

AGENDA

CITY COUNCIL RETREAT
THURSDAY
OCTOBER 12, 2023

AQUAPLEX
1702 N. FOURTH ST.
8:30 A.M.

All City Council Meetings are live streamed on the city's website
(<https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings>)

*****PUBLIC COMMENT*****

If you want to provide a verbal comment during the Retreat, use the link below to join the virtual public comment room.

VIRTUAL PUBLIC COMMENT ROOM

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented into the record as such.

1. Call to Order

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 discussion and consultation 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 through other technological means.

MAYOR DAGGETT
VICE MAYOR ASLAN
COUNCILMEMBER HARRIS
COUNCILMEMBER HOUSE

COUNCILMEMBER MATTHEWS
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SWEET

3. Pledge of Allegiance, Mission Statement, and 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 Retreat

- Water, Reclaimed Water, and Wastewater Cost-of-Service, Rate and Fee Study
- Priority Based Budgeting Objectives Refresh
- High Performing Governance
- Citizen Petitions and FAIR Process
- City Council Initiative Fund

5. Adjournment

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2023.

Stacy Saltzburg, MMC, City Clerk

THE CITY OF FLAGSTAFF ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 213-2076 or email at stacy.saltzburg@flagstaffaz.gov to request an accommodation to participate in this public meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Flagstaff makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Flagstaff City Council meetings are live-streamed and recorded and may be viewed on the City of Flagstaff’s website. If you permit your child to attend/participate in a televised Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, City Clerk
Date: 10/10/2023
Meeting Date: 10/12/2023



TITLE:

City Council Retreat

- Water, Reclaimed Water, and Wastewater Cost-of-Service, Rate and Fee Study
- Priority Based Budgeting Objectives Refresh
- High Performing Governance
- Citizen Petitions and FAIR Process
- City Council Initiative Fund

DESIRED OUTCOME:

Presentation, Discussion, and Direction

EXECUTIVE SUMMARY:

Detailed agenda and presentations are attached.

INFORMATION:

Attachments: [Detailed Agenda](#)
[Water Rate Presentation](#)
[Stantec Rate Study CIP Scenarios](#)
[PBB Objectives Presentation](#)
[Citizen Petitions and FAIRs Presentation](#)

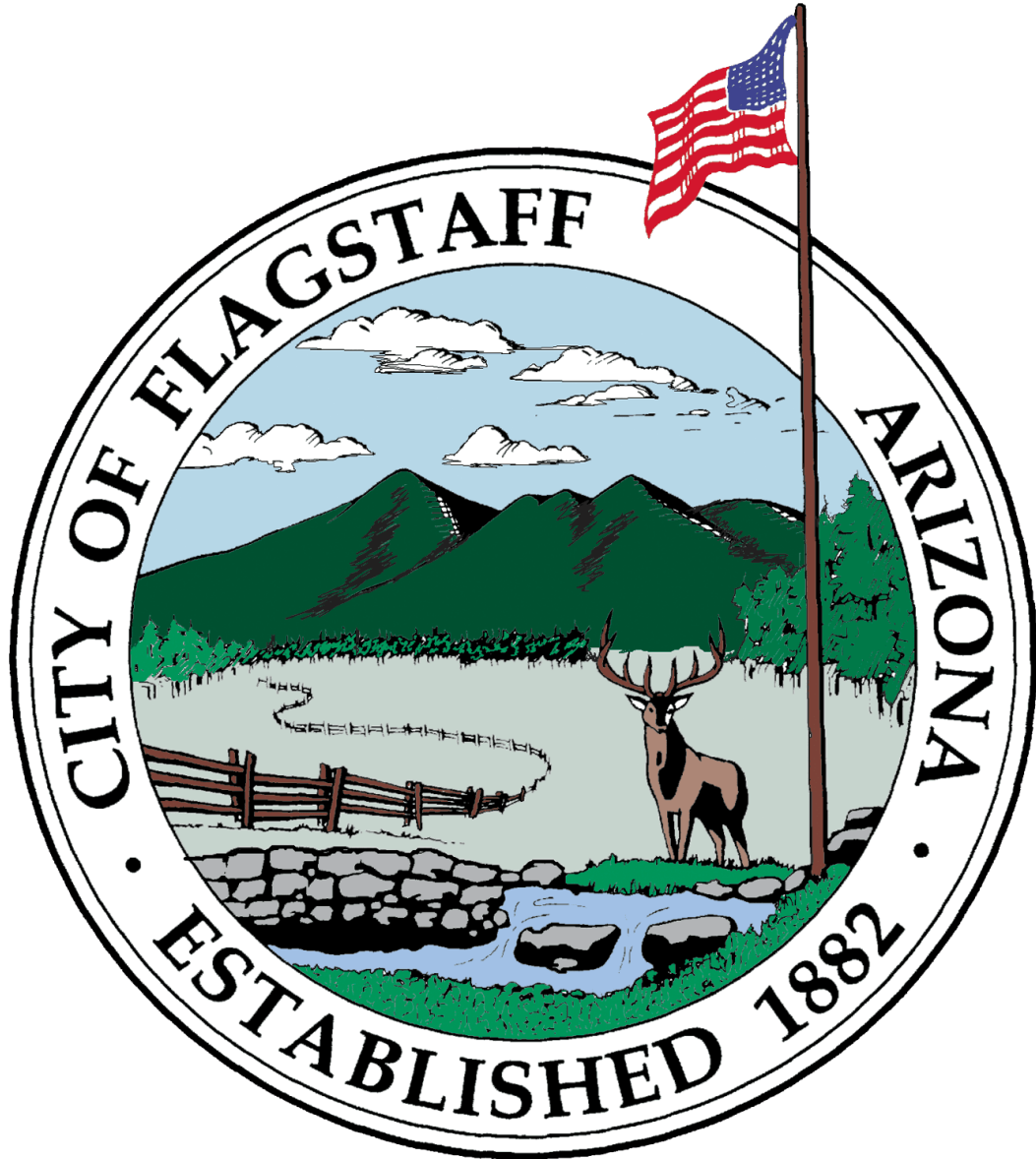
City Council Retreat

October 12, 2023

Detailed Agenda

Time	Duration (min)	Topic	Staff
8:30 am	15	Welcome and Overview <ul style="list-style-type: none"> • Retreat Protocol • Agenda 	Greg Clifton Judy Tincher
8:45 am	90	Water, Reclaimed Water, and Wastewater Cost-of-Service, Rate & Fee Study	Shannon Jones Erin Young Stantec Consultants
10:15 am	15	Break	
10:30 am	120	Priority Based Budgeting Objectives Refresh	Chris Rhode
12:30 pm	15	Public Participation	
12:45 pm	30	Lunch	
1:15 pm	60	High Performing Governance	Judy Tincher
2:15 pm	90	Citizen Petitions and FAIR Process	Stacy Saltzburg Greg Clifton
3:45 pm	15	Break	
4:00 pm	30	City Council Initiative Fund	Stacy Saltzburg Greg Clifton
4:30 pm	15	Wrap Up	Greg Clifton Judy Tincher

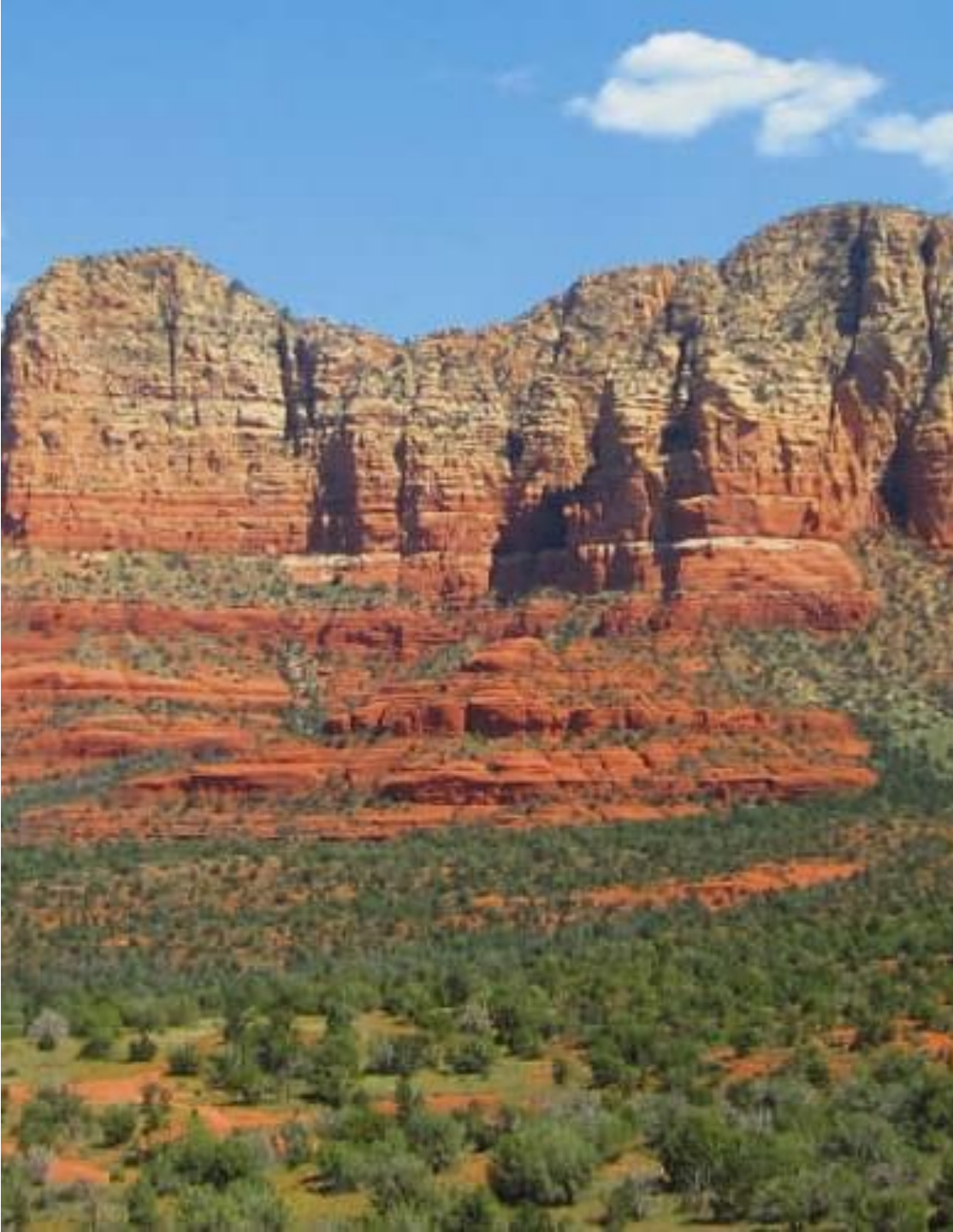
**Please note: All times are estimates and items could be reordered during the meeting



City of Flagstaff, AZ

Water, Reclaimed Water, & Wastewater Cost-of-Service, Rates & Fees Study

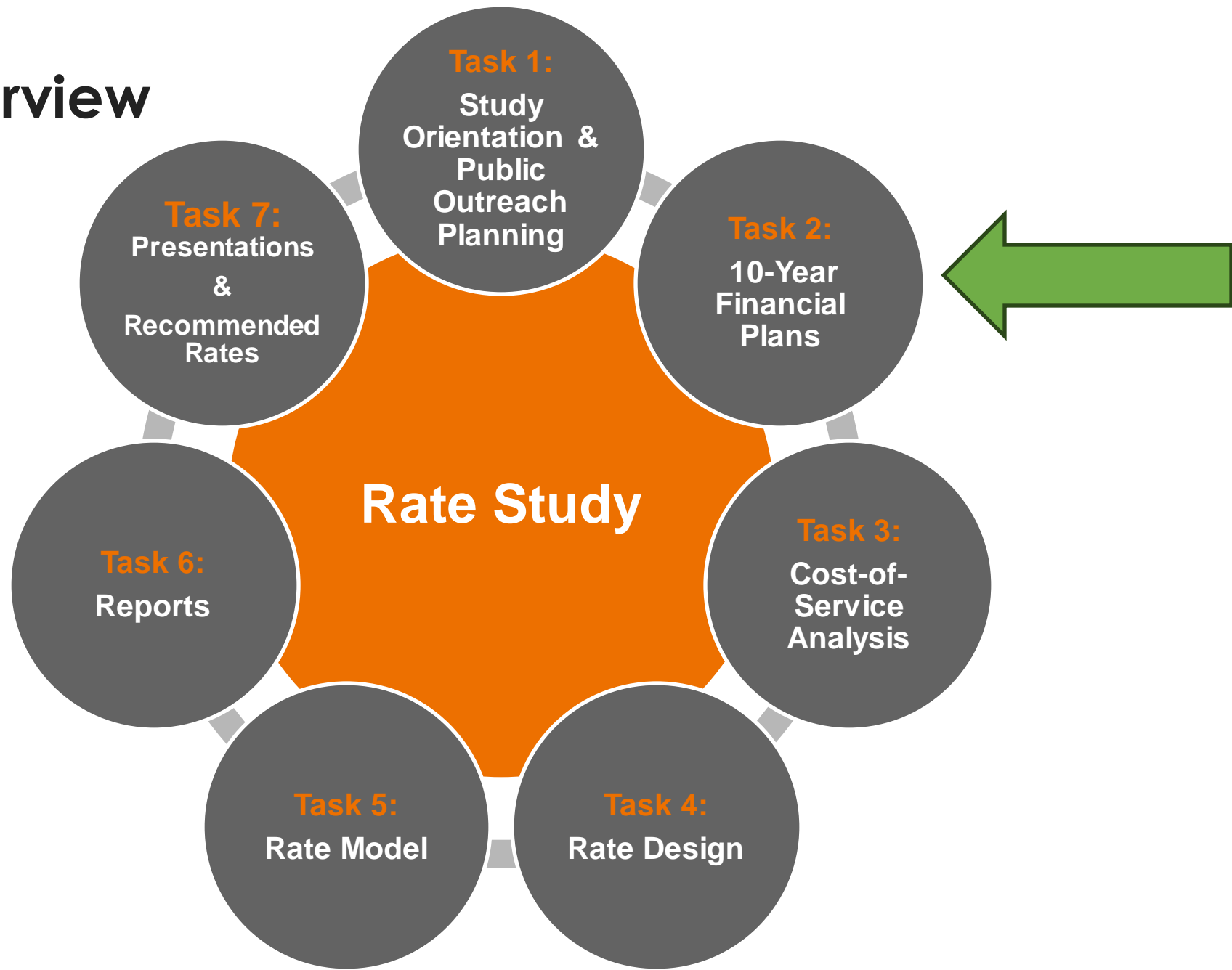
*Flagstaff City Council Retreat
October 12, 2023*



1. Review Policy Strategies
2. Financial Planning Scenarios Defined
3. Capital Funding
4. Preliminary Findings
5. Discussion and Feedback



Scope Overview





Policy Strategies

- Strategy 1: Implement water & wastewater rates and charges that are legal, fair, and equitable through a cost-of-service study
- Strategy 2: Develop a Long-Range Financing Plan that sets forth the long-term funding needs of Water Services
- Strategy 3: Establish fees that cover the cost of service, ensuring the utility meets regulatory requirements
- Strategy 4: Discuss forward-thinking or new opportunities for how rates and pricing strategies can help achieve goals of the utility or City



Financial Planning Scenarios Defined

- Scenario 1: Consumer Price Index (CPI) Increase
 - Annual rate adjustments equal annual water and sewer rate CPI (July 2022 – July 2023)
 - 5% annual rate adjustments forecasted from FY25-FY33 to maintain target reserve balances, O&M levels, & capital project investments
- Scenario 2: Smooth Catch-up
 - 8.5% annual rate adjustments from FY25-FY29 to align with inflation since last rate increase (2020)
 - 5% annual rate adjustments forecasted from FY30-FY33 to maintain target reserve balances, O&M levels, & capital project investments
- Scenario 3: Full Funding
 - Rate adjustments needed to fully fund all O&M and capital needs
 - Identifies the difference between improvements and investments needed by Water Services and historical funding available



Key Financial Assumptions & Adjustments

WATER, RECLAIMED WATER, & WASTEWATER STUDY

Assumption	Details
Growth	1.00% annually*
Reserve Targets	90 days O&M
Debt Service Coverage	Target: 1.25x Minimum: 1.20x
Base Operating Budget	“Balanced” O&M budget adjusted to reflect average spending rate, carry-forwards, one-time requests, and operating capital
Cost Escalation Factors	Default inflation factor at 3.5% Chemicals, Utilities, Equipment Maintenance at 6.00%
CIP Escalation	Approved CIP, Informed CIP, and Unfunded CIP adjusted for 4% annual cost escalation beginning in FY2025
Funding Sources	Rate revenues, fund balances, debt, grant funding, and capacity fees
Grant Funding	\$25.9M in Water; \$3.2M in Reclaimed Water
Major Projects	Water – Red Gap Ranch Pipeline Design & Construction Wastewater – Wildcat Hill Wastewater Treatment Plant Design & Expansion

*Reclaimed Water Fund assumes 0% annual growth



Capital Improvement Program Levels (\$M)

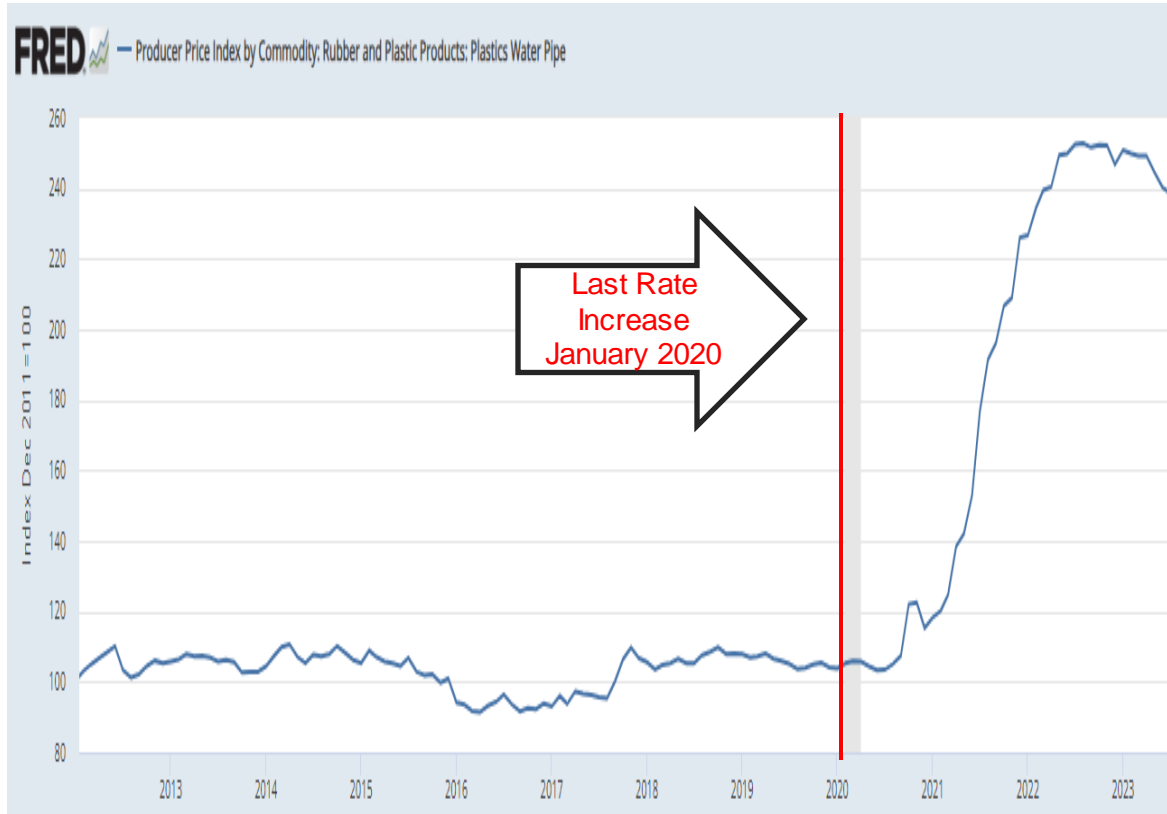
		Approved CIP ¹	Approved + Informed CIP ²	Approved + Informed + Unfunded CIP ³
Water	<i>Annual Average</i>	\$13.1	\$19.7	\$20.8
	<i>Total CIP Funding FY24 – FY33</i>	\$130.7	\$196.9	\$207.9
Wastewater	<i>Annual Average</i>	\$8.7	\$10.0	\$12.5
	<i>Total CIP Funding FY24 – FY33</i>	\$86.7	\$99.5	\$124.6
Reclaimed	<i>Annual Average</i>	\$0.5	\$3.3	\$6.9
	<i>Total CIP Funding FY24 – FY33</i>	\$5.2	\$32.8	\$68.6

1. Conforms to anticipated revenues projected by City of Flagstaff (partial CIP list)
2. From complete CIP list informed by Master Plan recommended projects (e.g., Water Master Plan, Sewer Master Plan)
3. Project needs without identified funding source

CIP Handouts

Operational Cost Inflation: 2020-2024

WATER, RECLAIMED WATER, & WASTEWATER STUDY



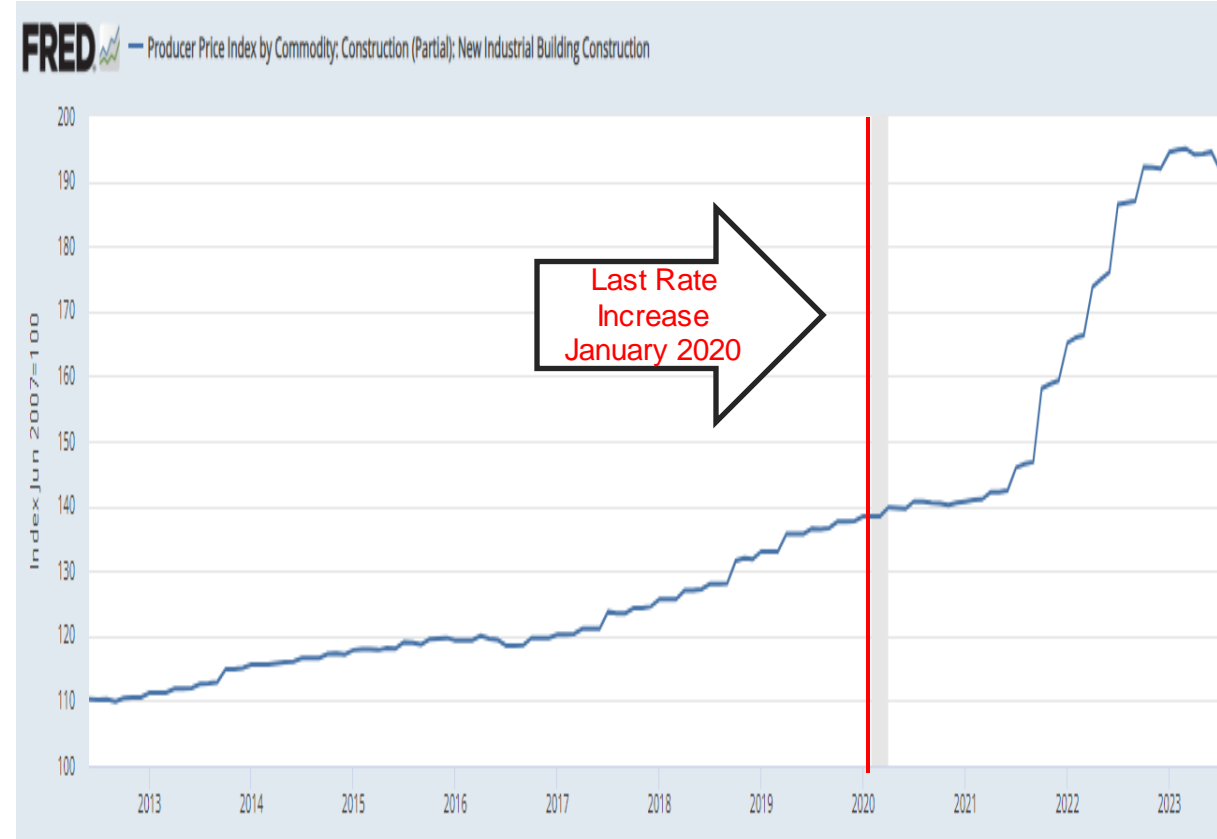
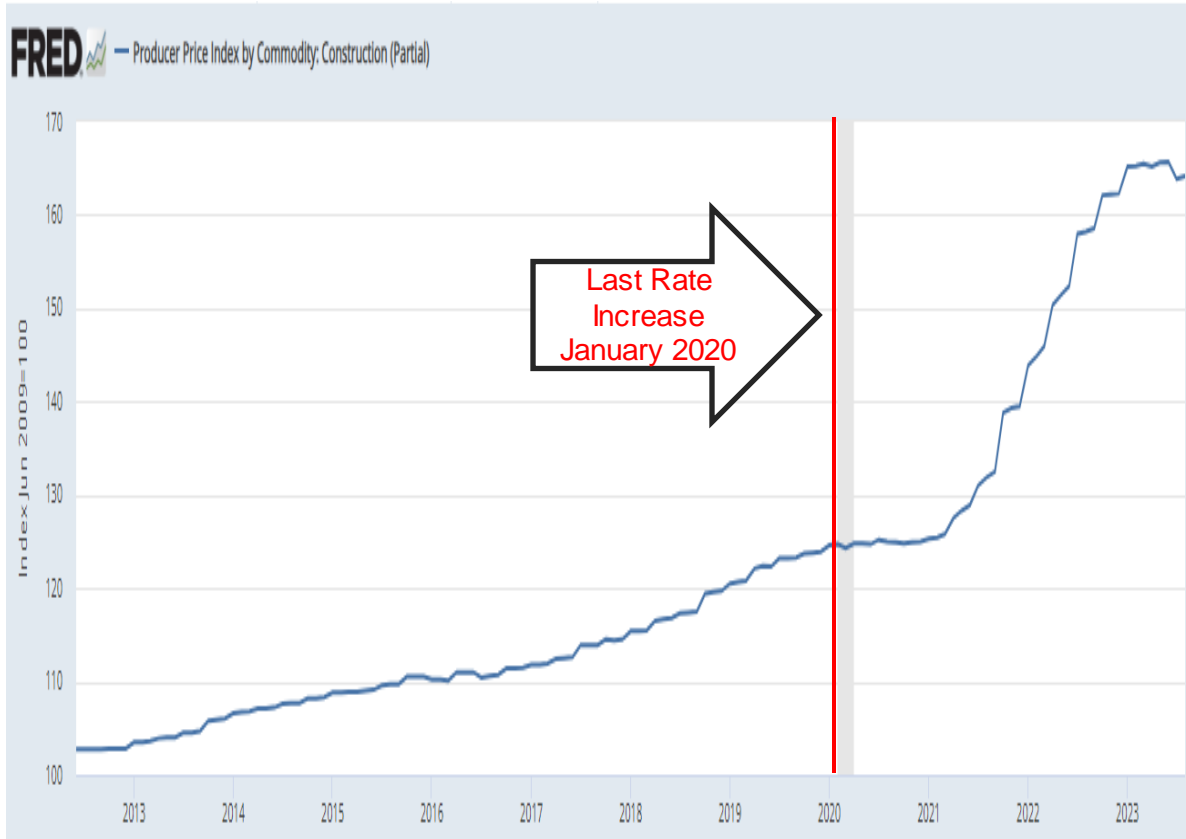
National Commodity Index – Plastic Water Pipe

- Up 132% from Jan 2020 to June 2023

National Water Treatment Chemical Index

- Up 31% from Jan 2020 to June 2023

Construction Cost Inflation: 2020-2024



National Cost Index – Construction

- **General Construction - Up 33% from Jan 2020 to June 2023**
- **Industrial Construction - Up 40% from Jan 2020 to June 2023**

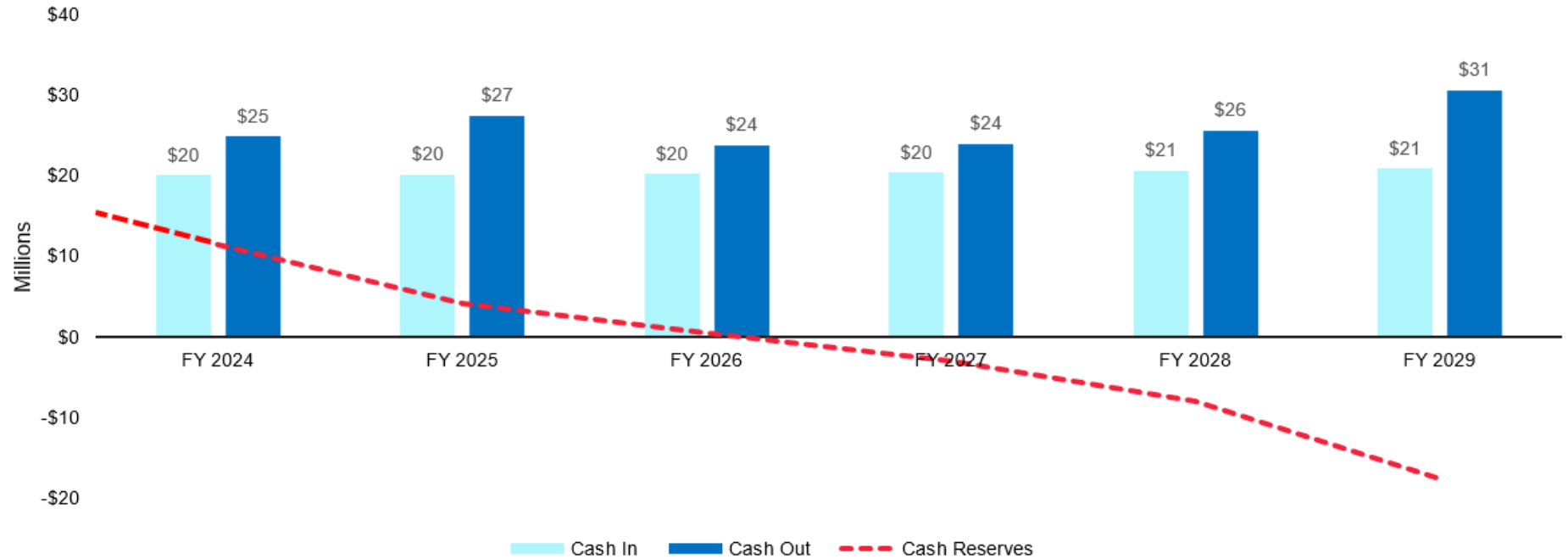


Water Fund

Current 5-Year Financial Outlook - Water

Exhaust Cash Reserves by FY26 Due to ~\$5M Annual Funding Gap

Cash Balances - Existing Rates, Approved CIP, and Base Operating Budget



Differences from Balanced 5-Year Plan:

1. Base operating budget is adjusted to reflect average spending levels, carry-forwards, one-time requests, and operating capital.
2. 4% annual cost escalation to Approved CIP.
3. FY23 Ending Cash Balance excludes funds restricted for capacity improvements.



Water Fund Scenario Results Summary

Scenarios	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Annual
Consumer Price Index (CPI)	\$120	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Smooth Catch-Up	\$152	0.0%	8.5%	8.5%	8.5%	8.5%	8.5%	5.0%
Full Funding	\$208	0.0%	20.0%	20.0%	15.0%	10.0%	10.0%	5.0%

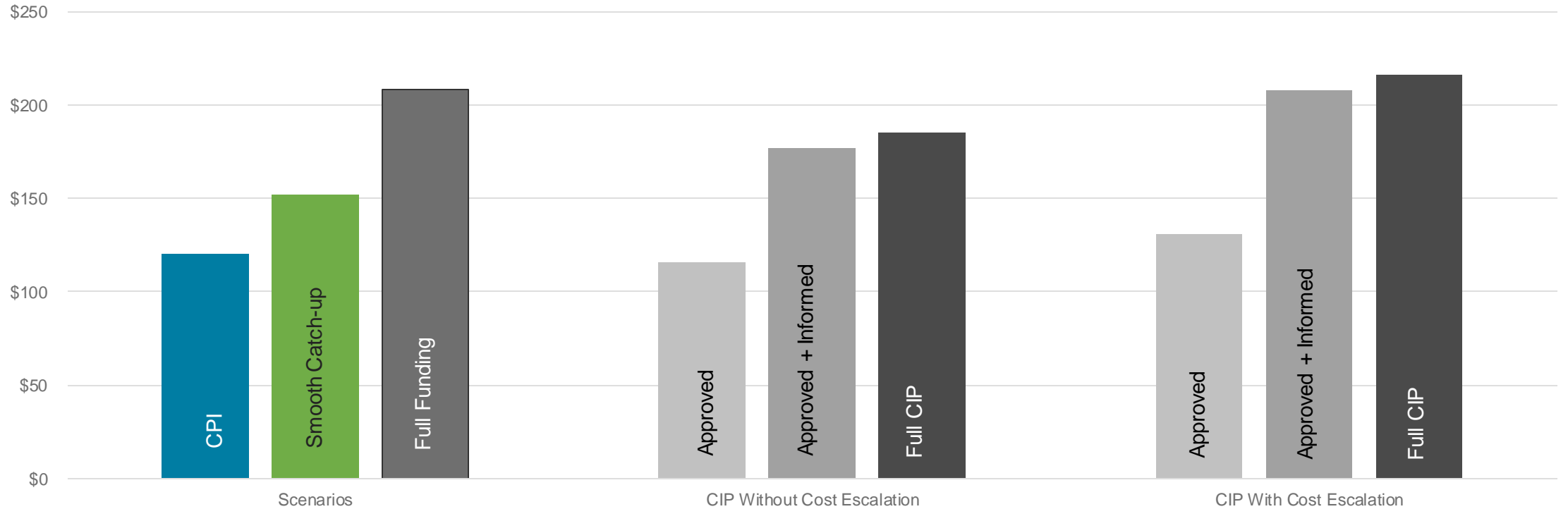


Water Fund Scenario Results Summary: 3/4" Typical Water Bill Impact (4KGAL), FY24-33

Scenarios	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Total
Consumer Price Index (CPI)	\$120	\$0.00	\$1.54	\$1.62	\$1.71	\$1.79	\$1.88	\$8.47
Smooth Catch-Up	\$152	\$0.00	\$2.62	\$2.85	\$3.08	\$3.35	\$3.62	\$9.99
Full Funding	\$208	\$0.00	\$6.19	\$7.43	\$6.66	\$5.12	\$5.64	\$13.37



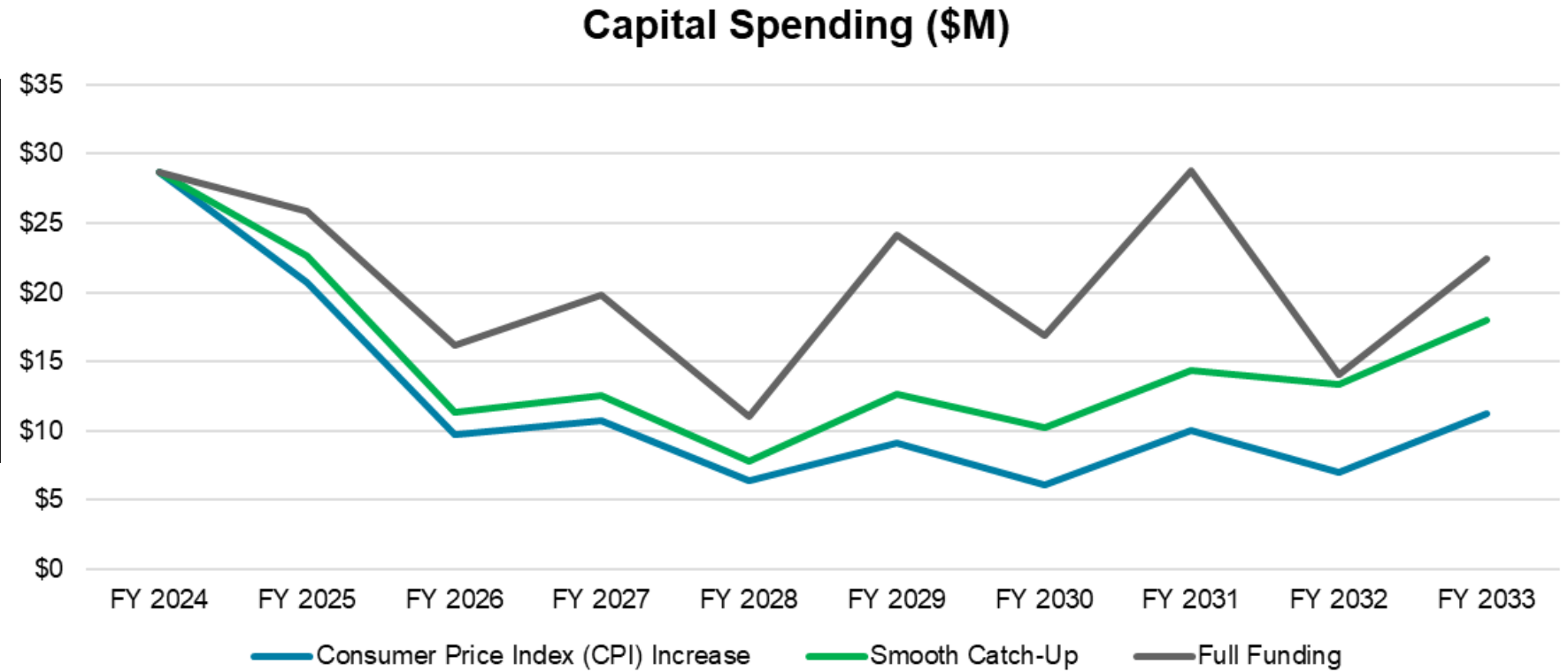
Comparison of Scenario Funding vs 10-year CIP





Water Fund CIP Expenditures FY24-33

Scenarios	FY24-FY33 CIP Funding Level (\$M)
Consumer Price Index (CPI)	\$120
Smooth Catch-Up	\$152
Full Funding	\$208

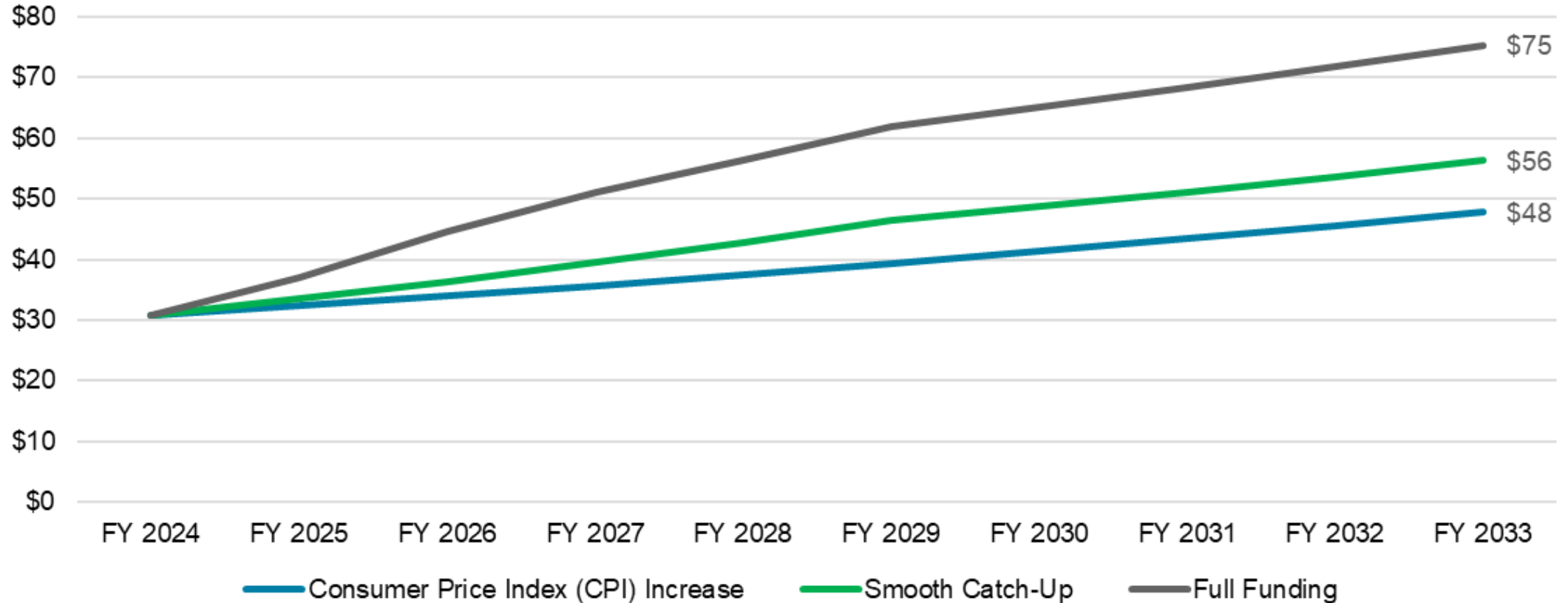




Residential, 3/4" Typical Water Bill (4KGAL), FY24-33

WATER, RECLAIMED WATER, & WASTEWATER STUDY

Residential, 3/4" Typical Bill (4 KGAL)



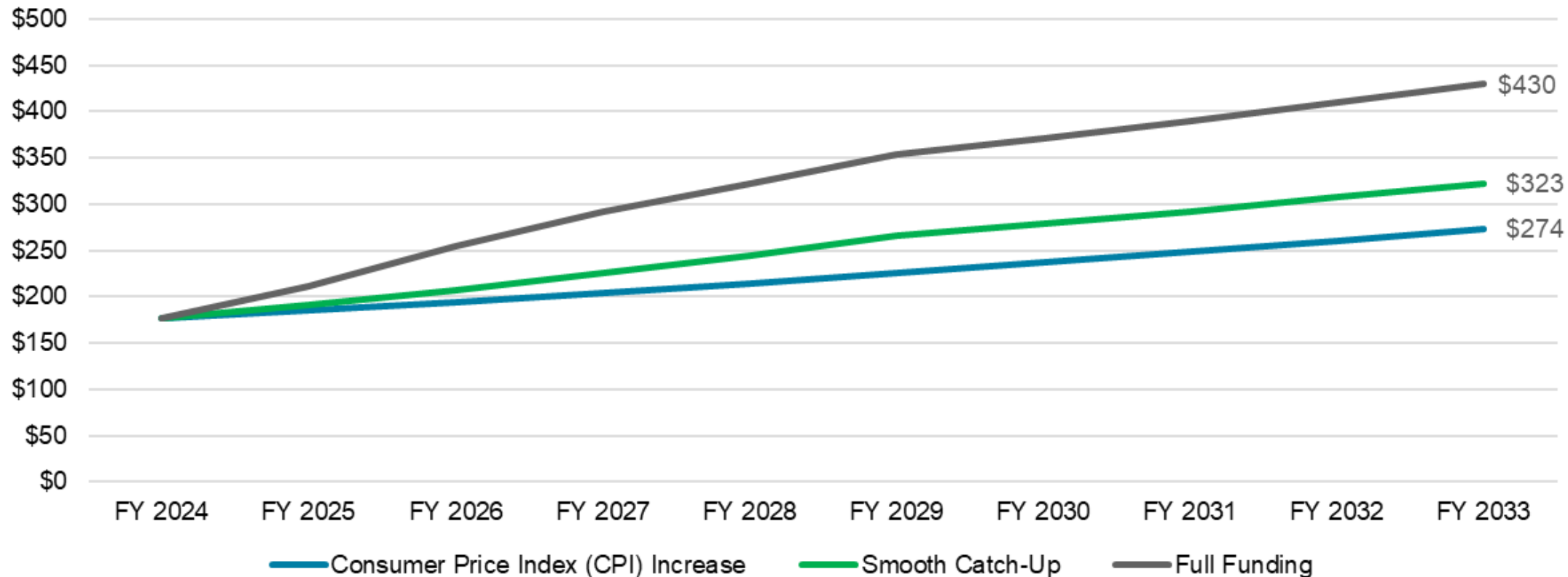
*Typical Bill calculations reflect across-the-board increases which may differ across customer classes after cost-of-service & rate design tasks.



Commercial, 2" Typical Water Bill (30KGAL), FY24-33

WATER, RECLAIMED WATER, & WASTEWATER STUDY

Commercial, 2" Typical Bill (30 KGAL)

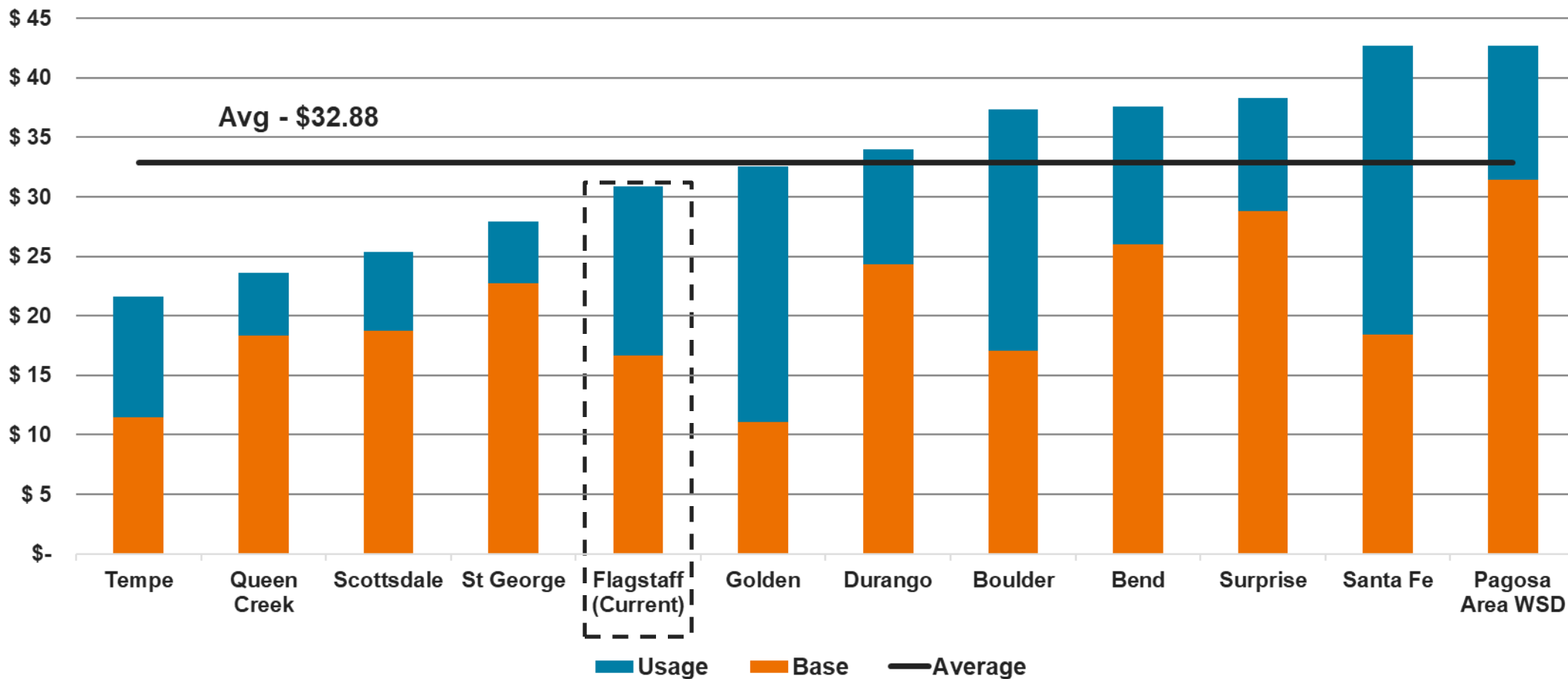


*Typical Bill calculations reflect across-the-board increases which may differ across customer classes after cost-of-service & rate design tasks.



Residential Rate Comparisons - Water

FY 2023 Monthly Residential Water Base and Usage Rate Survey at 4,000 gallons

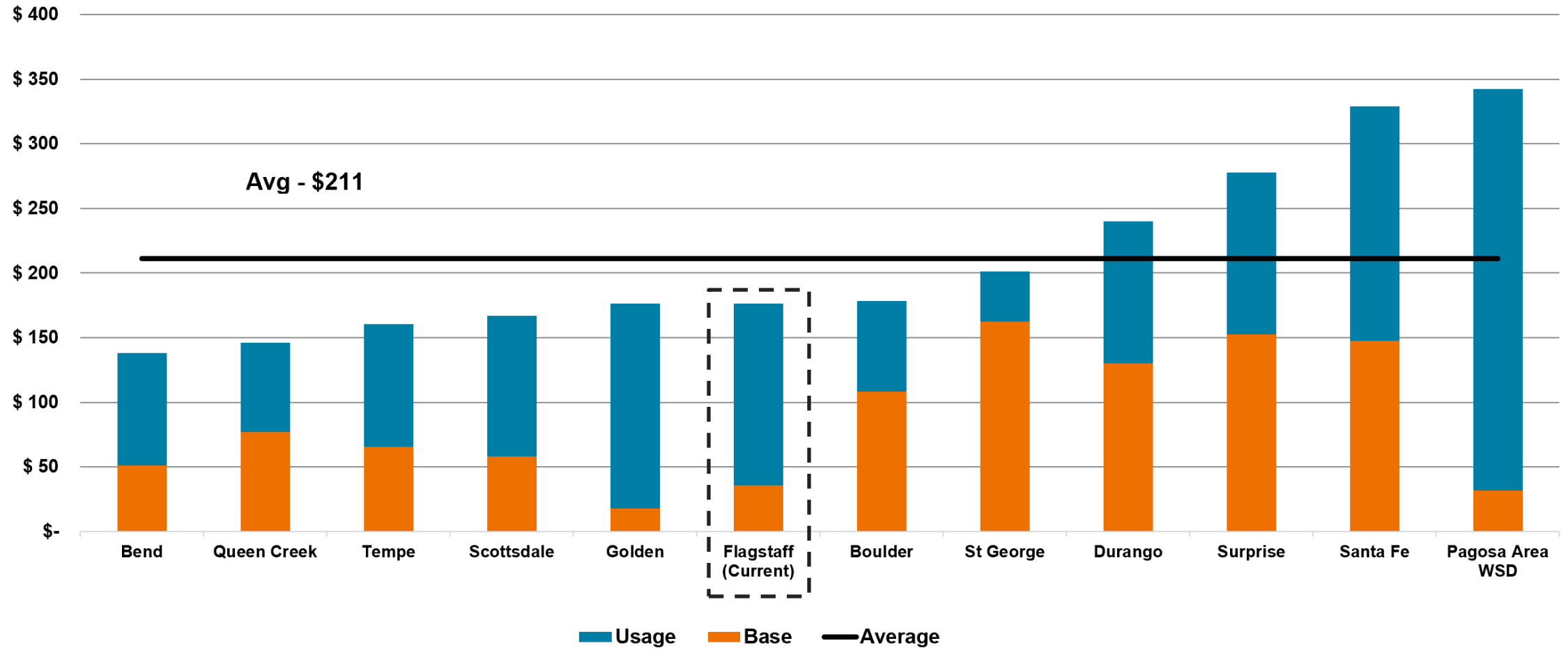




Commercial Rate Comparisons - Water

FY 2023 Monthly Commercial Water Base and Usage Rate Survey at 30,000 gallons

WATER, RECLAIMED WATER, & WASTEWATER STUDY





Discussion



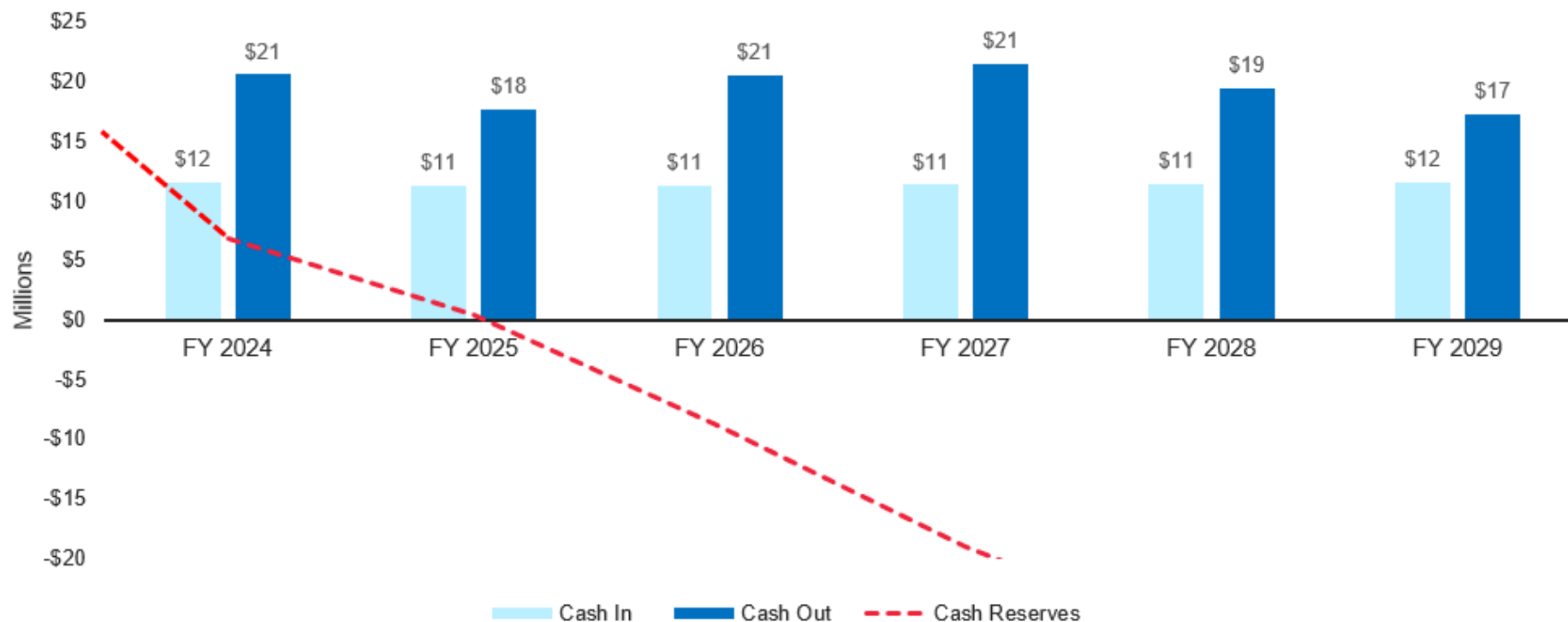
Wastewater Fund



Current 5-Year Financial Outlook - Wastewater

Exhaust Cash Reserves by FY25 Due to ~\$9M Funding Gap

Cash Balances - Existing Rates, Approved CIP, and Base Operating Budget



Differences from Balanced 5-Year Plan:

1. Base operating budget is adjusted to reflect average spending levels, carry-forwards, one-time requests, and operating capital.
2. 4% annual cost escalation to Approved CIP.
3. FY23 Ending Cash Balance excludes funds restricted for capacity improvements.



Wastewater Fund Scenario Results Summary

Scenarios	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Annual
Consumer Price Index (CPI)	\$72	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Smooth Catch-Up	\$90	0.0%	8.5%	8.5%	8.5%	8.5%	8.5%	5.0%
Full Funding	\$125	0.0%	70.0%	70.0%	0.0%	0.0%	0.0%	0.0%

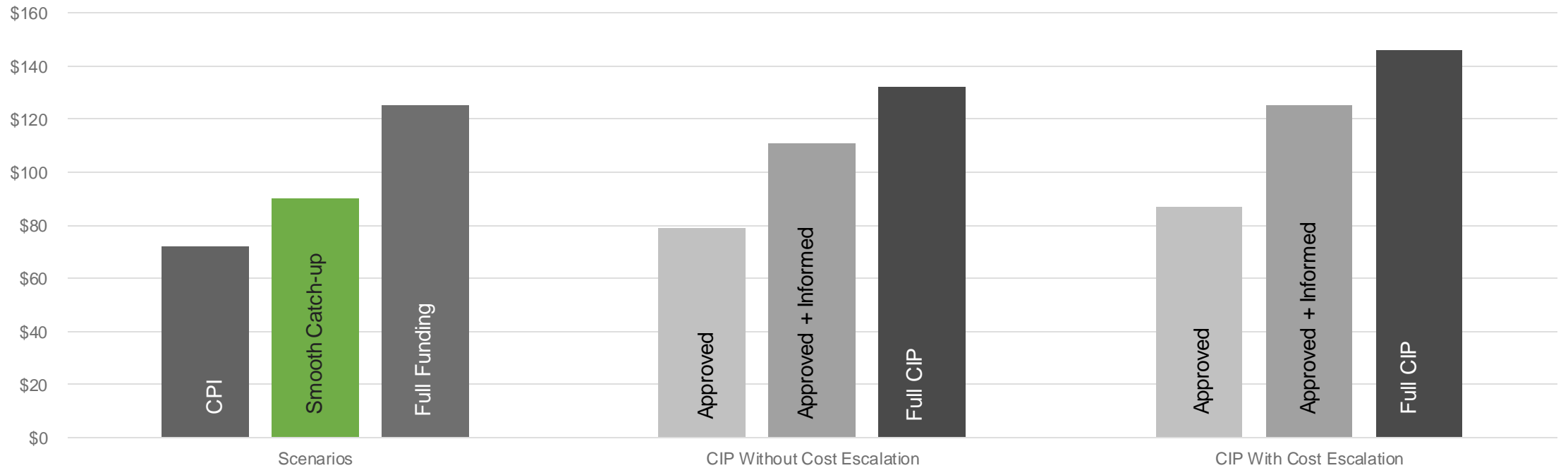


Wastewater Fund Scenario Results Summary: 3/4" Typical Wastewater Bill Impact (4KGAL), FY24-33

Scenarios	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Total
Consumer Price Index (CPI)	\$72	\$0.00	\$1.08	\$1.12	\$1.20	\$1.24	\$1.32	\$5.92
Smooth Catch-Up	\$90	\$0.00	\$1.80	\$1.96	\$2.12	\$2.32	\$2.52	\$6.88
Full Funding	\$125	\$0.00	\$15.00	\$25.48	\$0.00	\$0.00	\$0.00	\$0.00



Comparison of Scenario Funding vs 10-year CIP

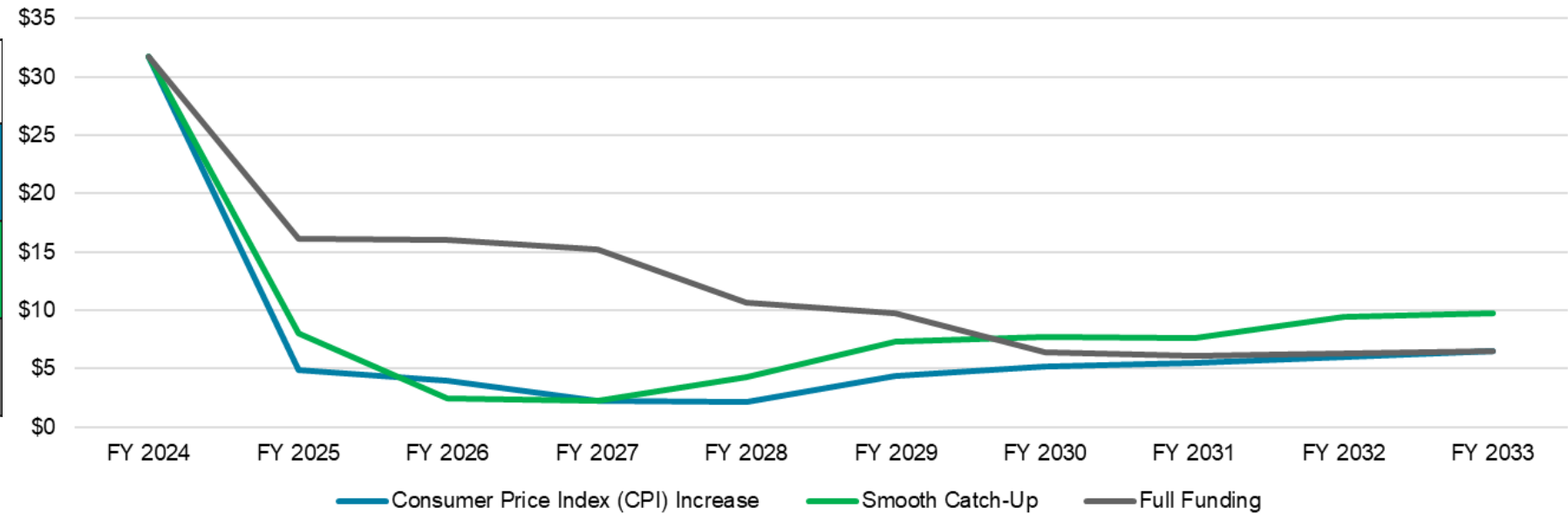




Wastewater Fund CIP Expenditures FY24-33

Capital Spending (\$M)

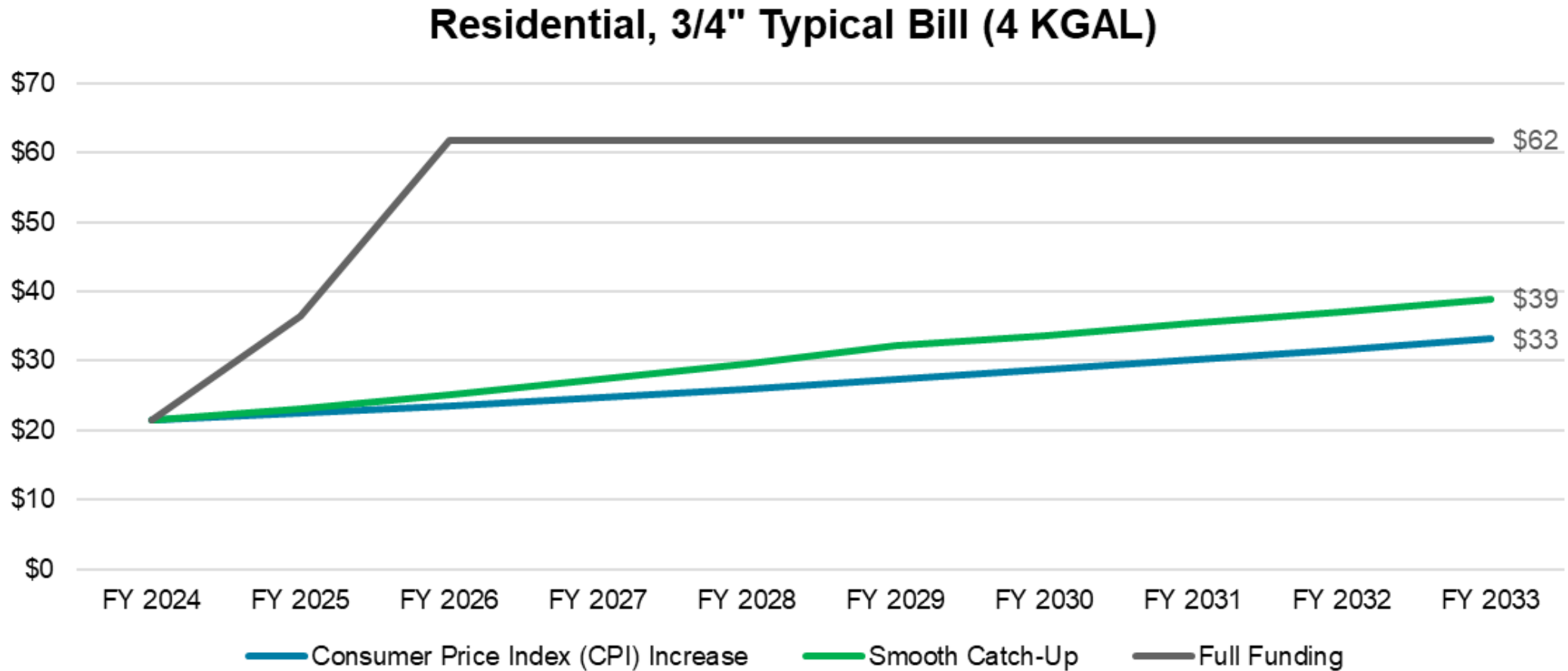
Scenarios	FY24-FY33 CIP Funding Level (\$M)
Consumer Price Index (CPI)	\$72
Smooth Catch-Up	\$90
Full Funding	\$125





Residential, 3/4" Typical Wastewater Bill (4KGAL), FY24-33

WATER, RECLAIMED WATER, & WASTEWATER STUDY

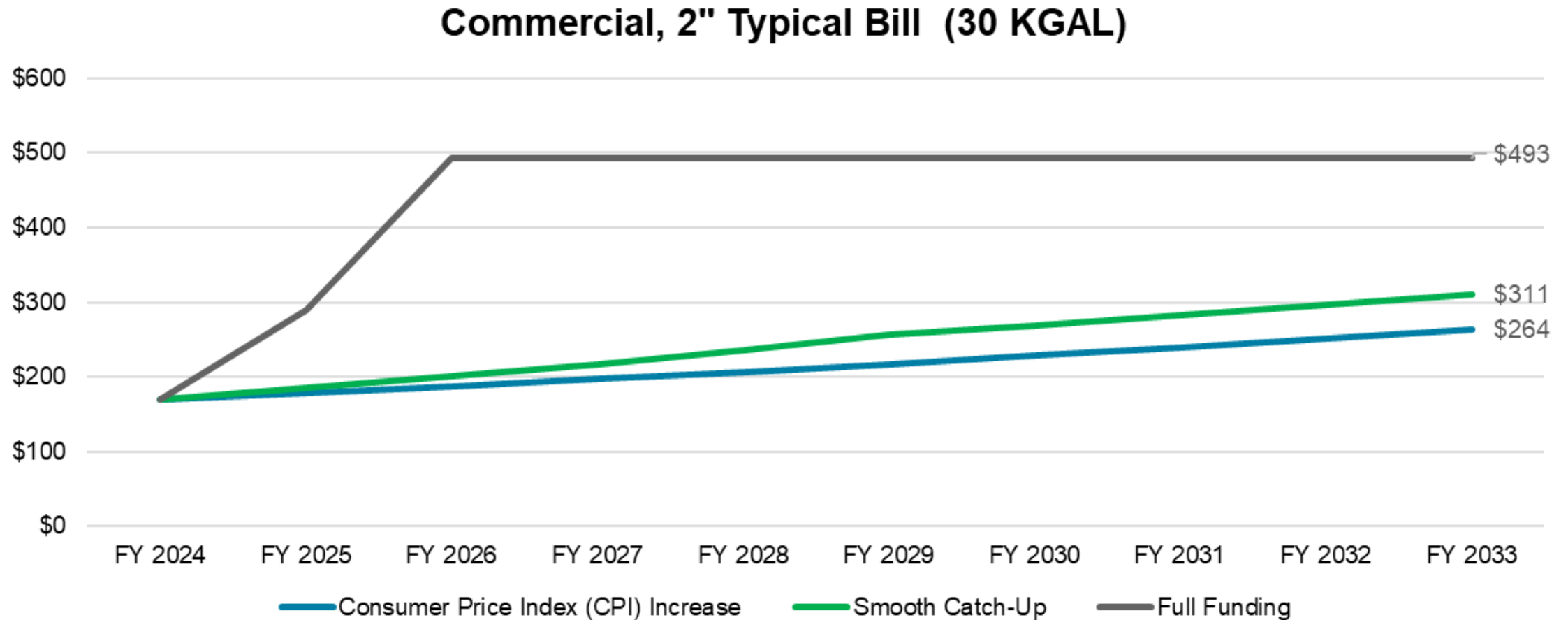


*Typical Bill calculations reflect across-the-board increases which may differ across customer classes after cost-of-service & rate design tasks.



Wastewater Charts – Commercial, 2” Typical Bill (30KGAL), FY24-33

WATER, RECLAIMED WATER, & WASTEWATER STUDY



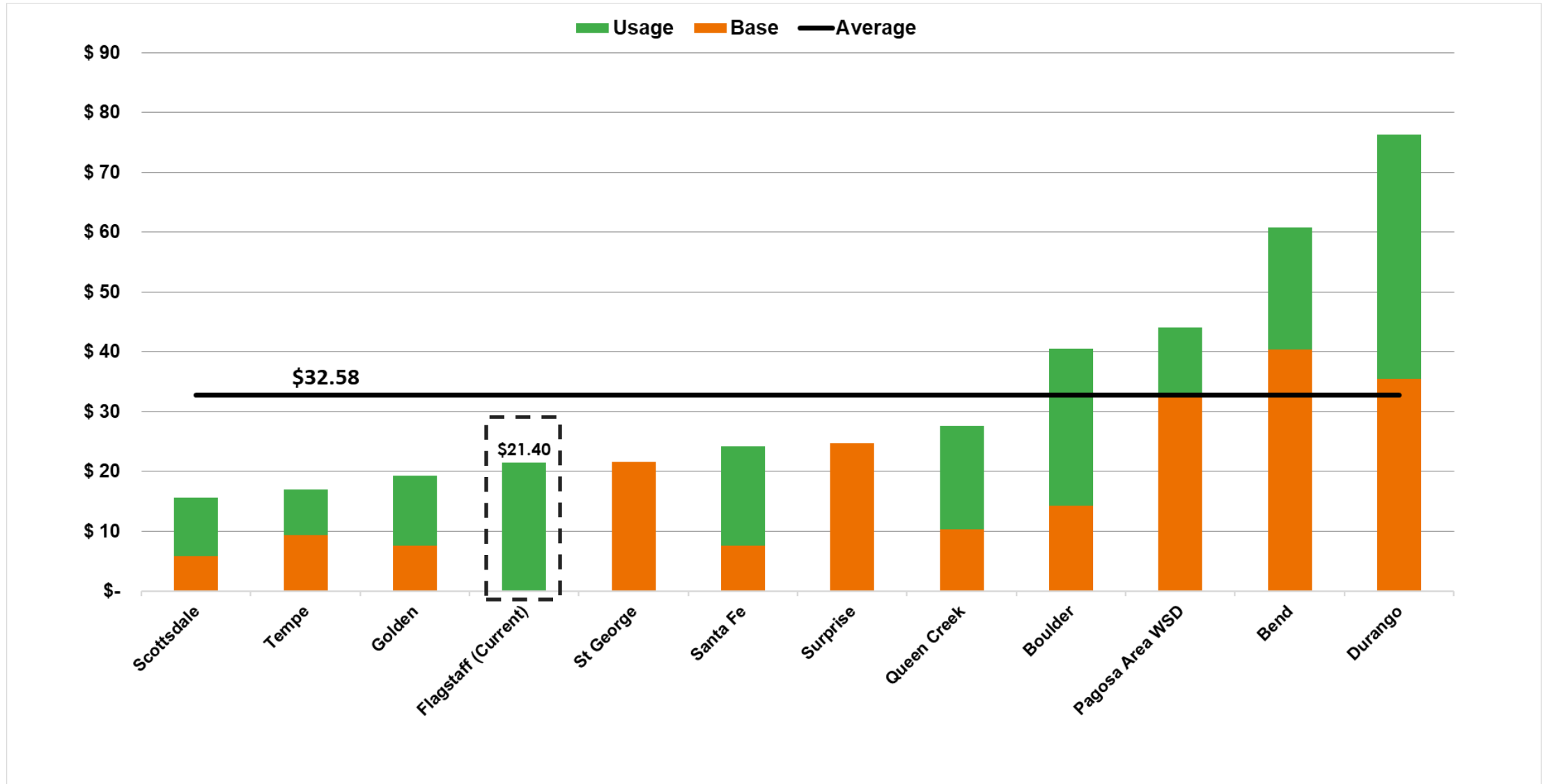
*Typical Bill calculations reflect across-the-board increases which may differ across customer classes after cost-of-service & rate design tasks.



Residential Rate Comparisons – Wastewater

FY 2023 Monthly Residential Wastewater Base and Usage Rate Survey at 4,000 gallons

WATER, RECLAIMED WATER, & WASTEWATER STUDY

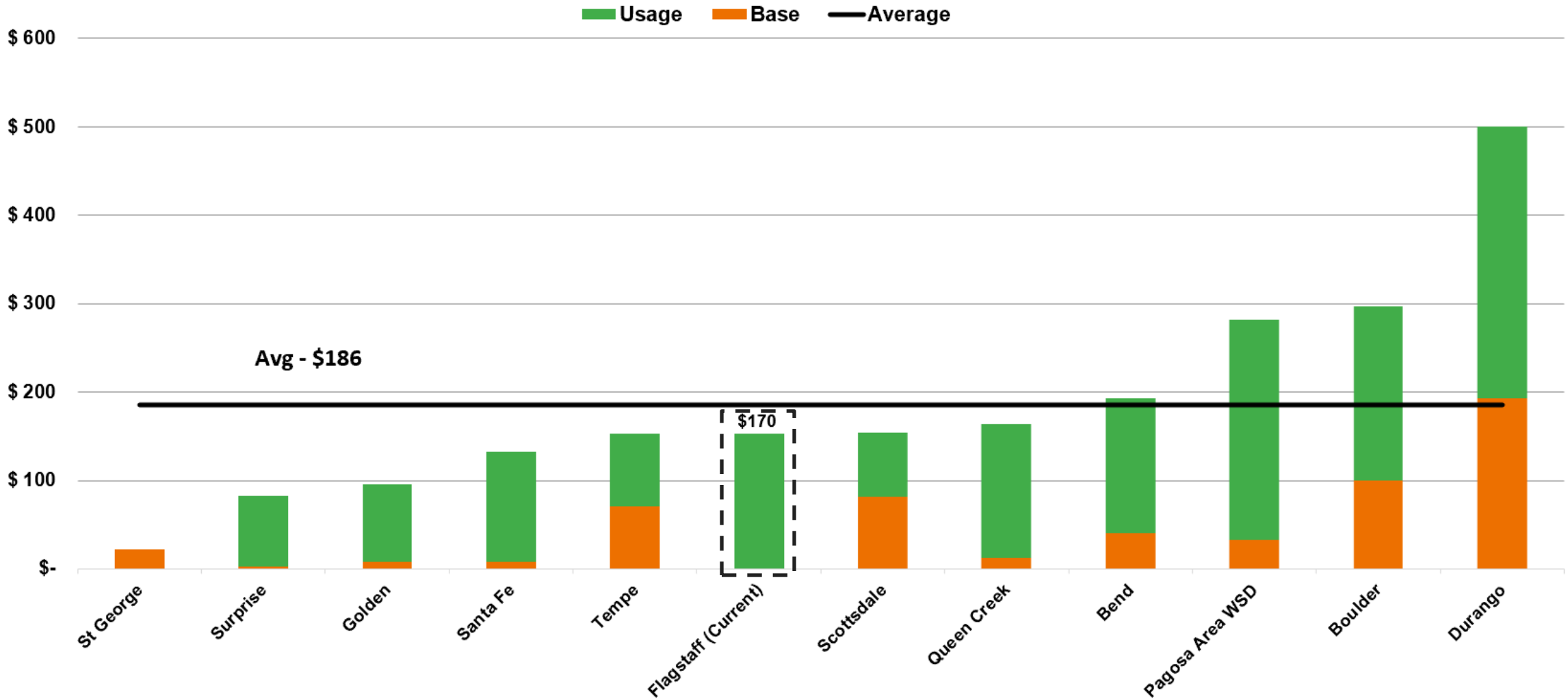




Commercial Rate Comparisons – Wastewater

FY 2023 Monthly Commercial Wastewater Base and Usage Rate Survey at 30,000 gallons

WATER, RECLAIMED WATER, & WASTEWATER STUDY





Discussion



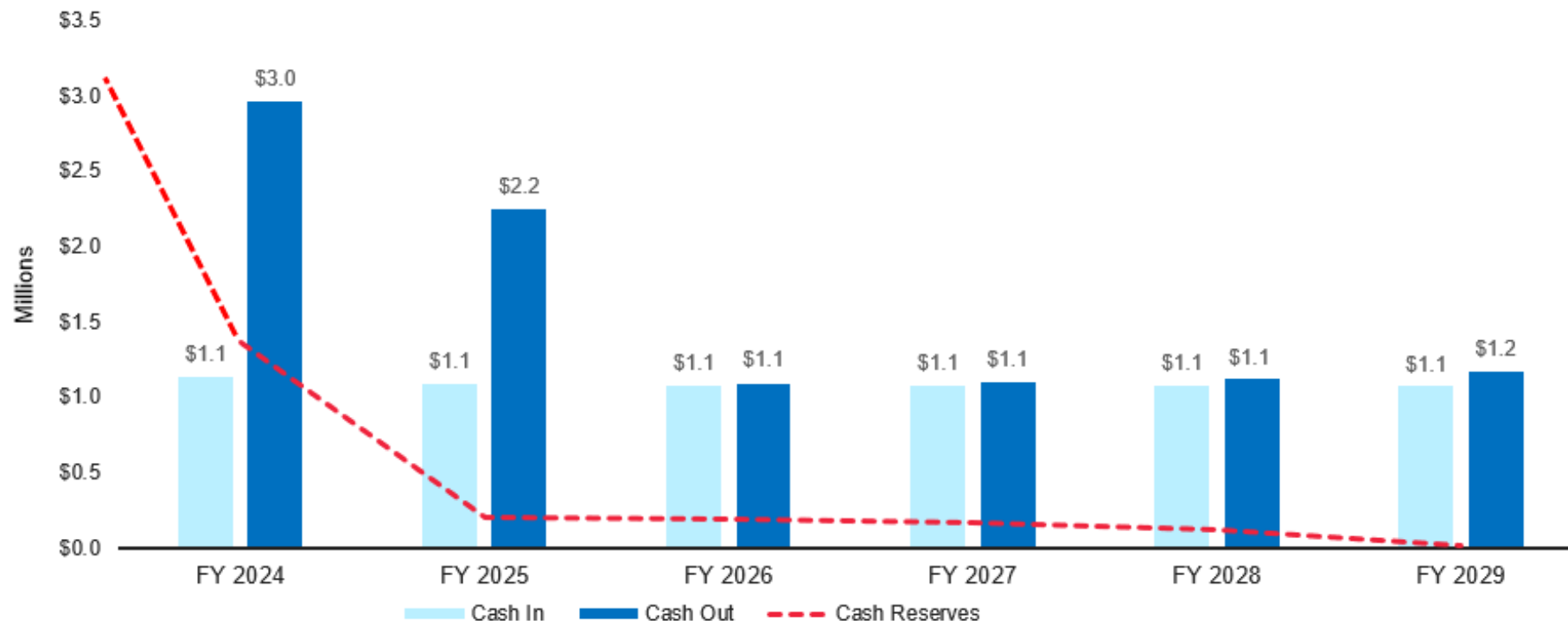
Reclaimed Water Fund



Current 5-Year Financial Outlook – Reclaimed Water

Cash Reserves Exhausted in FY29
Due to ~\$0.5M Funding Gap

Cash Balances - Existing Rates, Approved CIP, and Base Operating Budget



Differences from Balanced 5-Year Plan:

1. Base operating budget is adjusted to reflect average spending levels, carry-forwards, one-time requests, and operating capital.
2. 4% annual cost escalation to Approved CIP.



Reclaimed Water Fund Scenario Results Summary

Scenarios	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Annual
Consumer Price Index (CPI)	\$7	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Smooth Catch-Up	\$8	0.0%	8.5%	8.5%	8.5%	8.5%	8.5%	5.0%
Full Funding	\$69	0.0%	450.0%	105.0%	38.0%	0.0%	0.0%	0.0%

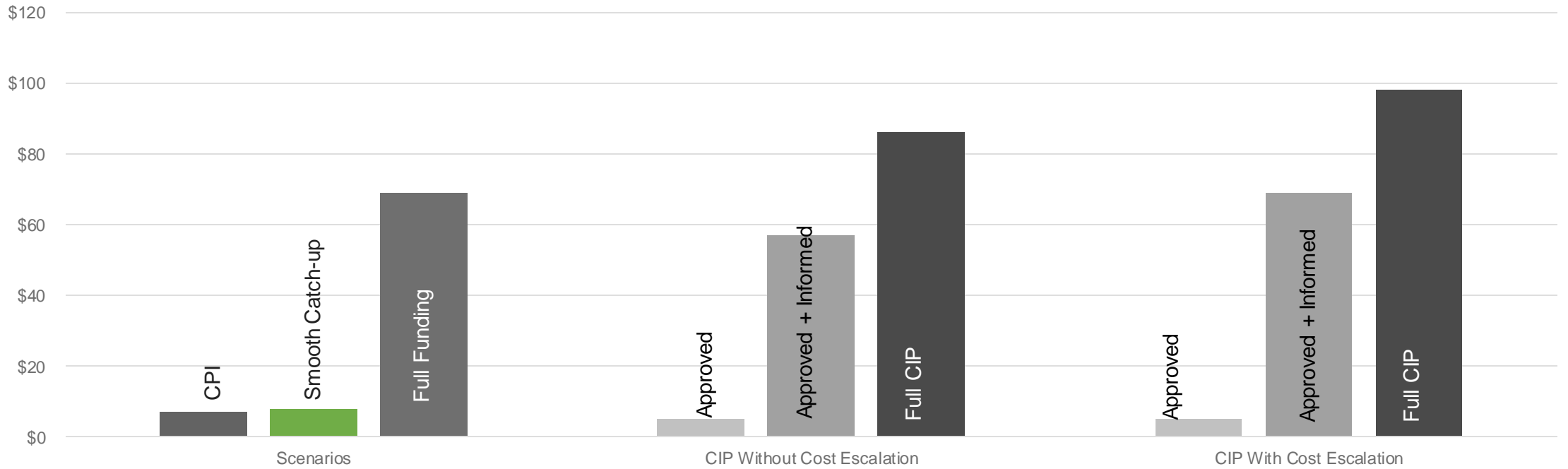


Reclaimed Water Fund Scenario Results Summary: 2” Typical Commercial Bill Impact (73KGAL), FY24-33

Scenarios	FY24-FY33 CIP Funding Level (\$M)	FY24	FY25	FY26	FY27	FY28	FY29	FY30-FY33 Total
Consumer Price Index (CPI)	\$7	\$0.00	\$7.30	\$8.03	\$8.03	\$8.76	\$9.49	\$41.61
Smooth Catch-Up	\$8	\$0.00	\$13.14	\$13.87	\$15.33	\$16.79	\$18.25	\$49.64
Full Funding	\$69	\$0.00	\$683.28	\$876.73	\$650.43	\$0.00	\$0.00	\$0.00



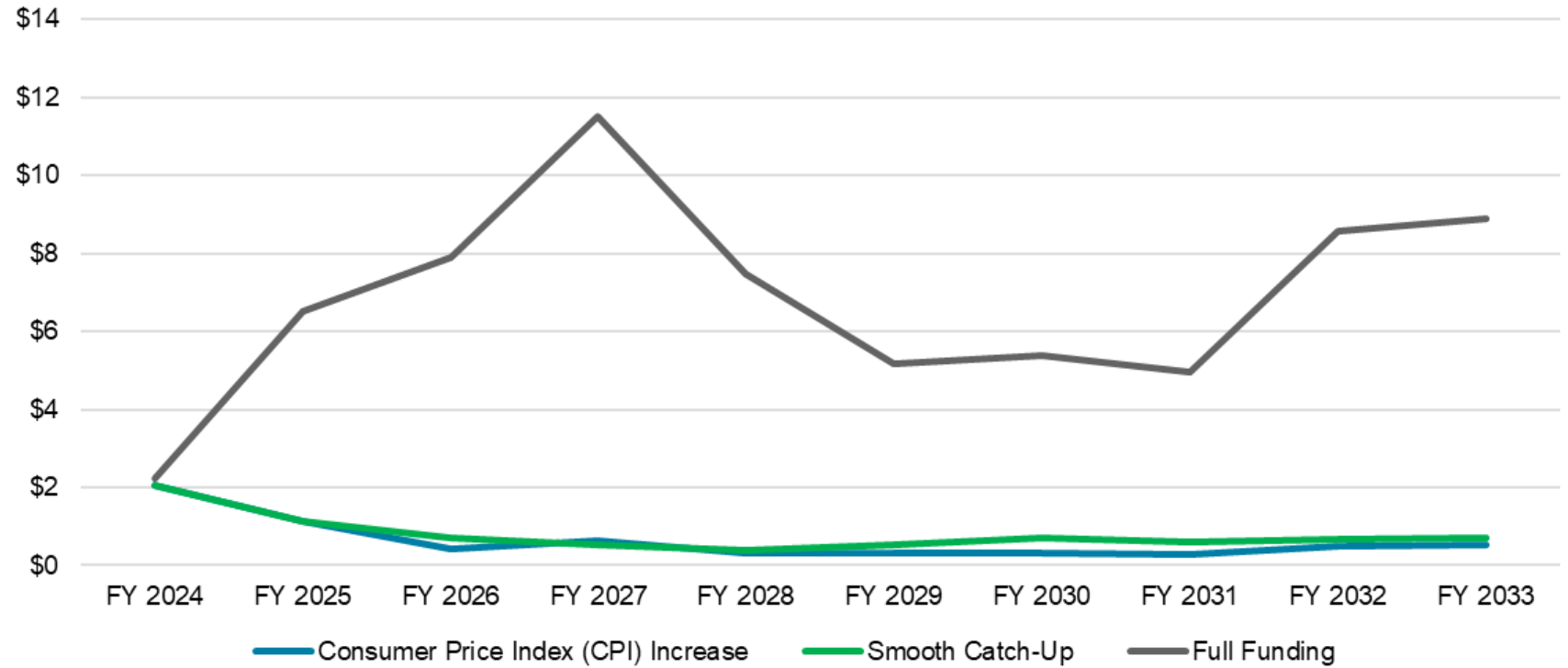
Comparison of Scenario Funding vs 10-year CIP





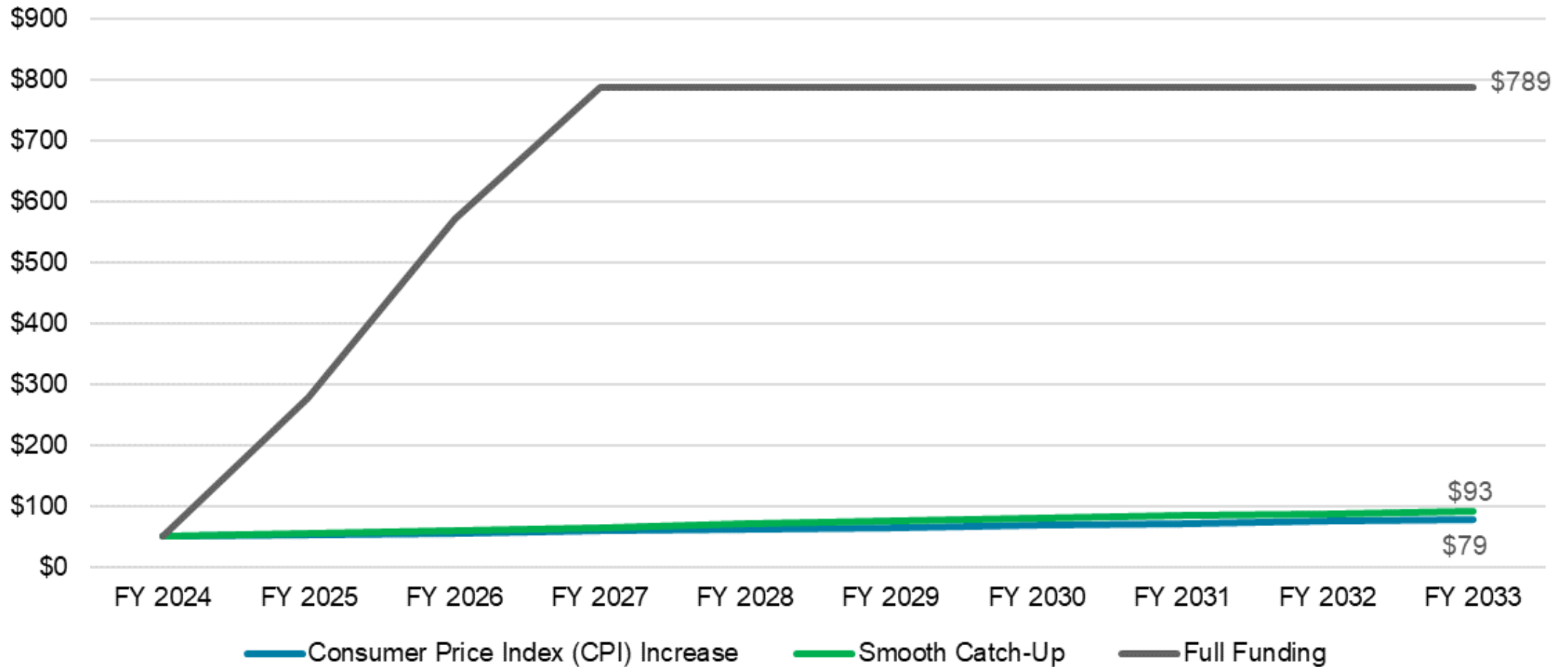
Reclaimed Water CIP Expenditures FY24-33

Scenarios	FY24-FY33 CIP Funding Level (\$M)
Consumer Price Index (CPI)	\$7
Smooth Catch-Up	\$8
Full Funding	\$69





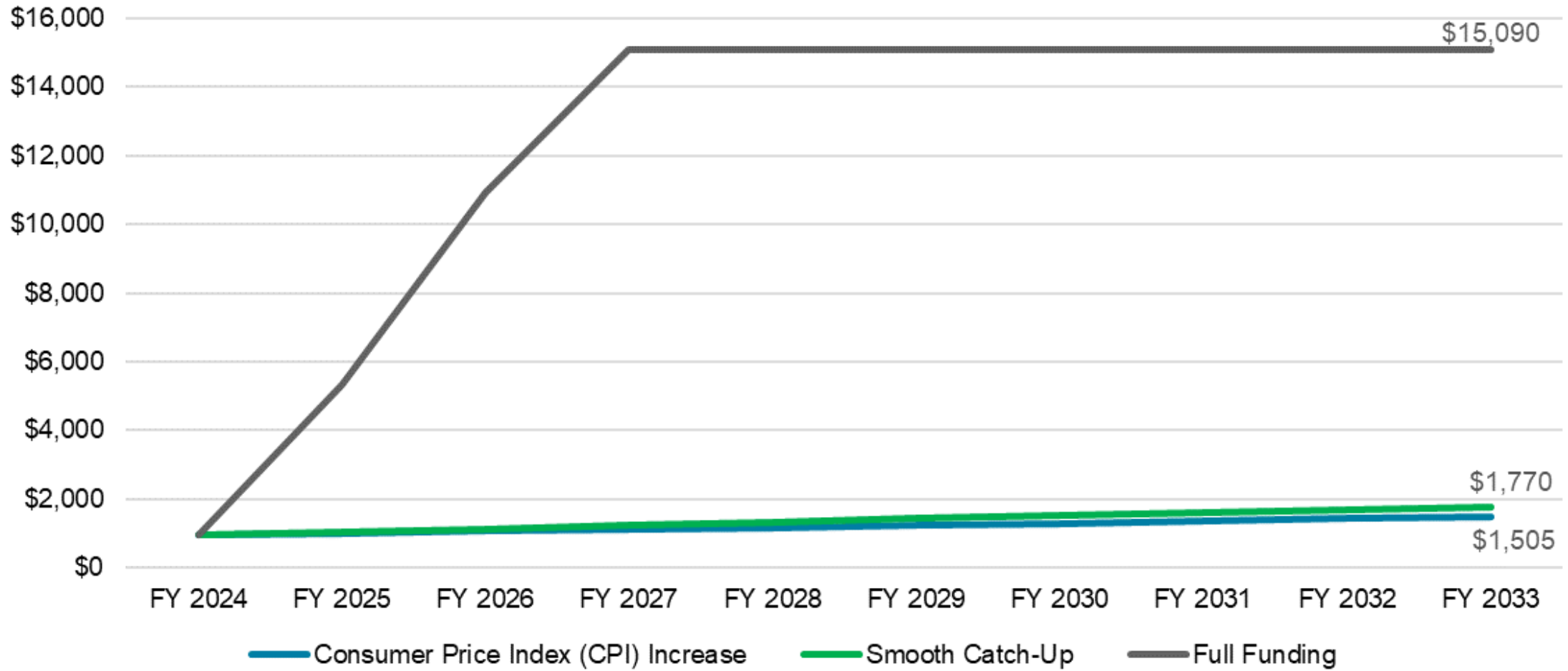
Reclaimed Charts – Golf Course, 2” Typical Bill (28KGAL), FY24-33



*Typical Bill calculations reflect across-the-board increases which may differ across customer classes after cost-of-service and rate design tasks.



Reclaimed Charts – 4” Typical Bill (500KGAL), FY24-33

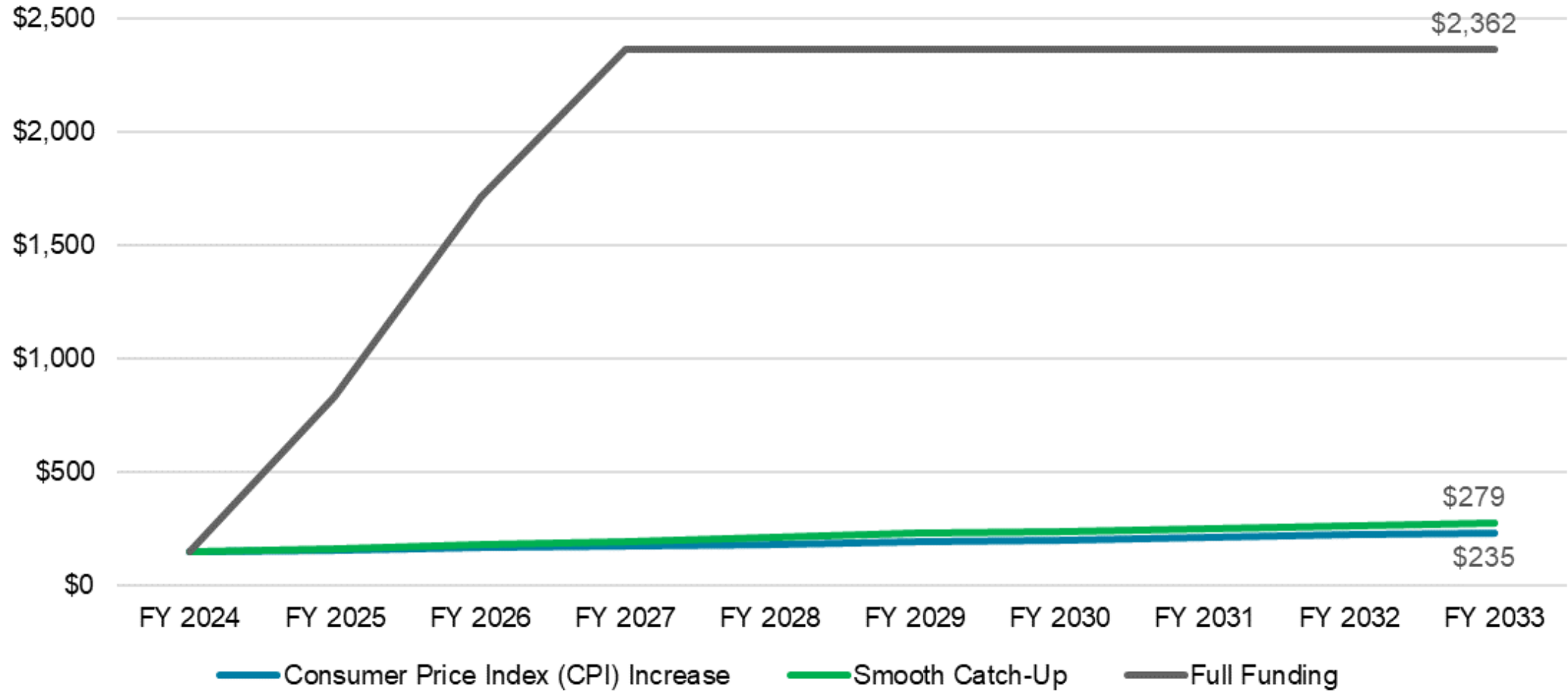


*Typical Bill calculations reflect across-the-board increases which may differ across customer classes after cost-of-service and rate design tasks.



Reclaimed Charts – Commercial, 2” Typical Bill (73KGAL), FY24-33

WATER, RECLAIMED WATER, & WASTEWATER STUDY



*Typical Bill calculations reflect across-the-board increases which may differ across customer classes after cost-of-service and rate design tasks.



Discussion



Looking Forward - Key Milestones

	2023							2024									
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Rate Study Begins	█																
Monthly Updates to Water Commission	█	█	█	█	█	█	█	█	█	█	█						
Review of current rates and budget forecasts	█	█	█	█													
Develop elements of communication program				█	█												
Small group stakeholder roundtables					**												
Future Stakeholder engagement events/opportunities							**	**	**	**			**				
Kick Off meeting with City Council				█													
Monthly Updates to City Council						█	█	█	█								
Work/Study Session with Council and Commission (public invited)						**											
Analysis of all current fees				█	█												
Develop Rate Design to meet community goals					█	█	█										
Develop Draft Rate Study report							█	█									
Present Draft Rate Study to Water Comm and Council									█								
Prepare 2nd Draft of Rate Study to Water Comm and Council										█							
Prepare Final Draft of Rate Study to Water Comm and Council											█						
Final Rate Study Presented to City Council												█					
Presentation of Ordinance to amend rates to Council													█				
Public Hearing on Proposed Rates (1st reading)														█			
Rate Ordinance adoption by City Council															█		
Revised rates become effective																	█

** Planned Community Outreach event



Communications and Outreach





Communications and Outreach

Goals:

1. Educate and Inform
2. Create an effective dialogue
3. Equitable Access





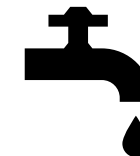
Communications and Outreach

Program Message: Keeping it Clean

(used as a key tag line in headers and banners of all materials)

Messaging elements:

- Fulfilling regulatory requirements.
- Keeping it flowing
- Providing high quality water for residents and businesses
- Reclaiming water for tomorrow
- Investing in efficiency

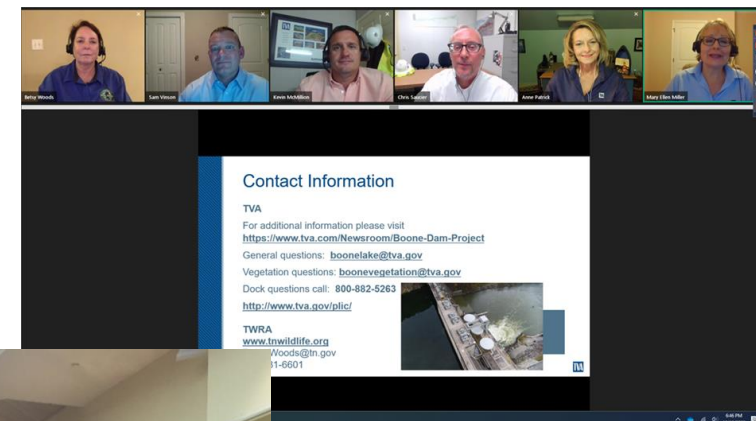




Meeting Platforms

1. Virtual Information Meetings

- Flagstaff at 100% broadband saturation for 25/3 Mbps or greater



2. In-person Meetings

- Presentation Style
- Drop-In



3. Dial-In

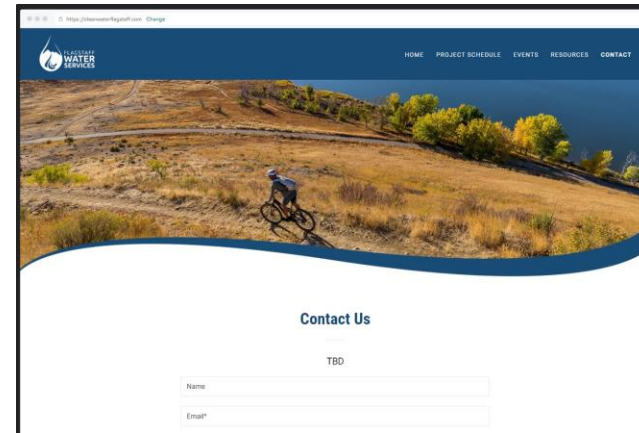
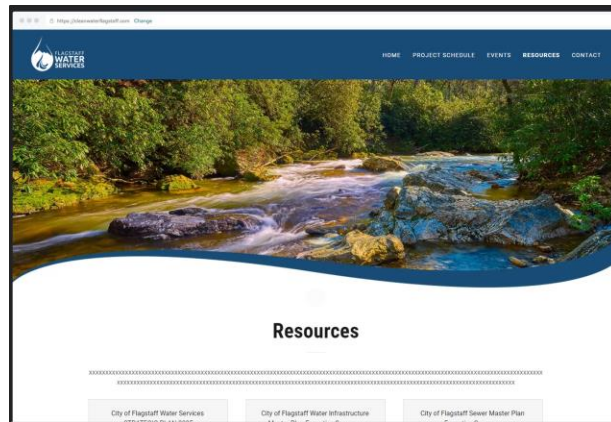
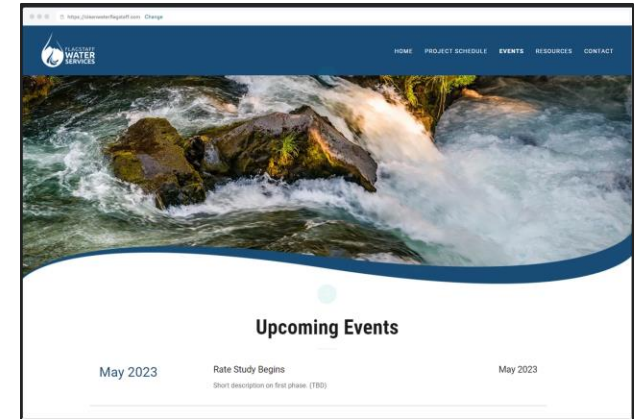
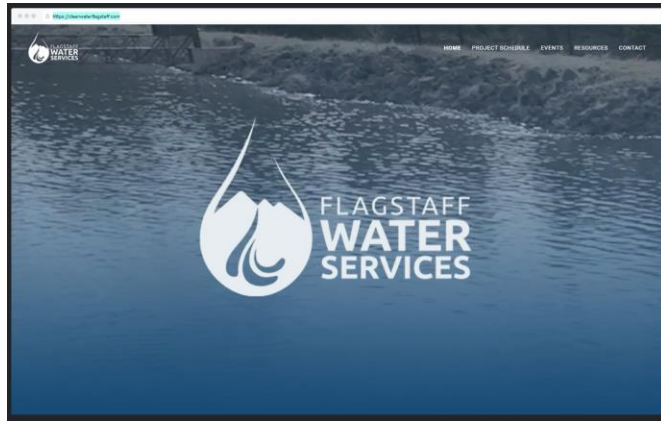
4. ESL Speakers





Project Website

<https://cleanwaterflagstaff.com>





Additional Materials

1. Fact Sheets and Informational handouts
2. Targeted pieces such as door hangers, etc.
3. Short, informational videos.
4. Social Media and Print notices

Water Supply Well Survey COMMUNITY FACT SHEET

FREQUENTLY ASKED QUESTIONS

- Who is being contacted for this survey?**
We worked with the TDEC to define the survey area, which extends for a 1/2 mile radius around the _____ facility. Approximately 175 properties are included in the survey area.
- How will the survey information be used?**
Information collected during the Water Supply Well Survey and water sampling activities will be shared with TDEC and will be used to help identify next steps of the environmental studies taking place in and around the _____ facility.
- What if I do not want my well water tested?**
Participation is voluntary. As a property owner within the survey area, you decide whether to participate in the study. _____ is strongly committed to protecting the health and safety of its community and addressing potential impacts resulting from activities at the _____ facility. We cannot achieve these goals without participation from you and the community.
- Is my water safe to drink?**
We are completing the Water Supply Well Survey and well sampling activities to better understand the groundwater conditions surrounding the _____ facility that may or may not be impacted by the _____ management activities at the facility. Sometimes, naturally occurring minerals can create high levels of constituents in well water or springs. Also, there are other potential impacts to groundwater, for example septic systems, that this survey and sampling do not address.
If you have questions about other aspects of your well water quality, please contact the water well program staff at the Tennessee Department of Environment and Conservation at 615-463-7000. The EPA Office of Ground Water and Drinking Water website also has valuable information at www.epa.gov/ground-water-and-drinking-water.

Water Supply Well Survey Timeline

- Identify private water wells and springs: Spring 2020
- Visit site and request permission: Summer 2020
- Notify owner of survey results: Fall/Winter 2020
- Identify next steps of environmental studies: Fall/Winter 2020

FACT SHEET FEBRUARY 16, 2020 WATER SUPPLY WELL SURVEY

Sorry we missed you!

TVA WATER USE SURVEY

The Tennessee Valley Authority (TVA) and the Tennessee Department of Environment and Conservation (TDEC) visited your property earlier today to discuss with you the possible presence of any usable wells or springs on your property. If you have a usable well or spring on your property, TVA would like to sample and test the water at no cost to you.

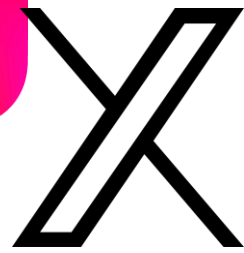
The Tennessee Valley is our home and we care about our neighbors and about protecting our air, land, and waterways. We are conducting this water use survey, under the direction of TDEC, as part of our ongoing efforts to better understand groundwater conditions surrounding our plants.

Please use the contact information on the enclosed business card to discuss a convenient time for us to visit again, and to answer any questions. You can also email tvainfo@tva.gov.

Additional information on the sampling and the study are also enclosed with this notice. And, you can visit www.tva.gov/water-survey or scan the code below to learn more.

Thank you in advance for your patience and cooperation.

Watch video





Upcoming Events

1. Stakeholder Mapping – September 2023

2. Community Roundtables – September 2023

3. Website Launch – October 2023

4. Initial Informational Meeting – Nov. 2023

2024 Water, Reclaimed Water, Wastewater rate study outreach	
Organization Name	Organization Contact
Southside Neighborhood Association	Deb Harris
Sunnyside Neighborhood Association	Coral Evans
La Plaza Vieja Neighborhood Association	Jesse Dominguez or Laura Myers
Townsite Neighborhood Association	Charlie Silver
Townsite Community Land Trust	Ellen Ryan
Railroad Springs HOA (Peaks HOA Management Company)	Marlene Larson, Association Manager
Ponderosa Trails HOA (Sterling Real Estate Management)	Katy Kuhns, Community Manager
Alpine Mesa HOA	David Lemke
Northern Arizona Association of Realtors	Jessica Garard, President
Housing Solutions of Northern Arizona	Devonna McLaughlin, CEO
American Society of Civil Engineers	Jeremy DeGeyter
Northern Arizona Building Association	Julie Hanson
Greater Flagstaff Chamber of Commerce	Board: Joe Galli
Flagstaff Downtown Business Alliance	Terry Madeksza, Executive Director
Flagstaff Independent Business Alliance	Katy Peterson, President
Flagstaff Business Advisors	Wendy Kuhn
ECoNA	Gail Jackson, President/CEO
Flagstaff Professionals	Steven Scott, Co-Founder/Board Chair
Flagstaff Leadership Program	
Local First Arizona	Kimber Lanning, CEO; Aaron Suzuki, Flagstaff Coalition Manager
Sustainable Economic Development Initiative (SEDI)	Eric Marcus
Northern Arizona Leadership Alliance	T. Paul Thomas, CEO; Tim Kinney, Board Chair
City Council	
Airport Commission	Barney Helmick
Beautification & Public Art Commission	Jana Weldon
Commission on Diversity Awareness	
Commission on Inclusion & Adaptive Living	Alan Keay
Employee Advisory Committee	
Flagstaff Housing Authority	Caleb Alexander
Heritage Preservation Commission	Sara Dechter
Housing Commission	Adriana Fisher
Indigenous Commission	Rose Toehe
Library Board	
Mountain Line Transportation Action Team	
Open Spaces Commission	Robert Wallace
Parks & Recreation Commission	Rebecca Sayers
Planning & Zoning Commission	Alexandra Pucciarelli
Sustainability Commission	Nicole Antonopoulos
Tourism Commission	Trace Ward
Transportation Commission	Jeff Bauman
Water Commission	Shannon Jones
City Everyone email	Patrice Horstman, Jeronimo Vasquez; Matt Ryan; Judy Buggy, Lena Fowler
Coconino County Board of Supervisors	Michele Astund
Community Action Advisory Board (CAAB)	
African Diaspora Advisory Council	Areina Contreras, Diversity Coordinator
Coconino Hispanic Advisory Council	Areina Contreras, Diversity Coordinator
Indigenous Peoples Advisory Council	Areina Contreras, Diversity Coordinator
Industrial Development Authority Board	Mike Loven, President
Coconino County Parks & Recreation Committee	
Workforce Development Board	
Coconino County Planning & Zoning Commission	
Coconino County Sustainable Building Program	Amanda Acheson; Bobby Eccleston
Public Safety Personnel Retirement System Local Board	Lauren Bednar
Greater Flagstaff Chamber of Commerce - Gov't Affairs	Joe Galli
KAFF News - Great Circle Media	Dave Zorn, News Director
KNAU	
Arizona Daily Sun - Editorial	Chris Etling, Managing Editor





Upcoming Events

5. Rate Study 'Roadshow' – Nov/Dec. 2023

6. Milestone Public Meetings – Jan/Feb/May

	2023												2024				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Rate Study Begins	█																
Monthly Updates to Water Commission	█	█	█	█	█	█	█	█	█	█	█	█					
Review of current rates and budget forecasts	█	█	█	█													
Develop elements of communication program				█	█												
Small group stakeholder roundtables					**												
Future Stakeholder engagement events/opportunities							**		**	**	**		**				
Kick Off meeting with City Council				█													
Monthly Updates to City Council					█	█	█	█	█								
Work/Study Session with Council and Commission (public invited)					**												
Analysis of all current fees			█	█													
Develop Rate Design to meet community goals				█	█	█	█										
Develop Draft Rate Study report						█	█	█									
Present Draft Rate Study to Water Comm and Council									█								
Prepare 2nd Draft of Rate Study to Water Comm and Council										█							
Prepare Final Draft of Rate Study to Water Comm and Council											█						
Final Rate Study Presented to City Council												█					
Presentation of Ordinance to amend rates to Council													█				
Public Hearing on Proposed Rates (1st reading)														█			
Rate Ordinance adoption by City Council															█		
Revised rates become effective																█	

** Planned Community Outreach event

○ Key Points in Rate Study



Additional Opportunities

7. Drop-In Meetings (one or more)

8. Pop-up Meetings (TBD)

9. Water Commission and City Council Monthly Updates





Thank You!

Feedback/Questions?

Water Capital Improvement Program (CIP)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
Approved CIP											
1 Beulah/University Waterline Relocation	\$ 404,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,103
2 Rio Flood Control Project - Waterline	1,725,000	-	550,000	-	-	-	-	-	-	-	\$ 2,275,000
3 Aging Water Infrastructure Replacements	266,000	200,000	200,000	200,000	900,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$ 6,766,000
4 Water Vault/PRV Replacement Program	475,512	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	\$ 2,275,512
5 Radio Read Meter Replacements ⁺	800,000	1,300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	\$ 4,500,000
6 Reserve	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	\$ 3,000,000
7# Water System Master Plan	134,561	-	-	-	-	150,000	-	-	-	-	\$ 284,561
8# Water Rate Study	187,000	-	-	-	-	75,000	-	-	-	-	\$ 262,000
9 SCADA Well Upgrades	60,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	\$ 330,000
10# New Well and Pumphouse*	148,619	-	2,400,000	-	2,800,000	-	3,200,000	-	3,200,000	-	\$ 11,748,619
11 Coconino Estates - Bundle #4	938,807	-	-	-	-	-	-	-	-	-	\$ 938,807
12 Lake Mary Sedimentation Basins (Flocculations)**	4,392,905	3,430,000	-	-	-	-	-	-	-	-	\$ 7,822,905
13# Soliere Waterline 12" Upsizing	3,377,150	-	-	-	-	-	-	-	-	-	\$ 3,377,150
14# Lake Mary Land Acquisition*	-	3,000,000	-	-	-	-	-	-	-	-	\$ 3,000,000
15# McAllister-Well Design/Construction	148,912	-	-	-	-	-	-	-	-	-	\$ 148,912
16# Switzer Canyon Transmission Line Phase 4*	5,593,506	1,210,000	10,000	10,000	-	-	-	-	-	-	\$ 6,823,506
17 Switzer Canyon Transmission Line Phase 5*	-	500,000	2,500,000	4,000,000	-	-	-	-	-	-	\$ 7,000,000
18# Fort Tuthill Waterline Loop - Phase 2	-	-	-	-	-	2,000,000	-	-	-	-	\$ 2,000,000
19 Water Resources Master Plan	145,000	-	-	-	-	-	-	-	-	-	\$ 145,000
20 First Ave TREX Waterline Replacement	249,750	-	-	-	-	-	-	-	-	-	\$ 249,750
21# Fort Tuthill Well*	772,083	3,320,000	-	-	-	-	-	-	-	-	\$ 4,092,083
22 Inner Basin Waterline ⁺	8,178,788	8,178,788	-	-	-	-	-	-	-	-	\$ 16,357,576
23 Inner Basin Line - Schultz to Reservoir Plant	-	-	-	200,000	-	-	-	-	-	-	\$ 200,000
24 Inner Basin Spring Box and Collection Rehab	-	-	-	-	200,000	-	-	-	-	-	\$ 200,000
25 LM Raw Water Pipeline Rehab**	50,000	500,000	450,000	5,000,000	-	2,000,000	-	5,000,000	-	3,000,000	\$ 16,000,000
26 Zone B Storage	50,000	-	-	500,000	500,000	-	-	-	-	-	\$ 1,050,000
27 Lake Mary Dam Repairs	150,000	-	-	-	-	-	-	-	-	-	\$ 150,000
28 Red Gap Ranch Hydrogeologic Study	-	300,000	-	-	-	-	-	-	-	-	\$ 300,000
29# Red Gap Ranch ROW Survey and Mapping	-	150,000	-	-	-	-	-	-	-	-	\$ 150,000
30# Red Gap Ranch Water Quality Study	-	-	400,000	-	-	-	-	-	-	-	\$ 400,000
31 Railroad Springs #3 Storage Tank	-	-	-	-	-	300,000	1,200,000	-	-	-	\$ 1,500,000
32 Red Gap Ranch NEPA Environ Impact Study	-	-	-	-	-	-	250,000	-	-	-	\$ 250,000
33 Red Gap Ranch NEPA Environ Impact Study ⁺	-	-	-	-	-	500,000	250,000	-	-	-	\$ 750,000
34# Red Gap Ranch Well Completion (10 Wells)	-	-	-	-	-	-	-	-	-	450,000	\$ 450,000
35# JW Powell Waterline Oversizing	-	1,150,000	1,150,000	-	-	-	-	-	-	-	\$ 2,300,000
36# Pine Del Waterline Upsizing	-	-	-	-	-	500,000	1,000,000	1,000,000	-	-	\$ 2,500,000
37# Red Gap Ranch Geotechnical Investigation	-	-	-	-	-	125,000	-	-	-	-	\$ 125,000
38 Red Gap Ranch Geotechnical Investigation ⁺	-	-	-	-	-	375,000	-	-	-	-	\$ 375,000
39# Red Gap Ranch Well Field Piping Design	-	-	-	-	-	-	-	-	750,000	-	\$ 750,000
40 Woody Mountain Wellfield Powerline Burial ⁺	-	-	-	-	1,500,000	500,000	-	-	-	-	\$ 2,000,000
41 Fort Valley Shopping Center	-	-	100,000	500,000	-	-	-	-	-	-	\$ 600,000
42 Turquoise WL Replacement	-	-	-	-	-	-	100,000	1,000,000	-	-	\$ 1,100,000
43 Total CIP Budget (in current dollars)	\$ 28,647,696	\$ 23,868,788	\$ 8,690,000	\$ 11,340,000	\$ 6,830,000	\$ 8,355,000	\$ 7,830,000	\$ 8,830,000	\$ 5,780,000	\$ 5,280,000	\$ 115,451,484
44 Cumulative Projected Cost Escalation ¹	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%	26.5%	31.6%	36.9%	42.3%	
45 Resulting CIP Funding Level	\$ 28,647,696	\$ 24,823,540	\$ 9,399,104	\$ 12,755,958	\$ 7,990,134	\$ 10,165,135	\$ 9,907,448	\$ 11,619,678	\$ 7,910,329	\$ 7,515,086	\$ 130,734,107
<i>#Fully or partially funded by growth *Projects designated for partial debt funding **Full or partially grant funded project. See table three for list of grant funded projects and grant funding amounts</i>											

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
Informed CIP Additional Costs											
46 Aging Water Infrastructure Replacements	-	-	1,800,000	2,300,000	1,600,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	\$ 13,200,000
47 New Well and Pumphouse	-	-	-	3,000,000	-	3,500,000	-	4,000,000	-	4,000,000	\$ 14,500,000
48 Fort Tuthill Well	-	-	3,500,000	-	-	-	-	-	-	-	\$ 3,500,000
49 Inner Basin Line - Schultz to Reservoir Plant	-	-	-	-	-	3,000,000	-	3,000,000	-	2,000,000	\$ 8,000,000
50 Inner Basin Spring Box and Collection Rehab	-	-	-	-	-	-	2,000,000	2,000,000	-	-	\$ 4,000,000
51 Red Gap Ranch ROW Acquisition Segments 1-3	-	-	-	-	-	1,000,000	1,000,000	-	-	-	\$ 2,000,000
52 Woody Mountain Wellfield Powerline Burial	-	-	-	-	-	1,500,000	-	-	-	-	\$ 1,500,000
53 ADOT Cast Iron	-	-	-	-	-	-	-	1,500,000	2,000,000	2,000,000	\$ 5,500,000
54 Annual Unfunded Projects**	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$ 9,000,000
55 Subtotal - Additional Informed CIP Project Costs	\$ -	\$ 1,000,000	\$ 6,300,000	\$ 6,300,000	\$ 2,600,000	\$ 11,500,000	\$ 5,500,000	\$ 13,000,000	\$ 4,500,000	\$ 10,500,000	\$ 61,200,000
56 Total CIP Budget (in current dollars)	\$ 28,647,696	\$ 24,868,788	\$ 14,990,000	\$ 17,640,000	\$ 9,430,000	\$ 19,855,000	\$ 13,330,000	\$ 21,830,000	\$ 10,280,000	\$ 15,780,000	\$ 176,651,484
57 Cumulative Projected Cost Escalation ¹	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%	26.5%	31.6%	36.9%	42.3%	
58 Resulting CIP Funding Level	\$ 28,647,696	\$ 25,863,540	\$ 16,213,184	\$ 19,842,601	\$ 11,031,766	\$ 24,156,643	\$ 16,866,703	\$ 28,726,791	\$ 14,068,890	\$ 22,459,860	\$ 207,877,674
<i>**See Table 2 for list of unfunded projects</i>											

Water Capital Improvement Program Details

Table 1 - Major Projects

	Total Cost
1 Red Gap Ranch Pipeline 100% Design	\$ 12,000,000
2 Red Gap Ranch Pipeline Construction	\$ 260,000,000
Total Major CIP Projects	\$ 272,000,000

****Table 2 - Unfunded Projects**

	Total Cost
1 North Reservoir Treatment Plant	\$ 1,200,000
2 Main Tank Rehabilitation	\$ 1,200,000
3 Christmas Tree Tank Rehabilitation	\$ 500,000
4 Paradise Tank Rehabilitation	\$ 500,000
5 Bonito Load Out Station	\$ 750,000
6 Kinlani Tank Rehabilitation	\$ 100,000
7 Inner Basin Diesel Engine Replacements (IB#9, IB#11, IB#14)	\$ 150,000
8 Flow Meter Replacements	\$ 500,000
9 Inner Basin Pipeline Assessment/Design	\$ 500,000
10 Inner Basin Pipeline Rehabilitation	\$ 2,500,000
11 Lake Mary Water Treatment Plant Chlorine Dioxide Generator Replacement	\$ 200,000
12 Tuthill Booster Station Rehabilitation	\$ 300,000
Total Unfunded CIP Projects	\$ 8,400,000

+Table 3 - Grant Funded Projects

	Total Cost
1 Radio Read Meter Replacements	\$ 1,500,000
2 Lake Mary Sedimentation Basins (Flocculations)	\$ 4,125,000
3 Inner Basin Waterline	\$ 16,107,576
4 LM Raw Water Pipeline Rehab	\$ 1,500,000
5 Red Gap Ranch NEPA Environ Impact Study	\$ 750,000
6 Red Gap Ranch Geotechnical Investigation	\$ 375,000
7 Woody Mountain Wellfield Powerline Burial	\$ 1,500,000
Total Grant Funding	\$ 25,857,576

Wastewater Capital Improvement Program (CIP)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
Approved CIP											
1 Beaulah/University Sewer Ext	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
2# Master Plan - Collections	-	-	-	400,000	-	-	-	-	-	-	\$ 400,000
3 Energy Efficiency Program	206,637	-	-	-	-	-	-	-	-	-	\$ 206,637
4 Rio Two Bar Screens	515,917	-	-	-	-	-	-	-	-	-	\$ 515,917
5 Aging Infrastructure Replacements	-	-	1,000,000	-	1,000,000	1,350,000	1,500,000	2,000,000	1,875,000	1,790,000	\$ 10,515,000
6 Reserve for Improvements	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	\$ 3,000,000
7 Rio de Flag Sewer Relocations	3,300,000	-	945,000	-	-	-	-	-	-	-	\$ 4,245,000
8 Coconino Estates - Bundle #4	875,276	-	-	-	-	-	-	-	-	-	\$ 875,276
9# Wildcat Dewatering Facility	-	1,400,000	1,700,000	3,000,000	-	-	-	-	-	-	\$ 6,100,000
10# Sewer Rate Study	25,000	-	-	50,000	-	-	-	50,000	-	-	\$ 125,000
11 First Ave Rte 66 Sewer Replacement	500,990	-	-	-	-	-	-	-	-	-	\$ 500,990
12 Country Club Interceptor to WCH	300,000	-	-	-	-	-	-	-	-	-	\$ 300,000
13 Rio Solids Treatment*	22,618,500	2,000,000	-	-	-	-	-	-	-	-	\$ 24,618,500
14 Sewer Collection AIR Assessments	50,000	-	-	-	-	-	-	-	-	-	\$ 50,000
15 Wildcat New Elect./Fiber Upgrade*	-	2,000,000	1,246,000	-	-	-	-	-	-	-	\$ 3,246,000
16 Wildcat Roof Replacement	1,000,000	2,000,000	-	-	-	-	-	-	-	-	\$ 3,000,000
17 Wildcat UV Disinfection	500,000	2,500,000	2,500,000	-	-	-	-	-	-	-	\$ 5,500,000
18 Rio Main Motor Control Centers	-	-	300,000	1,500,000	1,800,000	-	-	-	-	-	\$ 3,600,000
19 BNSF Sewer Relocations	474,037	-	-	-	-	-	-	-	-	-	\$ 474,037
20 Facility Master Plan Update	750,000	-	-	-	-	400,000	-	-	-	-	\$ 1,150,000
21 Headworks Rehab	-	-	1,500,000	1,500,000	-	-	-	-	-	-	\$ 3,000,000
22# East Industrial Sewer Improvements	-	-	-	-	520,000	-	-	-	-	-	\$ 520,000
23# . unnyside Trunk Upsizing	-	-	-	-	260,000	-	-	-	-	-	\$ 260,000
24# Ponderosa Pkwy - McMillan Mesa	-	-	-	-	400,000	-	-	-	-	-	\$ 400,000
25# East Railhead Upsizing	-	-	-	-	-	500,000	-	-	-	-	\$ 500,000
26# University Heights Oversizing	-	-	-	-	-	-	500,000	-	-	-	\$ 500,000
27# Wildcat Solar Drying Facility	-	-	-	1,500,000	1,500,000	-	-	-	-	-	\$ 3,000,000
28 Rio Roof Replacement	-	-	-	-	-	2,500,000	-	-	-	-	\$ 2,500,000
29 Total CIP Budget (in current dollars)	\$ 31,716,357	\$ 10,200,000	\$ 9,491,000	\$ 8,250,000	\$ 5,780,000	\$ 5,050,000	\$ 2,300,000	\$ 2,350,000	\$ 2,175,000	\$ 2,090,000	\$ 79,402,357
30 Cumulative Projected Cost Escalation ¹	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%	26.5%	31.6%	36.9%	42.3%	
31 Resulting CIP Funding Level	\$ 31,716,357	\$ 10,608,000	\$ 10,265,466	\$ 9,280,128	\$ 6,761,782	\$ 6,144,097	\$ 2,910,234	\$ 3,092,440	\$ 2,976,638	\$ 2,974,722	\$ 86,729,863
<i>#Fully or partially funded by growth</i>											
<i>*Projects designated for partial debt funding</i>											
Informed CIP Additional Costs											
32 Aging Infrastructure Replacements	-	-	-	-	1,000,000	650,000	500,000	-	125,000	210,000	\$ 2,485,000
33 Country Club Interceptor to WCH	-	3,000,000	3,000,000	3,000,000	-	-	-	-	-	-	\$ 9,000,000
36 Annual Unfunded Projects**	-	2,281,333	2,281,333	2,281,333	2,281,333	2,281,333	2,281,333	2,281,333	2,281,333	2,281,333	\$ 20,532,000
37 Subtotal - Additional Informed CIP Project Costs	\$ -	\$ 5,281,333	\$ 5,281,333	\$ 5,281,333	\$ 3,281,333	\$ 2,931,333	\$ 2,781,333	\$ 2,281,333	\$ 2,406,333	\$ 2,491,333	\$ 32,017,000
38 Total CIP Budget (in current dollars)	\$ 31,716,357	\$ 15,481,333	\$ 14,772,333	\$ 13,531,333	\$ 9,061,333	\$ 7,981,333	\$ 5,081,333	\$ 4,631,333	\$ 4,581,333	\$ 4,581,333	\$ 111,419,357
39 Cumulative Projected Cost Escalation ¹	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%	26.5%	31.6%	36.9%	42.3%	
40 Resulting CIP Funding Level	\$ 31,716,357	\$ 16,100,587	\$ 15,977,756	\$ 15,220,910	\$ 10,600,478	\$ 9,710,512	\$ 6,429,508	\$ 6,094,519	\$ 6,269,871	\$ 6,520,666	\$ 124,641,163
<i>**see Table 2 for list of unfunded projects</i>											

Wastewater Capital Improvement Program Details

Table 1 - Major Projects

	Total Cost
1 Wildcat Expansion Design	\$ 25,000,000
2 WWTP Expansion - Design and Construction	\$ 220,000,000
Total Major CIP Projects	\$ 245,000,000

****Table 2 - Unfunded Projects**

	Total Cost
1 Anoxic Mixer	\$ 550,000
2 Influent Grit Removal	\$ 750,000
3 Improve Baffling and Weirs at Secondary Clarifiers	\$ 480,000
4 Add Post Anoxic Zone	\$ 2,152,000
5 Add Initial Anaerobic Zone	\$ 2,400,000
6 Replace All Three Anoxic Mixers on IFAS	\$ 500,000
7 Septage/Grease Station	\$ 5,400,000
8 Flagstaff Interceptor (Butler to Continental Country Club)	\$ 5,600,000
9 Wildcat Hill to Country Club	\$ 2,700,000
Total Unfunded CIP Projects	\$ 20,532,000

Reclaimed Water Capital Improvement Program (CIP)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
Approved CIP											
1 8" Bottleneck - Replacement*	1,521,983	1,500,000	900,000	-	-	-	-	-	-	-	\$ 3,921,983
2 Rio Reclaim Water PRV Relocation 16**	-	-	-	200,000	-	-	-	-	-	-	\$ 200,000
3 Rate Study- Reclaimed Portion	25,000	-	-	25,000	-	-	-	25,000	-	-	\$ 75,000
4 Reclaim Water Meters and Vaults*	-	200,000	-	-	-	-	-	-	-	-	\$ 200,000
5 Rio Reclaimed Pump Valve Actuators	40,000	40,000	40,000	-	-	-	-	-	-	-	\$ 120,000
6 BNSF Reclaimed Relocations	474,212	-	-	-	-	-	-	-	-	-	\$ 474,212
7 Total CIP Budget (in current dollars)	\$ 2,061,195	\$ 1,740,000	\$ 940,000	\$ 225,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 4,991,195
8 Cumulative Projected Cost Escalation ¹	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%	26.5%	31.6%	36.9%	42.3%	
9 Resulting CIP Funding Level	\$ 2,061,195	\$ 1,809,600	\$ 1,016,704	\$ 253,094	\$ -	\$ -	\$ -	\$ 32,898	\$ -	\$ -	\$ 5,173,492

*Projects designated for partial debt funding

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
Informed CIP Additional Costs											
10 Reclaim Recharge Outfall Project*	175,000	750,000	750,000	750,000	750,000	-	-	-	-	-	\$ 3,175,000
11 AWT Sampling and Testing	-	120,000	60,000	-	-	-	-	-	-	-	\$ 180,000
12 Reclaim System PRV/ARV Assessment	-	100,000	-	-	-	-	-	-	-	-	\$ 100,000
13 Buffalo Park Tank #1 Painting	-	-	-	-	400,000	-	-	-	-	-	\$ 400,000
14 Buffalo Park Chlorine Bldg Upgrade	-	-	1,500,000	1,500,000	-	-	-	-	-	-	\$ 3,000,000
15 Reclaim Loop - Fox Glenn to Country Club	-	-	-	-	-	-	-	-	2,500,000	2,500,000	\$ 5,000,000
16 Bushmaster Park Booster Communications & Flow Mete	-	300,000	300,000	-	-	-	-	-	-	-	\$ 600,000
17 WCH Reclaim Booster Building Equipment Upgrade	-	-	-	2,000,000	2,000,000	-	-	-	-	-	\$ 4,000,000
18 AWT Pilot Project	-	-	500,000	2,500,000	-	-	-	-	-	-	\$ 3,000,000
19 Reclaim Model Projects	-	-	-	-	-	500,000	500,000	500,000	500,000	500,000	\$ 2,500,000
20 Rio Storage Tank	-	-	-	-	-	500,000	-	-	-	-	\$ 500,000
21 WCH Storage tank	-	-	-	-	-	-	500,000	-	-	-	\$ 500,000
22 Annual Unfunded Projects**	-	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	\$ 29,250,000
23 Subtotal - Additional Informed CIP Project Costs	\$ 175,000	\$ 4,520,000	\$ 6,360,000	\$ 10,000,000	\$ 6,400,000	\$ 4,250,000	\$ 4,250,000	\$ 3,750,000	\$ 6,250,000	\$ 6,250,000	\$ 52,205,000
24 Total CIP Budget (in current dollars)	\$ 2,236,195	\$ 6,260,000	\$ 7,300,000	\$ 10,225,000	\$ 6,400,000	\$ 4,250,000	\$ 4,250,000	\$ 3,775,000	\$ 6,250,000	\$ 6,250,000	\$ 57,196,195
25 Cumulative Projected Cost Escalation ¹	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%	26.5%	31.6%	36.9%	42.3%	
26 Resulting CIP Funding Level	\$ 2,236,195	\$ 6,510,400	\$ 7,895,680	\$ 11,501,734	\$ 7,487,095	\$ 5,170,775	\$ 5,377,606	\$ 4,967,642	\$ 8,553,557	\$ 8,895,699	\$ 68,596,383

* Full or partially grant funded project. See table one for list of grant funded projects and grant funding amounts

**See Table 2 for list of unfunded projects

Priority Based Budgeting Objectives Update

October 12, 2023





PBB Objectives Update

Summary of Summer Outreach

Project Objective:

Craft Priorities and objective that are reflective of current needs and wants of community

Outreach Objective:

Involve community to build a comprehensive series of objectives for each of Flagstaff's Key Community Priorities



PBB Objectives Update

Community Outreach – Summary

- Online Survey
 - Was open for the whole duration of Outreach Efforts
- Dedicated Events
 - Hosted 2 Open Houses
- In the Community
 - Were present at 7 existing events/locations throughout the City



PBB Objectives Update

Community Outreach – Online Survey

- Sought input on Objectives for each Priority
 - Allowed comments on as many/few objectives as desired
- June 26 – August 4
 - Received 77 submissions
 - Most provided comments on many different objectives



PBB Objectives Update

Community Outreach – Dedicated Events

- 3 Open Houses
 - City Hall
 - Co-habituated with Regional Plan Update
 - Aquaplex
 - Murdoch Center
- 66 Comments received



PBB Objectives Update

Community Outreach – In the Community

- Concerts in Park (Partnered with Regional Plan Outreach)
 - 7/12/2023 – Mobile Haven Park
 - 7/19/2023 – Jim Cullen Memorial Park
 - 7/26/2023 – Bushmaster Park
- Passive tabling
 - Flagstaff Mall
 - Jay Lively Activity Center
 - City Hall (Farmer's Market)
 - Downtown (First Friday Art walk)
- 74 Comments received



PBB Objectives Update



Community Outreach – In the Community





PBB Objectives Update

Community Outreach – Outreach to Youth

- Adults & Teens
 - Utilized the survey and gave direct feedback on the Objectives
- Youth
 - Great engagement at Concerts in the park
 - Asked: “What law would you make or what would you build more of if you were the mayor of the City?”
 - Received answers as short ideas, pictures
 - Helped them properly locate their answers in appropriate objective



PBB Objectives Update

Notable Public Input

- High Performing Governance: “I believe this communication objective may be more effective if it has to do with timely notification of items the people believe are important. How can the City insure we are notified in time? The email notice option you already have with regard to upcoming Council meetings is an example of a very good idea.”
- Safe and Healthy Community: “Help people who are homeless”
- Inclusive and Engaged Community: “Social equity & social justice need to be more clearly defined; how would this be implemented within the budget?”
- Robust and Resilient Economy: “While I would support/strengthen robust and sustainable economy, why would this need to be connected with affordable housing? Means we don't trust the market forces to do some of this or that we are not efficient or pay too little to live here.”
- Livable Community: “Why do developers need to be called out? Healthy development of communities is inclusive of investors of all sizes.”

Priority Based Budgeting Objectives Update

Suggested Changes





PBB Objectives Update

Summary of Changes

- Added timeliness to communication goals
- Incorporated mental component to health-related objectives
- Modified employment goals to include retention of existing employees
- Expanded infrastructure goals to include ongoing maintenance needs
- Added workforce housing component to existing workforce development goals
- Added definitions section for vague or lesser-known terms
- Updated references to relevant long-range planning documents



PBB Objectives Update

High Performing Governance

- Serve the public by providing high quality customer service
- ~~Foster community-wide clear & consistent communication strategies & products~~ Cultivate community communication engagement practices that are clear, consistent, and timely
- Encourage public trust through transparency, accessibility, and use of the City's public participation policy
- ~~Enhance~~ Maintain the organization's fiscal stability ~~& increase efficiency & effectiveness~~ through strong financial policies and best practices
- Implement and communicate innovative and efficient local government programs, new ideas, and best practices; ~~be recognized as a model for others to follow~~
- Be an inclusive employer of choice ~~through active and inclusive recruitment for the best available applicants~~ by providing employees with the necessary tools, training, support, and compensation



PBB Objectives Update

Safe and Healthy Community

- Enhance community engagement and strengthen relationships between the community and public safety services
- Support social services, community partners, and housing opportunities
- Provide and build upon the alternative responses model, and other community partnerships resources & programs, inclusive of mental health & other services to best serve the mental and behavioral health needs of the community
- Provide public safety services with resources, staff, and training responsive to the community's needs
- Promote physical and mental well-being health through providing recreational al opportunities, parks, open space, and multiple-active transportation options
- Ensure the built environment is safe through the use of consistent standards , rules & regulations, & land use as well as best practices for building and land use



PBB Objectives Update

Inclusive and Engaged Community

- Proactively foster community representation and civic engagement by ~~increasing~~ enhancing opportunities for public involvement, in line with best practices ~~& legal requirements~~
- Advance social equity and social justice in Flagstaff by supporting social services
- Facilitate and foster equity, diversity, and inclusivity, including support of ~~anti-racist~~ trauma-informed policies & practices
- Enhance the City's ~~community~~ involvement, in community, education, and regional partnerships to strengthen the level of public trust
- Ensure City facilities, services, and programs are accessible for all residents and representative of Flagstaff's diverse community
- Promote environmental justice and the ~~fair distribution of equitable~~ access to environmental benefits



PBB Objectives Update

Sustainable, Innovative Infrastructure

- Deliver outstanding services to residents through a healthy, well maintained infrastructure system
- Utilize existing long-range plan(s) that identify the community's future infrastructure needs & all associated costs
- Provide, manage, and maintain effective ~~management of and~~ infrastructure for multimodal and active transportation
- Facilitate, ~~&~~ develop, and encourage carbon-neutral energy opportunities
- Support the community's social infrastructure needs; assist those partner organizations that provide services the City does not



PBB Objectives Update

Robust and Resilient Economy

- Support and strengthen a ~~more~~ robust, diverse, and sustainable economy ~~in ways that reflect community values & provides for affordable housing opportunities~~
- Maintain and enhance an equitable and effective business ~~recruitment~~, retention, and expansion program throughout the community
- Enhance ~~understanding~~ relationship between the development community, the City, and Flagstaff residents
- Attract employers that provide high quality jobs and have a low impact on infrastructure and natural resources
- Enhance the community's workforce housing/development programs; ~~&~~ improve partnerships with ~~higher education institutions &~~ the private and public sectors
- Embrace and invest in responsible tourism opportunities to promote economic development



PBB Objectives Update

Livable Community

- Create a welcoming community through partnerships, resilient neighborhoods, and civic engagement
- Provide amenities and activities that support a healthy lifestyle
- ~~Support regional partners which p~~rovide equitable and inclusive educational and cultural opportunities for Flagstaff residents of all ages
- Actively support attainable and affordable housing through the City's 10-Year Housing plan as well as other projects and opportunities ~~with developers~~
- Support diverse employment opportunities ~~that provide residents with a living wage~~ and high quality jobs
- Achieve a well-maintained community through comprehensive and equitable code compliance and development ~~that is compatible with community values~~



PBB Objectives Update

Environmental Stewardship

- Promote, protect, and enhance a healthy, sustainable environment and its natural resources
- Engage community members through education and volunteer opportunities
- Implement and enhance sustainable building practices, ~~enhance~~ waste diversion programs, alternative energy programs, and multimodal transportation options
- ~~Increase~~ Encourage the private sector's ~~participation~~ investment in environmental stewardship efforts
- Implement, maintain, and further the Carbon Neutrality Plan (CNP) ~~with awareness of social inequities~~
- Strengthen Flagstaff's resilience to climate change impacts on built, natural, economic, health, and social systems



PBB Objectives Update

Definitions (1 of 2)

- **Alternative response model** - Responding to appropriate 911 calls with a behavioral health professional and the ability to provide culturally sensitive care to those in crisis or needing mental health or substance use assistance
- **Active transportation** - the transport of people or goods through non-motorized means, based around human physical activity
- **Community partners** – Governmental, nonprofit, and private organizations in the Flagstaff community that work with the City of Flagstaff to implement its programs, projects, and/or services
- **Environmental justice** – the just distribution of the benefits of climate protection and alleviation of unequal burdens created by climate change
- **Infrastructure** – The basic physical structures and facilities needed for the operation of the City (i.e. buildings, transportation networks, parks, various water networks, etc.)
- **Multimodal transportation** – interconnected transportation system that accommodates multiple modes of transportation, including walking, bicycling, public transportation systems, and driving



PBB Objectives Update

Definitions (2 of 2)

- **Resilient neighborhood** – a community with the capacity to anticipate, accommodate, and positively adapt and thrive amidst changing climate conditions, while building systems of equity, connection, and empowerment
- **Social equity** - actively working to counteract systemic inequalities to ensure that social services are delivered equitably and everyone in a community has access to the same opportunities and outcomes
- **Social infrastructure** - the background structures and systems that allow social, economic, cultural and political life to happen, including social services, transportation, housing, education, and healthcare
- **Social justice** - fair and compassionate distribution of wealth, opportunities, and privileges
- **Social services** - programs and services that provide support and assistance to improve the well-being of individuals, families, and communities
- **Trauma-informed** – understanding and considering the pervasive nature of trauma from exposure to abuse, neglect, discrimination, violence, or other adverse experiences and promoting environments of healing and recovery



Community Outreach Plan

Questions?

Input?

Discussion?

Citizen Petitions & FAIRs

City Council Retreat

October 12, 2023





Citizen Petitions

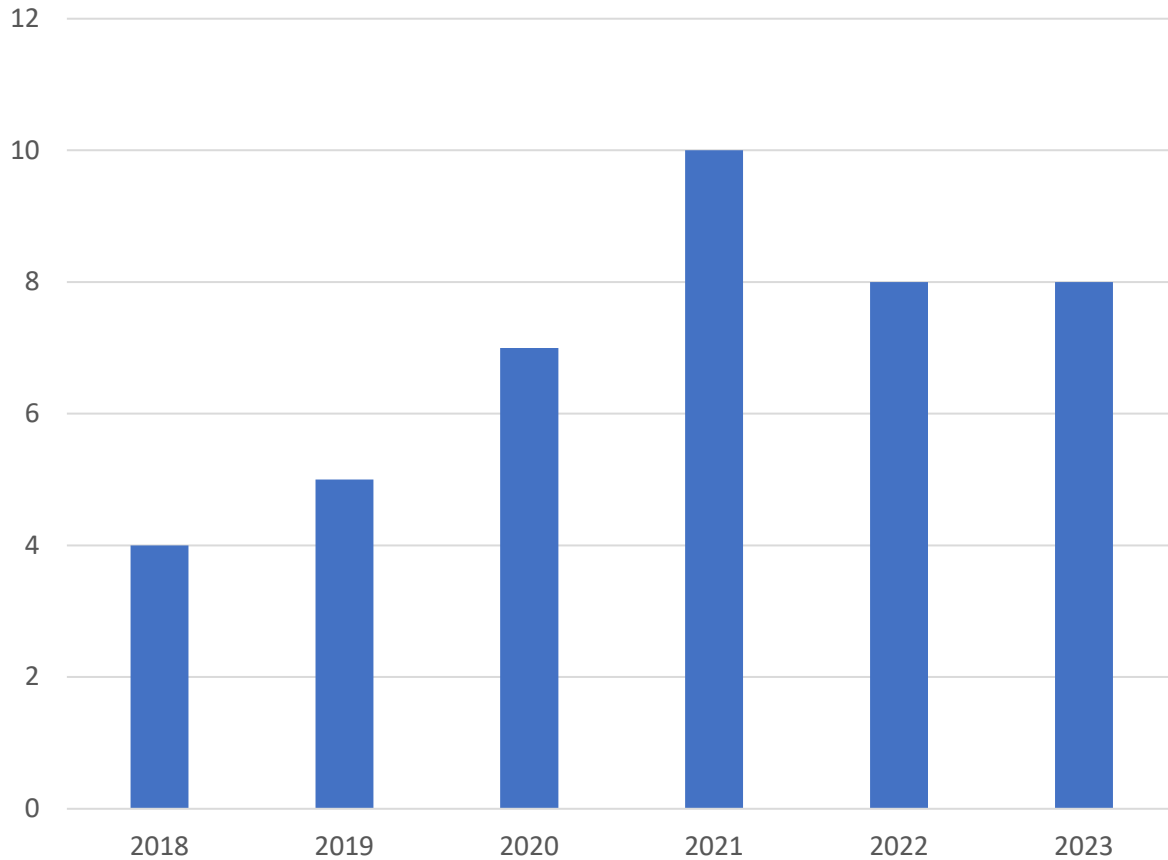


- Require 25 signatures to appear on the agenda
- The Council has 30 days to take action on the petition
 - Advance or not advance item
- Treated similarly to a FAIR item



Citizen Petitions

2018 - 2023



- Increase in amount
- Increase in intensity
 - Vocal proponents
- Increase in staff & Council time
 - Pushing other items aside
- Going beyond municipal scope
 - Political statements
- Mandating administrative outcomes



Citizen Petitions



Recent Petition Topics

- Noise Pollution/Sound Study
- Camping Ordinance
- Abortion
- Nuclear Weapons
- Divestment from Wells Fargo
- Pickleball (x 3)
- Carbon Neutrality

Citizen Petition: FOSPR
Citizen Petition: Coconino County Detention Center
Citizen Petition: FOSPR Revised
Citizen Petition: Free Parking for First Fridays
Citizen Petition: Add Grandfather Clause to T21 Ordinance
Citizen Petition: Climate Emergency Resolution
Citizen Petition: Ranked Choice Voting
Citizen Petition: Noise Pollution
Citizen Petition: Coconino Estates Sidewalks
Citizen Petition: Formally declare 2020 the year of the mother in Flagstaff
Citizen Petition: School Zone Speed Limits
Citizen Petition: Pinnacle Pines
Citizen Petition: Flagstaff Police Reform: Use of Force and Funding
Citizen Petition: Modification to US89 & Smokerise Dr. Intersection
Citizen Petition: Tunnel/Bridge to connect Thompson St. to Lower Coconino St.
Citizen Petition: Declare a Housing Crisis in the City of Flagstaff through Emergency Resolution
Citizen Petition: Save the tree at 510 W. Beal Rd.
Citizen Petition: Essential Retail Workers Vaccine
Citizen Petition: Seeking closure of Woody Way
Citizen Petition: Bike Safety
Citizen Petition: Camping Ordinance
Citizen Petition: Flagstaff Village Issue
Citizen Petition: 30-day Street Parking Ordinance
Citizen Petition: Designating Woody Way as one way street
Citizen Petition: Museum Flood Mitigation Plan
Citizen Petition: Southside Neighborhood Character Overlay
Citizen Petition: Climate Emergency: Stop the Money Pipeline
Citizen Petition: Fourth Street Lockett Intersection
Citizen Petition: Nuclear Weapons – Existential Threat
Citizen Petition: Protect Abortion Access
Citizen Petition: Deny zoning text amendment change for the Switzer Canyon Wash Floodplain
Citizen Petition: Pipeline West Culvert Improvements at Schultz Creek & Hwy 180
Citizen Petition: Timely Public Access to Traffic Study Data
Citizen Petition: Traffic Calming in Boulder Point
Citizen Petition: Declare Macy's Coffeehouse as a historic landmark
Citizen Petition: Redevelopment of Firehouse #2
Citizen Petition: Access to El Paso Flagstaff or Empire Road
Citizen Petition: Pickleball Reconsideration
Citizen Petition: Pickleball Reconsideration at Thorpe Park Annex
Citizen Petition: Pickleball Impact Mitigation
Citizen Petition: Walk by Default
Citizen Petition: Add New Priorities to the Carbon Neutrality Plan



Citizen Petitions



Some Principles to Consider

- Respect the Council/Manager Form of Governance
- Obtaining 25 signatures is easy; Council policy discussion is not
- Focus should be within our Municipal Scope
- Staff Time = Expenditure of Taxpayer Dollars

Future Agenda Item Requests (FAIR)

- FAIRs are the process by which a Councilmember may ask to have an item placed on a future agenda for discussion
- FAIRs should be limited to possible policy formulation and not as a means of obtaining information or making a political statement
- A Councilmember may submit an item for consideration in a public meeting during To/From
- The FAIR process is a good and thoughtful methodology ... but it may need a little refinement





Future Agenda Item Requests (FAIR)



- The support of three (3) Councilmembers is needed for the item to be placed on a future agenda
- FAIRs are placed in a queue based upon the order that they are received. Items may be expedited by a majority of Council
- Periodic check ins with Council to review the FAIR item list and bring attention to any workload or time concerns



Current FAIRs



FUTURE AGENDA ITEM REQUESTS (F.A.I.R.) – Needs 3 in Support

These are items requested by a Councilmember to be placed on an agenda under F.A.I.R. to determine if there is at least two other Councilmembers interested in placing it on a future agenda.

DATE REQ'D	MTG. DATE	REQUESTOR	SUBJECT
09/20/2023	10/17/2023	Cit. Petition	Citizen Petition: Add New Priorities to the Carbon Neutrality Plan
10/03/2023	11/07/2023	Matthews	Discussion to consider adding the 10-Year Housing Plan to the weekly agenda policy impact section

COUNCIL DISCUSSION QUEUE – Seeking Council Direction

These are items that have received the support of three Councilmembers through the F.A.I.R. process to place the item on a future agenda. These items are placed in sequential order.

MTG TYPE	DATE REQ'D	REQUESTOR	MTG. DATE	SUBJECT	STAFF ASSIGNED
FAR	02/01/2022	Deasy		Development of artistic pedestrian crosswalks	Overton/Bauman
FAR	02/01/2022	Aslan		Development of a Councilmember Evaluation Process	HR
FAR	02/15/2022	Deasy		Housing program for elderly citizens to have an assistive roommate in exchange for rent	Darr
FAR	03/02/2022	Deasy		Legal violations of permittees as grounds to suspend or terminate building permits or public construction contracts.	Solomon
FAR	03/02/2022	Deasy		Apprenticeship requirements for public construction contracts	Brown
FAR	03/15/2022	Deasy		Development of an "only dig once" policy to allow for other utilities to participate in projects	Bauman
FAR	04/05/2022	Salas		Discussion about the bringing back the city owned parcel at Schultz Pass to the list of properties to be developed for workforce housing	Darr
FAR	02/07/2023	Aslan	01/09/2024	Revisit the City of Flagstaff's Logo	Rhode
FAR	04/04/2023	Cit. Petition		Citizen Petition: Declare Macy's Coffeehouse as a historic landmark	Reavis/Dechter
FAR	07/03/2023	Aslan		Discussion about a pond next to Ponderosa Trails neighborhood between Pulliam and I 17	
FAR	09/05/2023	Cit. Petition		Citizen Petition: Walk by Default	Bauman
FAR	09/05/2023	Aslan		Discussion about developing court amenities for city parks, specifically basketball and Bankshot	Sayers
FAR	09/05/2023	Aslan		Discussion about local breweries and increasing the square footage for retail space in light industrial zones	Antol
FAR	10/03/2023	House		Discussion about the Walk Friendly Community Designation, the levels within the designation, and working toward the next level.	Ince



Considerations

Citizen Petition

- Consider the scope
 - Is it a municipal action?
 - Does it concern policy or is it administrative?
 - Has it been previously addressed?
 - Should the requisite number of three votes to advance the item be changed to a simple majority of Council?



Considerations

FAIR

- Consider the scope
 - Is it a municipal action?
 - Is it something staff is already working on?
 - Is it something that can be addressed administratively?
 - Should the requisite number of three votes to advance the item be changed to a simple majority of Council?
- Simplify
 - Allow latitude in how the FAIR is framed (“including and all discussion items germane to this topic”)
 - City Manager can administratively advance items without the need for a FAIR when appropriate



City Council Initiative Fund

- Funded in FY 23/24
- Purpose is to enable Council's expenditure of funds for items not anticipated
- Has generally not been used; not initially intended to roll over from one budget year to the next
- No parameters, but does require Council action
- Recent Examples
 - Movies on the Square - \$1,555



City Council Initiative Fund

- Outstanding Requests
 - Adopt a Planet at Lowell - \$10,000
 - Sister Cities Sponsorship - \$3,500
 - Youth Poet Laureate?
 - Others?
- Going Forward
 - Aggregate fund subject to a ceiling (consistent with Procurement Code Thresholds)