

MINUTES

1. Call to Order

Mayor Deasy called the Budget Retreat of the Flagstaff City Council held December 9, 2021, 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 through other technological means.

PRESENT:

ABSENT:

MAYOR DEASY (virtual until 8:45 a.m.)
VICE MAYOR DAGGETT (virtual)
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SALAS
COUNCILMEMBER SHIMONI
COUNCILMEMBER SWEET

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

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 Budget Retreat

Mr. Clifton introduced Katie Wittekind who facilitated the retreat.

COUNCIL BUDGET RETREAT

WELCOME AND OBJECTIVES
AGENDA

Chris Fabian with Resource X along with Deputy City Manager Shane Dille continued the presentation.

PRIORITY BASED BUDGETING OVERVIEW
RECOMMENDED BEST PRACTICE
PBB JOURNEY
KEY COMMUNITY PRIORITIES
1.) PRIORITY DRIVEN
2.) DATA DRIVEN
3.) TRANSPARENT
LOGIC FRAMEWORK OF PBB
PROFICIENCY AND MASTERY IMPACT REPORT
THE ABILITY TO SPEAK AND THINK PROGRAMMATICALLY
FLAGSTAFF AWARD
UTILIZE PBB BLUEPRINT TO OPTIMIZE AND MAXIMIZE RESOURCES
CONNECT THE BUDGET TO THE VISION AND VALUES OF YOUR COMMUNITY
THE POWER OF SHARED PURPOSE
LEVERAGING ALL OF YOUR COMMUNITY RESOURCES
LIVE FLAGSTAFF PBB TOOL DEMO
HERE'S THE CHALLENGE WITH TRADITIONAL, LINE-ITEM BUDGETING

Mr. Fabian provided a demo of the City of Flagstaff PBB tool on the Flagstaff website. Following the demonstration, Council briefly discussed how cost recovery and cost allocation was integrated into the system.

A break was held from 10:40 a.m. through 11:01 a.m.

Interim Finance Director Heidi Derryberry and Management Services Director Rick Tadder, provided a PowerPoint presentation that covered the following:

BUDGET REFRESH
BUDGET TEAM CHARTER
PURPOSE
MEETINGS
ROLES
STATUS
BUDGET PROCESS
BUDGET TIMELINE
COLOR OF MONEY
FUND TYPES
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
CAPITAL PROJECT FUNDS
DEBT SERVICE FUNDS
GENERAL FUND
REVENUE UPDATES
ECONOMIC CONSIDERATIONS
GENERAL FUND -- SALES TAX
ECONOMIC OUTLOOK
GENERAL FUND -- SALES TAX
GENERAL FUND -- STATE SHARED
HIGHWAY USER REVENUE SHARE
BBB TAX FUNDS
LODGING METRICS

A break was held from 12:02 p.m. through 12:31 p.m.

Mr. Clifton continued the presentation.

MAINTAINING FISCAL HEALTH
RECESSION PLANNING -- REFRESH
RECESSION PLANNING -- UPDATE
PENSION FUNDING
FISCAL RESPONSIBILITY
FUND BALANCE RESERVE POLICY

Council discussion covered the following points:

- Economic growth and inflation
- Return to pre-pandemic/recession staffing levels
- Appreciation for the foresight to develop and implement the Recession Plan

Economic Vitality Director Heidi Hansen, Management Analyst Chris Rhode, and Interim Human Resources Director Brandi Suda, continued the presentation.

BUDGET EXPECTATIONS AND IMPACTS
BUDGET TEAM FOCUS
MINIMUM WAGE STATE ASSESSMENT
COMPENSATION
MINIMUM WAGE ORDINANCE
MINIMUM WAGE -- CPI IMPACTS
MINIMUM WAGE ESTIMATED COST INCREASE
MERIT
MARKET ADJUSTMENTS
COMPRESSION
SAMPLE COMPRESSION ADJUSTMENT
COMPENSATION SUMMARY

A break was held from 1:37 p.m. through 1:47 p.m.

Federal Lobbyist Bob Holmes, Airport Director Barney Helmick Grants and Contracts Manager Stacey Brechler-Knaggs, Interim Public Affairs Director Sarah Langley, continued the presentation.

FEDERAL FUNDING
OVERVIEW OF STIMULUS FUNDING
AIRPORT CARES ACT GRANTS
CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS (CLFRF)
INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)
WHAT THIS MEANS FOR ARIZONA

Council discussion included the following points:

- Bridges identified for repair in Flagstaff
- Arizona grant funding and how that was allocated
- Federal grant opportunities
- Grants related to hazard mitigation and post-fire flooding

Mr. Clifton concluded the presentation and opened the discussion to Council for expectations for the upcoming budget.

COUNCIL EXPECTATIONS

Council discussion included the following points:

- 2022 Bond Committee development of recommendations for Council
- Infrastructure
- Wastewater needs

- Stormwater needs
- Pursuing grant funding
- Fire fleet and public service radios
- Keeping flood mitigation measures a high priority
- Fair compensation for staff, including ongoing merit, market adjustments, and evaluation of compaction
- Ensuring that the city is well positioned to provide grant funding matches
- Incorporating bike and pedestrian infrastructure with new development
- Continuation of alternate response
- Broadband opportunities
- Securing a second airline
- Implementation of the Business One Stop Shop
- Funding efforts for housing and climate
- Fully funding the Active Transportation Master Plan

Mr. Clifton thanked the Council for their time and engagement. He also thanked staff for all of the work and preparation of materials.

5. Public Participation

None

6. Adjournment

The Budget Retreat of the Flagstaff City Council held December 9, 2021, adjourned at 2:54 p.m.

MAYOR

ATTEST:

CITY CLERK