

City Manager's Report

March 7, 2024

Council and Colleagues, greetings. These reports will be included in the City Council packet for Council Work Sessions. The reports are informational, covering miscellaneous events and topics involving the organization. Included are updates from Sustainability and PROSE.

Budget

The Budget Team has been meeting every day, all day, since February 21st, going through division reviews, revenue projections, personnel, pay plan adjustments, merit and pay for performance, capital projects, reclassifications and reorganizations, facilities, fleet, and a host of other considerations.

The team includes Joanne Keene, Heidi Derryberry, Brandi Suda, Shannon Anderson, Scott Overton, Chris Rhode, Rick Tadder, Seth Gregar, Jared Wotasik, Jennifer Caputo, Nicole Antonopoulos, Heidi Hansen, and me.

This season has proven to be particularly challenging insofar as state revenues are projected to flatten significantly. Over 40 requests for new staffing positions were received along with significant requests for additional funding, across the spectrum of the organization.



While the outcomes of all this are now being discussed soon, the budget process has much more ground to cover, and we will be having our Capital Projects retreat on March 28th. Some central objectives were to

- Continue investment in our employees
- Emphasis for ongoing expenditures over one-time expenditures
- Addressing infrastructure needs, fleet, and facilities
- Significant capital projects and delivery
- Initiatives including Housing and Carbon Neutrality

Guest Lectures

Over the past few weeks, I have had the opportunity to present to two NAU classes, and Participate in a panel discussion in Phoenix at the Environmental Professionals of Arizona (EPAZ) conference.

The first guest lecture occurred in a class instructed by Dr. Minzi Su, POS 224, on February 6th. The discussion centered upon environmental policy, focusing upon a practitioners perspective, and utilizing two case studies: electrification of our municipal fleet and procurement policy changes involving banking services.

The second guest lecture occurred on February 12th in an evening class instructed by Dr. Sara Rinfret (who was representing NAU at the recent Arizona City & County Managers Association conference in Sedona). The course is entitled Environmental Policy Class, POS 658, and includes a number of students who are MPA students, PhD students, and graduate students across NAU with a myriad of backgrounds. Topics included environmental policy at the local level, statewide preemption, the City's Carbon Neutrality Plan, and related discussions.

On February 26th I sat in a panel discussion of City Managers presenting at the conference for Environmental Professionals of Arizona (EPAZ), as moderated by Dr. Sowjanya Chintalapati with the Arizona Department of Environmental Quality. More than 300 people attended and we received great feedback about the panel. Discussion was had regarding the City of Flagstaff's involvement in protecting the environment, climate adaptation, and resilience planning, as they tie into our local economy.



During this discussion, I showed the recent video produced by Discover Flagstaff on the topic of Stay and Play Responsibly. It is a moving video, linked here for your reference (the video is about 4 minutes). Thanks to Darrell Marks for his narration.



YouTube link:

https://youtu.be/GmDQS-39PpA?si=w-A4Epxj80F4h_zx

After the panel presentation, I had the opportunity to visit our good friend and HR Director, Randy Tracy, who remains in the good care of Banner – University Medical Center. It was a good visit and Randy sends his regards to the organization.

Butler Speed Limit

As a follow up to the Council discussion on February 27, the ordinance to change the speed limit on Butler Avenue between Ponderosa and Milton will be on the Council agenda for first read on April 2nd.

Community Development

Members of our Community Development Team, including Dan Folke, Michelle McNulty, Alexandra Pucciarelli and Bryce Doty attended the annual Urban Land Institute (ULI) Arizona Trends Day on Tuesday, March 5th. The day included a combination of quick hit speakers and moderated panel discussions from industry experts on a range of topics.

The program included numerous excellent presentations and topics:

- *Commercial Real Estate Outlook*
- *Reimagining Office Properties,*
- *Parking Perspectives: Navigating Urban Regulations*
- *Challenges and Innovations, Addressing the Homelessness and Housing Attainability Epidemic,*
- *Arizona Water Policy, Can Urban and Rural Development Patterns Co-Exist in a Water Competitive Environment?*
- *Powering Arizona's Future: An Evolving Use of Resources*
- *Exploring Advanced Air Mobility*
- *The Industrial Market – Is it Picking Up Steam or Idling?*

The day started with an Economic Outlook report from Tulane University economist Peter Ricchiuti and the Keynote Speaker was Leon Logothetis who spoke on the power of kindness, *Go Be Kind: Get Ready to Change the World*. The annual event is the 3rd largest Trends Day in the country with over 1,000 attendees.

Audit Committee

The City's Audit Committee met on March 6th and was presented with the annual audit report by our new consultant, HeinfeldMeech. The presentation went well, and the city received an excellent audit. Congratulations to the A Team in Finance for its continued excellence in managing the city's finances. The Audit Commission Members:

- Dave Cospers, CPA, Auditor
- Jennifer Stevenson, CPA
- John Cortese, CPA
- Rick Tadder, Mgmt. Services Director
- Lori Matthews, Councilmember
- Greg Clifton, City Manager



City of Flagstaff

Audit Committee Agenda

March 6, 2024

1:00 P.M.

Council Chambers
211 W Aspen Avenue
Flagstaff AZ, 86001

Or virtual meeting link

[\(Click here to join the meeting\)](#)



In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact 928-213-2206 (928-774-5281 TDD). Notification at least 48 hours in advance will enable the city to make reasonable arrangements.

- I. Introductions
- II. Public Participation
At this time, any member of the public may address the Committee on any subject that is not scheduled before the Committee on that day. The Arizona Open Meeting Law prohibits the Committee from discussing or acting on an item which is not listed on the prepared agenda. Committee members may, however, respond to criticism made by those addressing the Committee, ask staff to review a matter, or ask that a matter be placed on a future agenda. To address the Committee on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.
- III. Approval of April 5, 2023, Audit Committee Minutes
- IV. Presentation on the Fiscal Year 2022-2023 Audit by ~~HeinfeldMeech~~
 - i. Discussion of Fiscal Year 2022-2023 Audit
 - ii. Auditor Governance, Compliance and Communication Letters
- V. Vote to Accept Reports
- VI. City of Flagstaff FY 2023-2024 Audit Planning
- VII. Next Meeting Date and Topic Discussion
- VIII. Information or Additional Questions
- IX. Adjournment

Police Chief Recruitment

The following announcement addresses the process related to recruitment of our next Police Chief, courtesy of our Public Affairs Section:



City of Flagstaff

News Release
March 7, 2024
For Immediate Release

City seeks community input in search for new police chief

FLAGSTAFF, Ariz – The community is invited to participate in the selection of the Flagstaff Police Department's next police chief at an upcoming meet and greet. The public meet and greet is scheduled for Wednesday, March 20 at 5 p.m. in City Hall Council Chambers at 211 West Aspen Avenue or via Microsoft Teams.

The meet and greet will begin with each of the five candidates for Police Chief providing an introduction about themselves, including their previous education and experience, and how it relates to the police chief position. After all introductions have been completed, there will be a few questions answered by each candidate prior to an opportunity for participants to mingle with the candidates. Information about each candidate is listed below.

- Charles Hernandez II is from Flagstaff, AZ and is a Lieutenant for the Flagstaff Police Department. Prior to his position, he served as Sergeant and Corporal at the Flagstaff Police Department. Mr. Hernandez II has a bachelor's degree in justice studies and a master's degree in criminal justice.
- Colin King is from Tucson, AZ and is a Captain with the Tucson Police Department. Prior to this position, he served as Division Commander, Chief of Staff, Lieutenant, Sergeant, Detective, and Special Investigations Officer. Mr. King has a bachelor's degree in political science with a minor in criminal justice and a master's degree in administration.
- Collin Seay is from Flagstaff, AZ and is a Deputy Police Chief for the Flagstaff Police Department. Prior to this position, he held the positions of Lieutenant, Sergeant, Corporal, Detective and Officer. Mr. Seay has a bachelor's degree in biology and a master's degree in administration.
- Kenneth Booker is from Peoria, AZ and is a Deputy Chief for the Maricopa County Sheriff's Office. Prior to this position he served as Division Commander, Commander, Youngtown Interim Police Chief, and Lieutenant with Maricopa County and as an Adjunct Professor with Grand Canyon University. Mr. Booker has a bachelor's degree in public safety administration and a master's degree in leadership.
- Sean Connolly is from Mesa, AZ and is an Operational Executive Police Chief with the Phoenix Police Department. Prior to this role he served as Assistant Police Chief, Commanders,

Lieutenant, and Sergeant with Phoenix and an instructor for the Auschwitz Institute. Mr. Connolly has a bachelor's degree in psychology and a master's degree in educational leadership.

Attendees can join the meet and greet virtually by visiting bit.ly/FlagstaffMeetandGreet or by dialing +1 520-415-3558, Conference ID: 656825880#. All participants are encouraged to provide feedback about the five candidates using this form: bit.ly/PoliceChiefRecruitment.

Procurement Policy Changes

In follow up to recent City Charter Amendments, as voter approved, see below from our Procurement Team, courtesy of Patrick Brown and the excellent Procurement Team.

City of Flagstaff

Memorandum

Office of the Purchasing Section

TO: ALL City Personnel

FROM: Patrick Brown, Director of Purchasing

DATE: March 5, 2024

RE: Procurement Threshold Changes

Hello Team Flagstaff,

There have been a couple of significant threshold increases lately that have been approved by Council (direct select under \$25,000) and the citizens of Flagstaff (formal threshold \$100,000 and up). I know many of you are eager to utilize the new thresholds, however there were a few process details that needed to be worked out. I will be addressing the new thresholds by the new amounts and the process that needs to be followed for each. All of these threshold changes are effective immediately.

DIRECT SELECT PROCUREMENT: UNDER \$25,000

POLICY:

This threshold was an approved change to the Procurement Code Manual by council on July 3, 2023. This change increased the direct select level from under \$5,000 to under \$25,000. In addition, it removed the verbal quote procurement that was \$5,000 to \$15,000.

PROCESS:

The new direct select procurement now requires a written quote from the firm/company on their letterhead and signed by an authorized agent. It must also contain the date, taxes, shipping/freight (if assessed) and term for which the quote is valid (i.e., 30 days, 90 days, etc.). This quote must be attached to your requisition for the Purchasing staff's review when submitting for a Purchase Order.

GRANT REQUIREMENTS:

If there are grant funds associated with your purchase at the new direct select threshold, please contact Grants and Contracts prior to proceeding with any grant procurement. Grant agencies have specific rules for grant expenditures, and we will need to ensure we are within their limits of procurement requirements and any specific grant requirements are added as needed. Grants and Contracts will also need a copy of the associated quote(s) for grant reporting and close out. Often a granting agency may still require multiple written quotes for items under \$25,000.

WRITTEN QUOTE PROCUREMENT: \$25,000 to \$99,999

POLICY:

This threshold was an approved change to the Procurement Code Manual by Council on July 3, 2023. This change adjusted the written quote requirement threshold for procurement between \$25,000 and \$99,999.

PROCESS:

Any purchases \$25,000 and up to the formal threshold require a minimum of three (3) written quotes from the firms/companies on their letterhead and signed by an authorized agent. The quotes must also contain the date, taxes, shipping/freight (if assessed) and term for which the quote is valid (i.e., 30 days, 90 days, etc.). These quotes must be attached to your requisition for the Purchasing staff's review when submitting for a Purchase Order. Additional procurement requirements may be needed for grant funded purchases.

FORMAL PROCUREMENTS: \$100,000 AND GREATER

POLICY:

This threshold was approved by the voters on November 7, 2023, on Proposition 462 as a revision to the City Charter. The City Charter amendments were approved by the Governor on January 31, 2024. Pursuant to state law, all charter revisions must be voted on and approved by the citizens of Flagstaff. This approval raises the formal threshold from \$50,000 to \$100,000. Any purchases \$100,000 or more must be procured through an open public procurement process (aka formal process).

PROCESS:

The new threshold requires the purchase to be procured through a formal Invitation for Bid (IFB), Request for Proposals (RFP), or a Request for Statements of Qualifications (RSOQ)

process. The formal solicitation process must be performed by a Purchasing staff buyer. The processes for these solicitation types are pursuant to the City of Flagstaff Procurement Code Manual. You are not to seek quotes for any purchases at this level or higher, whether purchasing an individual item, an accumulation of items (including those anticipated over the course of a year), or any services. Purchases over the formal threshold are not to be split in order to avoid a formal procurement process. Contact your assigned buyer to assist you with determining and developing the appropriate solicitation method.

Other procurement methods that are acceptable for this formal level are Cooperative Procurements or Sole Source/Emergency Procurements. You must contact your buyer prior to utilizing any of these methods, they will assist you in determining if they are acceptable for your purchase. These procurements must be reviewed and developed into contract by your assigned buyer. Sole Source/Emergency procurements (formal or informal) must be approved by the Purchasing Director, your assigned buyer will assist you with the necessary documentation.

ADDITIONAL INFORMATION

OTHER PROCUREMENT CODE INFORMATION:

Directors and Section Heads should note when items of high interest to the community or controversial subjects, please be aware of additional considerations. Pursuant to the City of Flagstaff Procurement Code Manual, the following prevails for purchases under \$100,000:

Procurements less than the formal \$100,000 threshold, as described in the City Charter, may be made utilizing a formal procurement process if:

- a. deemed by the Purchasing Director to be in the best interest of the City; or
- b. Deemed by the City Manager as a matter of high community interest and/or potential controversy, or in instances that the City Manager deems necessary.

The City Manager reserves the authority to bring any contract resulting from an informal procurement to the City Council to obtain input in matters of high community interest and/or potential controversy, or in instances that the City Manager deems necessary.

CONTRACT REQUIREMENTS:

While working within these thresholds, please keep in mind that your purchase may require a formal contract. Below is a guide to help you determine whether or not your purchase will require contract. If in doubt or not sure, contact your assigned buyer.

1. Purchases of materials under \$25,000: will be through a PO. For example, playground equipment, office furniture, paper products, etc.

2. Purchases of materials \$25,000 and more: will be at the discretion by Procurement if a contract is needed. If a contract is needed it will be drafted by Procurement and reviewed by Legal. If a contract is not needed the purchase will be made through a PO.
3. Purchases of any services (no matter the cost): will require a contract drafted by Procurement and reviewed by Legal.
4. Construction contracts (no matter the cost): will require a contract drafted by Procurement and reviewed by Legal.
5. Any purchases of materials/services/professional services/construction over \$100,000: require a contract drafted by Procurement, reviewed by Legal, and approved by Council.

Authorized contract signatory for each threshold is:

1. Less than \$100,000 may be signed by Department Heads pursuant to City Employee Directive #2024-01
2. \$100,000 and above must be signed by Mayor or City Manager
3. All contracts must be attested by City Clerk and Approved by City Legal

PURCHASE ORDERS REQUIREMENTS:

In most all instances, a Purchase Order (PO) is required for each procurement. Only those instances where a Pcard or voucher is utilized will a PO not be required. However, whether a PO, Pcard or Voucher, all procurement documents as described above must be attached.

PCARD THRESHOLDS:

P-Card thresholds will remain the same as they currently are, we will not be raising them to match the new direct select threshold. This is to keep track of those single items that are \$5,000 or more since those are still considered capitalized. In the event you need your limit raised for a one-time payment for purchases other than single items \$5,000+ (i.e., general services, advertisements, accumulated items under \$5,000/each, etc.), please send a written temporary increase form to Liane Garcia. Reminder, quotes are still required (pursuant to the above) and must be attached to your P-Card transaction in Innoprise when processing. Services and construction paid for on a P-Card will need to have a contract that was reviewed by Purchasing and Legal.

Please let me know if you have any questions or concerns.

Thank you!

That's all for now, and thanks. Onward and Upward.