

MINUTES

1. Call to Order

Vice Mayor Aslan called the meeting of the Flagstaff City Council held December 14, 2023, to order at 8:31 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 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.

PRESENT:

ABSENT:

MAYOR DAGGETT (arrived at 8:33 a.m.)
VICE MAYOR ASLAN
COUNCILMEMBER HARRIS
COUNCILMEMBER HOUSE (arrived at 8:35 a.m.)
COUNCILMEMBER MATTHEWS
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SWEET

Others present: City Manager Greg Clifton; Deputy City Attorney Kevin Finsel.

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 Matthews 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 Budget Retreat

Mr. Clifton offered opening remarks and turned things over to the facilitator Jeff Kennedy who reviewed the objectives for the day.

Assistant Finance Director Heidi Derryberry began the presentation.

COUNCIL BUDGET RETREAT
WELCOME AND OBJECTIVES
AGENDA
BUDGET INTRODUCTION
BUDGET PROCESS
BUDGET TIMELINE

Finance Director Brandi Suda continued the presentation.

COLOR OF MONEY
FUND TYPES
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
CAPITAL PROJECT FUNDS
DEBT SERVICE FUNDS
GENERAL FUND

Management Services Director Rick Tadder continued the presentation.

REVENUE UPDATES
FY 2022-2023 ACTUALS -- SALES TAX -- GENERAL FUND
FY 2022-2023 ACTUALS -- STATE SHARED REVENUES -- GENERAL FUND
FY 2022-2023 ACTUALS -- HIGHWAY USER REVENUE FUND (HURF)
FY 2022-2023 ACTUALS -- BED, BOARD AND BEVERAGE (BBB)
RECESSION PLANNING
FIVE STAGES OF RECESSION PLAN

Mr. Clifton noted that the recession plan was implemented a few years ago and he asked Mr. Tadder to provide a review of the process during that time. Mr. Tadder stated that the implementation of the plan went well, and the organization stepped up to curb expenses. In the period between April and June 2022 three million dollars in resources were saved. The city moved to the significant phase in June and there were difficult conversations about the need to further curb expenditures. The city moved completely out of the plan in January 2023. It was a quick recession which was great and the organization was prepared to manage those fluctuations in the economy.

Councilmember Matthews asked about the increased minimum wage and the impact it would have on the budget. Mr. Tadder explained that the recommendation was to increase the entry level pay to \$18 which was higher than the minimum wage that would be implemented in January. They would continue to approach each year with the intention to stay ahead of the increases.

Management Analyst Chris Rhode continued the presentation.

PRIORITY BASED BUDGET (PBB)
PBB OVERVIEW
PRIORITY AND OBJECTIVE DEVELOPMENT

Councilmember Harris asked about the engagement with the public. Mr. Rhode stated that there were online surveys in two languages and about 100 responses. He noted that there were three different events that allowed people to engage with staff and provide information about what they wanted. There were also a number of smaller events such as Concerts in the Park where they were available to engage with citizens and seek their feedback on the priorities. Staff felt that it was a successful

endeavor and they felt good about the outcomes.

KEY COMMUNITY PRIORITIES
PRIORITY BASED BUDGETING PRIORITIES AND OBJECTIVES
DEFINITIONS
PBB ANNUAL PROCESS
PUBLIC FACING PBB DATA

A break was held from 9:50 a.m. through 10:07 a.m.

Interim Human Resources & Risk Management Director Allison Eckert, Deputy City Manager Joanne Keene, and Mr. Clifton continued the presentation.

BUDGET TEAM FOCUS
INVESTING IN EMPLOYEES -- RECAP
INVESTING IN EMPLOYEES -- CONSIDERATIONS FOR CONTINUING MOMENTUM IN FY 2024-2025
CARBON NEUTRALITY PLAN AND 10-YEAR HOUSING PLAN

Councilmember Harris emphasized the importance of thinking outside the box to meet the goals of the Housing Plan. Addressing the housing issue would help with attracting and retaining employees.

Councilmember Matthews expressed appreciation for the inclusion of housing components within the Carbon Neutrality Plan.

INFRASTRUCTURE
FACILITIES
FLEET
INFORMATION TECHNOLOGY

Councilmember Matthews expressed concern over the limited availability for electric vehicles. Waiting two years for vehicle delivery did not seem practical. Mr. Clifton noted that availability was considered as part of the procurement process. Sustainability Director Nicole Antonopoulos added that the availability challenges would not impact the overall goals in the long term because the fleet was not converting all at once.

UPDATES
EMPLOYEE ENGAGEMENT SURVEY -- COMMON THEMES
COMPENSATION
COMMUNICATION
RECOGNITION AND EMPLOYEE APPRECIATION
POSITIVE TRENDS
EMPLOYEE ENGAGEMENT SURVEY -- NEXT STEPS/TIMELINE

Economic Vitality Director Heidi Hansen continued.

REGIONAL RECRUITMENT OUTLOOK

Councilmember House asked if there had been research into what other municipalities had done to support employer-provided or workforce housing programs. Housing Director Sarah Darr stated that there had been a lot of research and there were programs that they were digging deeper into. She noted that there were constraints within the State of Arizona and their biggest challenge was limited funding ongoing.

Councilmember McCarthy stated that higher density had to be encouraged to create more housing. Councilmember Harris added that higher density was important but that it had to be spread out through the community and not just in one area.

Councilmember Matthews stated that she was hopeful that the downtown visioning and code analysis

would bring forward good recommendations.

Councilmember House encouraged not being overly reductive or assumptive in community needs. It was not always housing versus carbon neutrality, density versus sprawl, or building out further versus vehicle miles traveled. The benefit would come from identifying how the concepts of housing and carbon neutrality worked together.

Interim Assistant Human Resources & Risk Management Director Jennifer Caputo and Economic Vitality Director Heidi Hansen continued the presentation.

RECRUITMENT DATA
TIME TO HIRE
APPLICANT STATISTICS
HIRES BY SOURCE
APPLICANT STATISTICS
VACANCIES AND TURNOVER
DECLINED OFFERS
DIFFICULT POSITIONS TO RECRUIT/RETAIN
SHORT-TERM RETENTION
SUCCESSFUL EFFORTS TO DATE
RECRUITMENT CAMPAIGN
RECRUITMENT CAMPAIGN FY 2023
RECRUITMENT CAMPAIGN FY 2024
OPPORTUNITIES FOR IMPROVEMENT

A lunch break was held from 12:00 p.m. through 12:30 p.m.

Sustainability Director Nicole Antonopoulos continued the presentation.

SERVICE PARTNER REQUEST PROCESS

Senior Deputy City Manager Shannon Anderson continued the presentation.

CONSIDERATION OF NEW CITY HOLIDAYS
EXISTING CITY HOLIDAYS
HOLIDAY COMPARISON
CONSIDERATION OF NEW CITY HOLIDAYS

After a brief discussion, Council gave direction to move forward with the additional holidays.

Communication and Civic Engagement Director Stacy Saltzburg, Mr. Tadder, and Ms. Hansen continued the presentation.

ELECTIONS
CHARTER ELECTION RESULTS
NOVEMBER 2024 ELECTION
BED, BOARD AND BEVERAGE (BBB) FUNDS
BBB RENEWAL MOVING FORWARD
COUNCIL DISCUSSION
BIG PICTURE GOALS AND PRIORITIES
BIG PICTURE PRIORITIES
EXPECTATION FOR FEBRUARY RETREAT

Vice Mayor Aslan expressed a desire to have more funding dedicated to dark sky efforts. He stated that there was a way for citizens to petition to have streetlights removed and he would like more funding available within the fund that supports those removals. He also suggested a fixture rebate program to incentivize updates to residential lighting to more dark sky friendly options.

Council expressed concern about incentivizing the removal of streetlights due to safety concerns.

Mayor Daggett stated that she would like consideration for all the ways to better fund Housing and provide reliable and ongoing funding that would allow for more forward planning.

Councilmember McCarthy expressed a desire to continue the review of the Zoning Code to support housing efforts. Community Development Director Dan Folke offered that the Land Availability Suitability Study and Code Analysis Project was underway that was reviewing all city codes using that lens.

Councilmember House stated that she would like to have future conversations on how to engage the cultural sector through stronger partnerships with local arts agencies and partners. There were creative and innovative opportunities to build relationships between the art sector and civic engagement. She referenced an exhibit at Coconino Center for the Arts, titled El Sueno Americano, that encouraged engagement and conversation on migration and community needs.

Councilmember Sweet stated that she would like to consider greater funding for the Downtown Business Alliance.

Councilmember Harris stated that she would like to receive more information about the city's available land for development. Ms. Darr explained that the Land Availability and Suitability Study was underway that would provide that data soon.

Councilmember Harris also expressed a desire to expand conversations with Mountain Line about how to support the expansion of routes.

Councilmember Matthews stated that she would like more information about incentivizing local Airbnb owners to convert to long-term leases. Mayor Daggett added that Councilmembers from Sedona have shared that their incentive program to convert Airbnbs had not been successful because the amount of revenue an Airbnb owner can get was far more than what the city could offer as an incentive.

Mr. Kennedy offered some closing comments and thanked staff for their presentations and the information they had shared.

5. Adjournment

The Budget Retreat of the Flagstaff City Council held December 14, 2023, adjourned at 2:00 p.m.

MAYOR

ATTEST:

CITY CLERK