation Master Plan.

Councilmember McCarthy spoke about his desire to see a greater focus on Amtrak and keeping them up and running through the country. He spoke about their fuel efficiency in comparison to airplanes. Mr. Mood stated that staff is working with Amtrak on the southside platform as part of the First Mile Last Mile project. Ms. Hansen added that Discover Flagstaff does advertising for Amtrak. Staff has recently received information about some grant opportunities and they are actively working on those applications. She stated that information can be presented to Council about the work being done in support of rail travel.

City Engineer Paul Mood continued the presentation.

FUTURE PLANNING
UNFUNDED CAPITAL IMPROVEMENTS

Fire Chief Mark Gaillard continued the presentation.

FIRE DEPARTMENT FACILITY PROJECTS

Vice Mayor Aslan asked if anyone has looked at the engineering possibilities for Fire Station #6 related to expansion. Chief Gaillard stated that there has been due diligence at the existing property. There is only about three-quarters of an acre and part of that is deed restricted as open space. There is just not enough room and a challenged site will drive the cost even higher.

Police Chief Dan Musselman continued the presentation.

POLICE FACILITY EXPANSION

A break was held from 9:57 a.m. through 10:16 a.m.

Mr. Clifton continued the presentation.

SUNNYSIDE STEAM/NEIGHBORHOOD FACILITY

Councilmember McCarthy noted his support for the project, but he would like to understand what other uses there could be for the discretionary funding. Mr. Clifton offered that he does not believe that there are any other projects that are as well formulated as this.

Council expressed support to move forward with the project.

Public Works Director Scott Overton continued the presentation.

FACILITIES CAPITAL RENEWAL CITY STORAGE

Planning Director Michelle McNulty continued the presentation.

OLD COURTHOUSE SITE REDEVELOPMENT

Assistant Parks, Recreation, Open Space, and Events Director Amy Hagin continued the presentation.

GIRLS SOFTBALL COMPLEX

Open Space Supervisor Robert Wallace continued the presentation.

ACQUISITION OF OPEN SPACE

Ms. Hansen continued the presentation.

EAST FLAGSTAFF LIBRARY

Water Services Director Shannon Jones continued the presentation.

WATER SERVICES RESILIENCY EXPANSION AND ENHANCEMENT OF WATER SERVICES

Councilmember McCarthy asked about a water rate study. Mr. Jones stated that they are beginning a rate structure study, but it will not fix the entire \$650 million need. Mr. Clifton stated that more information will be coming to Council soon. He anticipates that it will be a discussion like what was had with the stormwater rate study. The rate structure cannot shoulder the entire burden of the projects; there will have to be a lot of strategizing on what can be brought in to fund these things.

Mr. Mood continued the presentation.

BUTLER AVENUE "COMPLETE STREET" LONE TREE REALIGNMENT & INTERCHANGE

Councilmember McCarthy asked what the higher priority is between the intersection and raising the bike lanes to sidewalk level. Mr. Mood stated that they are both high priorities, and it just

depends on which grants are available and which projects are suitable for the grants at the time. Councilmember McCarthy stated that the cost to maintain the candlesticks and curbs is significant and if there was a way to work that project ahead that would save the recurring costs.

Councilmember Sweet and Councilmember Matthews expressed support for advancing the protected intersections on Beaver.

Sustainability Director Nicole Antonopoulos continued the presentation.

CARBON NEUTRALITY

A break was held from 11:40 a.m. through 12:12 p.m.

Management Services Director Rick Tadder continued the presentation.

FINANCIAL PLANNING FOR FUTURE CONSIDERATIONS
GENERAL FUND 10-YEAR PLAN SOURCES AND USES
GENERAL FUND FUNDING
GENERAL FUND 10-YEAR PLAN FUTURE SOURCES AND USES
HURF FUND 10-YEAR PLAN SOURCES AND USES

Streets and Facilities Section Director Sam Beckett continued the presentation.

HURF FUNDING

Mr. Tadder continued the presentation.

HURF FUND 10-YEAR PLAN FUTURE SOURCES AND USES
WATER SERVICES FUNDS 10-YEAR PLAN SOURCES AND USES

Mr. Jones continued the presentation.

WATER SERVICES FUNDING

Mr. Tadder continued the presentation.

WATER SERVICES FUND 10-YEAR PLAN FUTURE SOURCES AND USES
REVENUE TOOLBOX
USER FEES
RATES
STATE SHARED REVENUES
PRIMARY PROPERTY TAX
SECONDARY PROPERTY TAX
VOTER APPROVED TRANSACTION PRIVILEGE TAXES (SALES TAX)
DEBT OPTIONS
DEVELOPMENT FEES (IMPACT FEES)
CAPACITY FEES
GRANTS
STATE AND FEDERAL APPROPRIATIONS
BALLOT MEASURES DISCUSSION
GENERAL OBLIGATION (GO) BONDS
WHAT ARE GO BONDS
SECONDARY PROPERTY TAX
LEGAL LIMITS

CITY POLICY LIMITS
TAX RATE CAPACITY
TAX PAYER IMPACTS
EXPENDITURE LIMITATION
VOTER APPROVED TPT TAXES

Ms. Hansen continued the presentation.

BED, BOARD AND BEVERAGE TAX

Councilmember McCarthy suggested reducing the restaurant percentage to 1.5% and keeping it at 2% for the other uses.

Mayor Daggett stated that the BBB tax was one of the best things Flagstaff ever did, the revenues do so many positive things throughout the community, and she is not interested in reducing it anywhere.

There was no interest from Council to entertain a reduction.

Management Analyst Chris Rhode continued the presentation.

PRIORITY BASED BUDGET
PRIORITIES AND OBJECTIVES
KEY COMMUNITY PRIORITIES
PRIORITY BASED BUDGETING PRIORITIES AND OBJECTIVES
POSSIBLE APPROACHES
POSSIBLE PROCESSES
COUNCIL DIRECTION

Council discussed the PBB priorities and objectives. They agreed that the seven priorities are still relevant and suggested a review of the objectives for each.

Councilmember House encouraged as much engagement as possible with the neighborhood associations, community partners, and social service providers. Bring them into the process to focus in on the localized needs and to ensure that their voices are at the table. Councilmember Harris suggested engaging the youth as well.

A break was held from 1:51 p.m. through 2:06 p.m.

COUNCIL PARKING LOT ADDS/DELETES

Key requests from Council:

- Staff report on Amtrack in conjunction with the airport.
- Consideration of a bigger raise for employees.
- Consider increasing the floor of the employee pay for performance raise with a 3% minimum.
- Prioritization of protected intersections and raised bikeways.
- Consider the use of the Council initiative fund toward AOK Flag (burial services for families in need).
- Attempt to fund outstanding capital projects.
- Consider the use of the Council initiative fund toward the Arizona Trail Association.
- Increase outreach about scholarships for parks and recreation programming.
- Consider support of local festivals.

5. Public Comment

Eric Wolverton with Habitat for Humanity thanked Council for their support and commitment to workforce attainable housing.

6. Adjournment

Day 2 of the Budget Retreat of the Flagstaff City Council held April 28, 2023, adjourned at 2:46 p.m.

MAYOR

ATTEST:

CITY CLERK