

## MINUTES

### 1. Call to Order

Mayor Deasy called the Work Session of April 13, 2021, to order at 3:01 p.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. Pledge of Allegiance and Mission Statement

The Council and audience recited the pledge of allegiance and Councilmember Salas read the Mission Statement of the City of Flagstaff.

#### MISSION STATEMENT

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

### 3. ROLL CALL

Present: Mayor Paul Deasy (virtual)  
Councilmember Miranda Sweet (virtual)  
Councilmember Austin Aslan (virtual)  
Councilmember Jim McCarthy (virtual)  
Councilmember Regina Salas (virtual)  
Councilmember Adam Shimoni (virtual)  
Vice Mayor Becky Daggett

Staff Present: City Manager Greg Clifton; City Attorney Sterling Solomon

### 4. Public Participation

*Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.*

None

## 5. Review of Draft Agenda for the April 20, 2021 City Council Meeting

*Citizens wishing to speak on agenda items not specifically called out by the City Council may submit a speaker card for their items of interest to the recording clerk.*

None

## 6. Proclamation: Fair Housing Month

Mayor Deasy read the proclamation.

## 7. MOONSHOT at Northern Arizona Center for Entrepreneurship and Technology (NACET) Annual Update

Community Investment Director David McIntire introduced NACET and played a video showcasing the incubator and accelerator. NACET President and CEO Scott Hathcock provided information to Council on Moonshot's efforts to enhance entrepreneurship and job growth through the contract and partnerships with the City, as well as in other regional, state and national endeavors. The presentation included the following slides:

- Our Local Impact
- Total Investment Funds
- Revenue Generated
- Jobs
- Occupancy Rates and New Tenants
- Upcoming Events
- High School Hire Summer Day Camp
- Entrepreneurship Intern Certification
- 2021

Mr. Hathcock thanked his staff and his Board of Directors.

Mayor Deasy asked what the proportion of the incubator is and what is the accelerator. Mr. Hathcock spoke about the difference between the incubation program and the accelerator program and the different companies that are in the different programs. He also stated that some companies are split between both buildings.

Councilmember Sweet asked if there were partnerships with local businesses for the high school camp and the NAU internship certification program. Mr. Hathcock explained the database of students they have for the NAU program. It is a test program, and he plans to release a case study after. For the high school program, they are planning on creating a job fair at the end of the camp where the students will present their resumes and special skills to the public and businesses.

Councilmember Shimoni asked about the accelerator and how to build it's residency. Mr. Hathcock stated that COVID was a speed bump for them. He stated that they are planning to create more virtual events and eventually doing in-person events again to draw interest in the program and facility. Councilmember Shimoni also asked what NACET can do to help fill some of the commercial spaces in town, especially in the high-density buildings. Mr. Hathcock stated that NACET puts businesses that could be interested in the space in touch with the City. Councilmember Shimoni also asked about Whitehall electrical and how to capitalize on the sector. Mr. Hathcock stated that NACET will form a relationship with Whitehall to identify their needs. Councilmember Shimoni asked what opportunities Prop 207 could bring. Mr. Hathcock spoke about the potential businesses and that NACET will do what the City desires. Mr. McIntire spoke about the federal funding that supports the business and how that influences who can be a part of the program because of the EPA regulations.

Councilmember Salas asked about social entrepreneurship and resources for non-profits. Mr. Hathcock spoke about the Non-Profit Center of Northern Arizona and that it is under the NAU campus now with Mr. Paul Thomas.

## 8. Discussion on Public Notice of a Possible Primary Property Tax Levy Increase

Management Services Director Rick Tadder gave a presentation to Council regarding a possible Primary Property Tax Levy increase. Slides included:

- Primary Property Taxes Statutes
- Primary Property Taxes
- Net Assessed Property Values
- Primary Property Tax

Mr. Tadder asked if City Council wants staff to post a 60-day notice for the available increase in the Primary Property Tax Levy. This would allow Council to discuss and possibly direct staff on the tax during the budget process.

Steve Finch, Northern Arizona Lodging, Tourism, and Restaurant Association, in opposition of an increase of the property tax and discussed on how construction offsets the revenue.

Vice Mayor Daggett stated she errs on the side of having a discussion and would like to put out the notice so they can have an informed discussion.

Councilmember McCarthy stated that he feels that the amount of tax would stay the same if there is no increase. Mr. Tadder explained the rates and the levy and what the impact would be. Councilmember McCarthy stated that supporting the notice does not mean he supports a tax increase but rather wants the flexibility to consider all options during budget deliberations.

Councilmember Sweet echoed this view, agreeing that posting the notice allows for an open conversation without committing to a tax increase. She emphasized that this step merely preserves the opportunity to discuss and evaluate all potential fiscal approaches during the budget process.

Councilmember Salas opposed issuing the notice. She cited the city's commitment to fiscal responsibility and prudent spending. Councilmember Salas referenced the City Manager's proposal for a flat levy and the freed-up general fund resulting from the city's prior decision to fully fund the Public Safety Personnel Retirement System. Given these resources, she felt the city could operate effectively without signaling a potential tax increase.

Mayor Deasy also opposed the notice, stressing that there are other revenue streams to rely on and that he has no interest in raising property taxes this year. He asked for clarification on whether a 60-day notice would be required to reduce property taxes and was informed that it is not. This, he noted, keeps the option of a tax reduction open for discussion during the upcoming budget retreat.

Despite differing viewpoints, a majority of Council provided direction to move forward with posting the 60-day notice. Staff confirmed that the advertising deadline is May 16, and the notice will be issued accordingly.

Mayor Deasy called a break from 4:07 p.m. through 4:17 p.m.

## 9. Flagstaff Municipal Court Overview

Court Administrator Jessica Cortes shared a recorded presentation from Presiding Magistrate Thomas Chotena, Deputy Court Administrator Cathleen Harrison, Judge Criddle, and Judge Speed to Council for informational purposes. Slides included:

- Agenda
- Mission and Vision
- Budget
- Organizational Chart
- Court Operations
- Court Services

- Court Events
- Specialty Courts
- Accomplishments & Initiatives

Councilmember Shimoni stated his gratitude for their work during the pandemic as did Mayor Deasy and Councilmember Salas.

## 10. City Attorney's Office Overview

City Attorney Sterling Solomon gave a presentation to Council on the City Attorney's office. Slides included:

- Agenda
- Prosecution Section
- Civil Section
- Organization Chart
- Prosecution Section

City Prosecutor Brent Harris, Lead Worker Carol Harvey, Administrative Specialist Colleen Calhoun, introduced themselves and spoke about their section. Prosecutors Serena Serassio, Robert Brown, and Ron Kanwischer introduced themselves as well.

- Civil Section

Deputy City Attorney Kevin Fincel and Senior Assistant City Attorneys Anja Wendel, Christina Parry, and Christina Rubalcava, introduced themselves.

Councilmember Shimoni asked City Prosecutor Brent Harris for an update on Prop 207 updates. Mr. Harris was able to dismiss every case that met the statute and they are cleaning up the old warrant cases that fit the statute. He stated he has dismissed 700 active marijuana cases and another 100 old warrant cases at this point.

## 11. State and Federal Legislative Updates

Management Analyst Sarah Langley and State Lobbyist Todd Madeksza provided updates on bills at the state and federal level.

Ms. Langley stated a proposed state income tax cut, currently being considered by the State House of Representatives, would implement a 2.5% flat tax rate. Although the state has a large budget surplus, the change is expected to reduce state revenues by \$1.5 billion. This would directly affect the income tax revenue shared with municipalities, including Flagstaff, which could lose up to \$3 million annually by FY2026. The reduction would significantly impact the city's general fund. In response, city officials plan to schedule meetings between Councilmembers and Representatives Blackman, Rodgers, and Barton, with talking points to be provided.

Councilmember Shimoni asked if representative Blackman or Barton or anyone who is affiliated with the City of Flagstaff spoken against this. Mr. Todd Madeksza stated no and that no republicans have spoken out against it. He added that there is nothing in writing yet.

Ms. Langley provided the next update on H2668 S/E Homelessness. Mayor Deasy asked if this is out on the floor. Mr. Madeksza stated that it is and added that there would be three more votes on this.

Councilmember Shimoni asked if there is funding coming to the cities for the outreach. Mr. Madeksza stated that there is not funding associated with this measure. He asked for clarification on the public safety grants as well. Ms. Langley stated that it would be based on a point in time count and that if the rates go up after the homeless outreach teams are established, the city would be penalized by not being able to receive grants. Councilmember Shimoni stated he has lots of concerns about this bill and stated he is in opposition.

The majority of Council is in opposition to the bill.

12. **Presentation and Discussion:** regarding the Community Development Block Grant Program's 2021-2025 Five-Year Consolidated Plan, the City of Flagstaff Analysis of Impediments to Fair Housing Choice and the 2021/2022 Annual Action Plan and Staff recommendations for CDBG PY 2021 fund allocations. The desired outcome of the April 13, 2021, City Council work session is to inform Council of three separate documents required by the US Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant Program (CDBG). The 2021-2025 Consolidated Plan, 2021/2022 Annual Action Plan, and the Analysis of Impediments to Fair Housing Choice are due to be submitted to HUD on May 15, 2021, and are required in order for the City of Flagstaff to maintain its compliance with federal CDBG regulations.

Housing and Grants Administrator Kristine Pavlik gave a presentation to Council regarding the Community Development Block Grant Program's 2021-2025 Five-Year Consolidated Plan, the City of Flagstaff Analysis of Impediments to Fair Housing Choice and the 2021/2022 Annual Action Plan and Staff recommendations for CDBG PY 2021 fund allocations. Slides included:

- Purpose & Agenda
- CDBG Overview
- Annual Action Plan Progress
- Analysis of Impediments to Fair Housing Choice
- Identified Impediments and Action Plan
- Fair Housing Goals
- Action Plan
- Next Steps
- Consolidated Plan Process
- Consolidated Plan 2021-2025
- Consolidated Plan Strategies
- Community Needs
- Target Areas
- 2021-2025 Consolidated Plan Goal Setting
- 2021-2025 Consolidated Plan Goals
- Next Steps
- 2021/2022 Annual Action Plan
- Council Direction & Staff Responsibilities
- Conducting Risk Assessment
- How much money are we talking about?
- How much money are we talking about for each category?
- Public Service Proposals
- Housing Activity Proposals
- Funding Recommendation
- Public Service Proposals
- Housing Activities
- Next Steps & Questions
- 2021-2022 CDBG Staff Allocation Recommendations

Deborah Harris addressed Council regarding affordable housing and CDBG funds, especially about the City parcel on Highway 180.

Councilmember McCarthy asked about the Schultz Pass parcel and the three scattered sites projects for affordable housing and if that funding is different than the CDBG funds. Housing Director Sarah Darr stated that they are different funds and explained what happened with the scattered sites project.

Vice Mayor Daggett stated she supported staff's recommendations.

Councilmember Shimoni stated that he supports the recommendations. He thanked the Housing Commission and their focus groups. He expressed gratitude for the Continuum of Care group. He

stated that there is a shift in the City's thinking regarding the importance of housing.

Councilmember Aslan stated the recommendations are perfectly in line with how he would prioritize them.

Councilmember Sweet is supportive of the allocations as is.

Mayor Deasy asked if applicants applied under the public service or housing category. Ms. Pavlik stated that the applicant is responsible for applying under a category, but staff meets with them before for a technical meeting with them before to ensure that they fall under the correct category.

Council took a break from 6:06 p.m. through 6:16 p.m.

### 13. COVID-19 Update

Senior Deputy City Manager Shannon Anderson provided a PowerPoint presentation that covered the following:

- Agenda
- Data Update
- Re-Entry Plan Discussion
- Weekly Cases
- Daily Cases
- Hospital Admissions
- Related Deaths
- Community Transmission
- Community Vaccination
- NAH: Hospital Census
- Re-Entry Plan Discussion
- City's Monitoring Criteria
- Phase II
- Phase III
- Reopening City Facilities
- Special Event Permits Review
- Options for Consideration
- Reopening Options

The following individuals addressed Council regarding the update:

- Art Babbott
- Matt Ziegler
- Jennifer Grogan

The following comments were received:

- Encouraging Council to adopt policies that would allow for outdoor events.
- Re-opening metrics and how Phase IV metrics are not achievable.
- The impacts of COVID to event planner businesses.

Councilmember Aslan expressed strong support for adhering to CDC recommendations, especially given concerns about emerging COVID-19 variants and the risk of "super-strains." He noted that while outdoor events are safer than indoor ones, caution is still warranted. He also emphasized the importance of vaccination thresholds and the need for data-driven decisions, particularly in light of tourism-related exposure.

Councilmember Shimoni agreed with Councilmember Aslan's cautious stance but felt that outdoor events can safely resume sooner, particularly with a solid reopening plan. He supported a May 15 reopening date for city facilities, suggesting a tiered rollout and adherence to CDC protocols. He also advocated for flexibility and a gradual approach.

Mayor Deasy added that outdoor events still carry risk, citing the Sturgis Motorcycle Rally as a high-profile case. He questioned the reliability of previous data on outdoor events due to inconsistent enforcement or variable factors. Deasy was open to a May reopening but emphasized the importance of maintaining CDC guidance and utilizing a capacity calculator for event permitting.

Councilmember McCarthy focused on vaccination efforts as key to reopening safely. While open to a July 4 target for full reopening, he preferred a more cautious approach, opposing major changes in May. He noted that different types of events should have different capacity thresholds and called for flexibility.

Councilmember Sweet supported Option 2 for event permitting (use of a capacity calculator) and suggested a compromise between Option 1 (stricter limits) and Option 2 to provide event planners with flexibility. She also supported a July 1 removal of the capacity calculator.

Councilmember Salas proposed a blended approach, suggesting a reopening window between May 15 and June 15. She advocated for continuous monitoring of vaccination rates and CDC updates. She also referenced the County Fair and the need for timely decisions due to ongoing vendor applications.

Vice Mayor Daggett also endorsed a hybrid permitting approach and supported a capacity calculator to guide event planning. She raised the need for differentiating food-based events, such as the Farmer's Market, and emphasized the importance of staff capacity and readiness. She agreed to revisit the issue of capacity limits in a few weeks.

City Manager Clifton noted that a final decision regarding the Farmer's Market would need more discussion, and City Attorney Solomon suggested an executive session to address how the city can legally differentiate it from other events.

Councilmembers debated when to eliminate the capacity calculator. Councilmembers McCarthy, Sweet, and Shimoni expressed support for removing it around July 1 or July 4, while Aslan preferred keeping it indefinitely until data supports its removal.

Despite differing views, Council unanimously agreed to immediately adopt the capacity calculator for event permitting, replacing the existing 50-person cap. This consensus allows event organizers more flexibility while still following public health protocols. There was also general agreement to revisit the expiration of the capacity calculator in a special meeting within two weeks.

City Manager Clifton confirmed that City Hall would reopen on May 17, with site-specific plans for other city facilities, including weekend operations. The Council also discussed reopening phases, with the majority in favor of initiating Phase 3 in May.

#### **14. Public Participation**

None

#### **15. Informational Items To/From Mayor, Council, and City Manager; future agenda item requests**

Councilmember Sweet stated downtown was thriving and mentioned a new business opening.

Mayor Deasy stated Nurses Week was coming up and he would like an appreciation event. He would also like to create videos to highlight staff's work.

Councilmember Shimoni expressed gratitude for meetings with staff regarding the Rio de Flag. He also stated there was a follow up meeting in two or three months in Texas with BNSF.

**16. Adjournment**

The Work Session of the Flagstaff City Council held April 13, 2021, adjourned at 8:30 p.m.

ATTEST:

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MAYOR

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CITY CLERK