

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held June 4, 2024, to order at 3:03 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 regular meeting, 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
VICE MAYOR ASLAN
COUNCILMEMBER HARRIS
COUNCILMEMBER HOUSE
COUNCILMEMBER MATTHEWS
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SWEET (virtual)

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

3. PLEDGE OF ALLEGIANCE, MISSION STATEMENT, AND LAND ACKNOWLEDGEMENT

The Council and audience recited the pledge of allegiance, Councilmember Matthews read the Mission Statement of the City of Flagstaff, and Councilmember McCarthy 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. OPEN CALL TO THE PUBLIC

Open Call to the Public enables the public to address the Council about an item that is not on the prepared agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. Open Call to the Public appears on the agenda twice, at the beginning and at the end. The total time allotted for the first Open Call to the Public is 30 minutes; any additional comments will be held until the second Open Call to the Public.

If you wish to address the Council in person at today's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Open Call to the Public and Public Comment. Please limit your remarks to three minutes per item to allow everyone 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.

Dennis Givens addressed Council and spoke about divesting from Wells Fargo banking services and suggested increasing police patrols on bicycles.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Gun Violence Awareness Day

Mayor Daggett read and presented the proclamation.

6. COUNCIL LIAISON REPORTS

Vice Mayor Aslan reported that two meetings were canceled recently due to quorum issues but he attended the Coconino Plateau Water Advisory Council meeting, which included preparation for the upcoming September field trip and a presentation by the Grand Canyon Community Trust on spring observations from the Springs Stewardship Institute.

Councilmember Harris announced she would attend the Timber Sky groundbreaking on Friday and invited everyone to Juneteenth activities including a festival on Saturday, a Community Talk on Sunday, and a Gala on Friday. She also thanked Mountain Line for their summer pass program allowing kids to ride the bus all summer for \$24.

7. APPOINTMENTS

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 the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Beautification and Public Art Commission.

Anthony Garcia addressed Council and reflected on his experience since joining the commission in 2016, noting the significant growth from limited staff and direction to a vibrant commission. He praised staff for listening to the public and commission, resulting in meaningful change. He highlighted the integration of public art into capital improvement projects and expressed pride in the program's maturation within the city.

Moved by Councilmember Lori Matthews, seconded by Councilmember Miranda Sweet to appoint Carla McCord to a term expiring June 2027.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Jim McCarthy to appoint Michael Rulon to a term expiring June 2027.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to appoint Matt McGrath to a term expiring June 2027.

Vote: 7 - 0 - Unanimously

8. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and may be acted upon by one motion unless otherwise requested by Council

A. Consideration and Action on Liquor License Application: Mikal Charles Antunez, "D-Luxe Barbershop," 18 N. Leroux Street, Series 07 (Beer and Wine Bar), Location/Owner Transfer

Mayor Daggett opened the public hearing.

Sergeant Almendarez introduced the two applications and noted no concerns.

Councilmember Harris inquired about the concept of a barber shop with a liquor license. Applicant Mikal Charles explained that such setups were common in larger cities and emphasized his intention to operate legally.

Councilmember Harris asked about who would serve alcohol and verify IDs in the barber shop. Mr. Charles clarified that the bar and barber shop would be in separate buildings, with wristbands for those over 21 to prevent mingling between the two areas.

Councilmember McCarthy pointed out that the training was incomplete according to a report. Mr. Charles responded that he had completed initial training and since then also finished management training.

There being no public comment, Mayor Daggett closed the public hearing.

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Deborah Harris to forward the application to the state with a recommendation for approval.

Vote: 7 - 0 - Unanimously

9. CONSENT AGENDA

All matters under Consent Agenda are considered by the City Council to be routine. Unless a member of City Council expresses a desire at the meeting to remove an item from the Consent Agenda for discussion, the Consent Agenda will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

Councilmember Harris requested that items 9A and 9E be pulled for discussion.

Moved by Councilmember Khara House, **seconded by** Councilmember Miranda Sweet to approve the Consent Agenda with the exception of 9A and 9E as presented.

Vote: 7 - 0 - Unanimously

A. Consideration and Approval of Contract: Purchase of two (2) 10-Wheel Snowplow Dump Trucks from RWC Group LLC

Councilmember Harris expressed concern about recent severe winter storms and inquired how the new trucks would perform.

Streets Section Director Sam Beckett explained that the new trucks were replacements with similar specifications to those ordered previously, which had performed well. He anticipated the new vehicles would meet the city's needs and expectations.

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Miranda Sweet to approve the equipment purchase for two (2) 2025 International HX520 SFA Heavy Duty plow trucks from RWC Group, LLC in the amount of \$782,210.11 through cooperative purchase contract #CTR069476 with the Arizona Department of Administration, State procurement office and authorize the City Manager to execute all necessary documents.

Vote: 7 - 0 - Unanimously

- B. Consideration and Approval of Construction Services Contract:** Approve the Contract with Major League Painting Inc. for Painting Downtown Green Assets
1. Approve the Contract with Major League Painting, Inc in the amount of \$168,181.75 to cover costs for all personnel, equipment, tools, materials, supervision, and services for the painting and finishing of specified assets within the boundaries of Route 66 and Cherry Ave, spanning from Humphrey to Verde Streets in municipal green.
 2. Authorize the City Manager to execute all necessary documents.
- C. Consideration and Approval of Contract:** Approval of a Construction Manager at Risk Construction Phase Services Agreement for the Street Maintenance Program and approve GMP 1 to C and E Paving & Grading, LLC.
1. Approve the Construction Manager at Risk (CMAR) Construction Phase Services Agreement with C and E Paving & Grading, LLC for the Street Maintenance Program 2024, 2025 & 2026 for a Guaranteed Maximum Price (GMP) of \$6,376,102.20; and
 2. Approve GMP 1 authorizing C and E Paving & Grading, LLC to execute the 2024 Street Maintenance Program; and
 3. Authorize the City Manager to execute the necessary documents.
- D. Consideration and Approval of Contract:** Cooperative Purchase Contract with Carollo Engineers, Inc. for Engineering Services on the Fort Tuthill Well Pump House #2 in an amount not to exceed \$499,988.00.
1. Approve the Cooperative Purchase Contract with Carollo Engineers, Inc. for Engineering Services on the Fort Tuthill Well Pump House #2 in an amount not to exceed \$499,988.00; and
 2. Authorize the City Manager to execute the necessary documents.
- E. Consideration and Approval of Contract:** Approval of the Cooperative Purchase Contract with PFVT Motors, LLC dba Peoria Ford for the purchase of Four 2023 Ford Explorer Police Interceptors for the Flagstaff Police Department in the amount of \$211,955.44.

Councilmember Harris thanked staff for moving forward with vehicle purchases, emphasizing public safety as the top priority despite climate goals.

Jill Stephenson addressed Council and urged the city to fully commit to carbon neutrality by 2030 by purchasing only electric vehicles (EVs), citing available funding and charging infrastructure.

Phoenix Eskridge-Aldama addressed Council and expressed support for the Carbon Neutrality Plan but concern over agenda items not aligning with it, stressing the urgent health impacts of climate change and calling for greater EV use.

Stefan Sommer submitted a written comment in opposition to the purchase.

Police Chief Dan Musselman explained that EVs suitable for police work were currently unavailable and needed vehicles would not arrive until mid-2025, so they could not wait. Larger, functional

vehicles are required for patrol duties and harsh weather.

Councilmember Harris asked about available EV options. Chief Musselman replied that some EVs exist but did not meet the department's operational needs. EVs were in the fleet for specific uses but not patrol.

Sustainability Director Nicole Antonopoulos acknowledged challenges with EV availability and infrastructure. She assured Council that staff was updating policies to prioritize EVs and working toward carbon neutrality goals.

Facilities and Fleet Director Jennifer Brown noted efforts to introduce EVs where feasible. Prioritizing infrastructure and job requirements and moving from EV to hybrid to conventional as appropriate.

Climate Program Manager Denae Presler explained that fast DC charging infrastructure was not yet in place which limited current EV adoption for public safety vehicles.

Vice Mayor Aslan appreciated public input and staff oversight and expressed trust in staff's aggressive EV acquisition protocol.

Councilmember McCarthy voiced strong support for gradual transition to EV or hybrid and stressed infrastructure development.

Councilmember Harris confirmed the assumption that public safety took precedence over climate goals.

Mr. Clifton affirmed that citizen safety superseded all other considerations.

Moved by Councilmember Deborah Harris, seconded by Councilmember Miranda Sweet to approve the Cooperative Purchase Contract with PFVT Motors, LLC dba Peoria Ford for the purchase of Four 2023 Ford Explorer Police Interceptors for the Flagstaff Police Department in the amount of \$211,955.44 and authorize the City Manager to execute all necessary documents.

Vote: 7 - 0 - Unanimously

- F. **Consideration and Approval of Council Meeting Schedule Adjustment:** Reschedule the August 27, 2024 regular meeting to August 26, 2024.

Reschedule the Tuesday, August 27, 2024 meeting to Monday, August 26, 2024.

- G. **Consideration and Approval of Letter of Support:** Letter of Support to advance the Northeastern Arizona Indian Water Rights Settlement Act

Approve the Letter of Support

10. **REGULAR AGENDA**

- A. **Consideration and Adoption of Resolution No. 2024-25:** A resolution of the Council of the City of Flagstaff, Arizona adopting the tentative budget for Fiscal Year 2024-2025.

Assistant Finance Director Heidi Derryberry provided a PowerPoint presentation that covered the following:

CITY OF FLAGSTAFF FY 2024-2025 BUDGET
TIMELINE
LEGAL SCHEDULE A
HIGHLIGHTS
TOTAL EMPLOYEE INVESTMENT
CHANGES SINCE APRIL RETREAT
ADDITIONAL INFORMATION

Moved by Councilmember Khara House, seconded by Councilmember Lori Matthews to read Resolution No. 2024-25 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA ADOPTING THE TENTATIVE BUDGET FOR THE FISCAL YEAR 2024-2025

Moved by Councilmember Khara House, seconded by Councilmember Lori Matthews to adopt Resolution No. 2024-25.

Vote: 7 - 0 - Unanimously

- B. Consideration and Adoption of Resolution No. 2024-24:** A resolution of the Flagstaff City Council adopting the City of Flagstaff Public Safety Personnel Retirement System Pension Funding Policy; delegating authority; and establishing an effective date.

Management Services Director Rick Tadder informed Council that adoption of an annual pension funding policy was required, and the City had done so since FY2020. The fire pension plan was currently over 100% funded, while the police plan had dipped to 97%. He explained that factors like actuarial assumptions, investment returns, and officer salaries affected funding levels. The city had previously set aside savings to address such fluctuations, allowing a quick return to full funding.

Mr. Clifton emphasized that using the contingency funds was appropriate and aligned with the original intent of the pension funding strategy, which anticipated potential shortfalls.

Stefan Sommer submitted written comments in opposition.

Moved by Councilmember Khara House, seconded by Councilmember Jim McCarthy to read Resolution No. 2024-24 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL ADOPTING THE CITY OF FLAGSTAFF PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PENSION FUNDING POLICY; DELEGATING AUTHORITY; AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Khara House, seconded by Councilmember Jim McCarthy to adopt Resolution No. 2024-24.

Vote: 7 - 0 - Unanimously

- C. Consideration and Adoption of Resolution No. 2024-23:** A resolution of the Flagstaff City Council, designating its Chief Fiscal Officer for officially submitting the fiscal year 2024-2025 expenditure limitation report to the Arizona Auditor General, and establishing an effective date.

Management Services Director Rick Tadder informed Council that the city was required to annually designate a Chief Fiscal Officer for expenditure limitation reporting. As City Treasurer, he had served in the role consistently.

Moved by Councilmember Lori Matthews, seconded by Councilmember Miranda Sweet to read Resolution No. 2024-23 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2024-2025 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to adopt Resolution No. 2024-23.

Vote: 7 - 0 - Unanimously

- D. Consideration and Adoption of Resolution No. 2024-26:** A resolution of the Flagstaff City Council, amending the Procurement Code Manual, Article 4 and adding Article 32 and establishing an effective date.

Purchasing Director Patrick Brown addressed Council and stated that the amended manual included the direction provided by Council at the work session the prior week.

David Spence addressed Council urging them to strengthen Option 1 in the proposed procurement code updates. He emphasized the global nature of climate change and criticized Wells Fargo for being one of the top funders of fossil fuel projects, calling for stronger screening to prevent such institutions from being prioritized.

Jill Stephenson addressed Council and spoke in opposition of Option 1, stating that the public and Council had not had adequate time to review the options. She advocated for delaying the vote to allow for meaningful amendments.

Dee Hoagland addressed Council and echoed the concerns of others and highlighted how other cities were updating their codes to better align with climate action, urging Flagstaff to do the same.

Kathy Flaccus addressed Council and asked Council to tighten the vague language in Option 1, pushing for clearer requirements.

Leah Mundell addressed Council and supported delaying the vote to allow for more public input and a stronger climate-aligned option.

The following individuals submitted written comments in support of Option 3:

- Jason Kordosky
- Stefan Sommer
- Michele James
- Amy Borne
- Emily Moxcike
- Kathleen Armstrong
- Pat Ellsworth

Sustainability Director Nicole Antonopoulos explained that the Sustainability Division, along with legal and procurement, developed a range of options for Council to consider, ranging from low to high risk, based on research from across the U.S. and Europe. She noted the constraints under Arizona law and highlighted that the goal was to provide a full range of choices in terms of fossil fuel association.

Mayor Daggett asked about the 10-point scoring for the new criteria. Mr. Brown stated that it was modeled after the value-added knowledge category and was not scientific but intended to maintain consistency. Ms. Antonopoulos added that, from a sustainability perspective, the point value made a strong statement and could be increased if Council desired.

Councilmember Matthews expressed concern that the proposals were too aggressive, noting that petroleum-based products were still essential and that local banks lacked the capacity to serve large municipal needs. She emphasized that Wells Fargo had a strong sustainability record and that penalizing them based on legal industry associations would harm staff operations and not advance the city's Carbon Neutrality Plan (CNP).

Councilmember Harris agreed, stating that while she deeply cared about environmental issues, her responsibility was to prioritize Flagstaff and its practical needs. She said the policy would not

advance the CNP and might do more harm than good.

Councilmember McCarthy shared that he believed strongly in addressing climate change but viewed the proposed policy as symbolic and lacking direct impact. He voiced concern about the increased staff burden and noted that any unethical behavior by financial institutions could already be addressed through existing procedures.

Mr. Clifton clarified that the policy was administratively feasible and emphasized that the question before Council was about values, not implementation barriers.

Councilmember House said she supported Option 1, not just as a feel-good measure, but as a meaningful expression of community values. She viewed it as a step forward that balanced climate priorities without compromising city operations.

Vice Mayor Aslan reiterated his support for Option 1, describing it as a meaningful and realistic step in the larger conversation about divestment. He encouraged ongoing evolution of city policies and stressed the importance of preparing for future shifts in financial industry standards.

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Khara House to read Resolution No. 2024-26 by title only.

Vote: 4 - 3

NAY: Councilmember Deborah Harris
Councilmember Jim McCarthy
Councilmember Lori Matthews

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AMENDING THE PROCUREMENT CODE MANUAL, ARTICLE 4 AND ADDING ARTICLE 32, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Khara House to adopt Resolution No. 2024-26.

Vote: 4 - 3

NAY: Councilmember Deborah Harris
Councilmember Jim McCarthy
Councilmember Lori Matthews

- E. Consideration and Adoption of Resolution No. 2024-22 and Ordinance No. 2024-16:** A resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "2024 amendments to chapters 2-03, 2-13, 2-14, 2-20, and 3-06 of the city code related to the parks and recreation commission, tourism commission, beautification and public art commission, open spaces commission, and hospitality industry tax revenues" and An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 2, Boards and Commissions, Chapters 2-03, Parks and Recreation Commission, 2-13, Tourism Commission, 2-14, Beautification and Public Art Commission, and 2-20, Open Spaces Commission, and Title 3, Business Regulations, Chapter 3-06, Hospitality Industry Tax Revenues, by adopting by reference that certain document entitled "2024 Amendments to Chapters 2-03, 2-13, 2-14, 2-20, and 3-06 of the City Code Related to the Parks and Recreation Commission, Tourism Commission, Beautification and Public Art Commission, Open Spaces Commission, and Hospitality Industry Tax Revenues," providing for repeal of conflicting ordinances, severability, clerical corrections, and establishing an effective date.

Economic Vitality Director Heidi Hansen provided a PowerPoint presentation that covered the following:

BED, BOARD, AND BOOZE (BBB) RELATED CODE UPDATES
WHAT IS THE BBB?
WHAT SERVICES RECEIVE BBB FUNDING?
BBB CODE CHANGE AND RENEWAL TIMELINE
BBB CODE CHANGE RECOMMENDATIONS

PARKS AND RECREATION / OPEN SPACE
 TOURISM & VISITOR SERVICES
 ECONOMIC DEVELOPMENT
 BEAUTIFICATION AND ARTS & SCIENCES

Stefan Sommer submitted written comments in opposition of the amendments.

Moved by Councilmember Khara House, seconded by Councilmember Miranda Sweet to read Resolution No. 2024-22 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "2024 AMENDMENTS TO CHAPTERS 2-03, 2-13, 2-14, 2-20, AND 3-06 OF THE CITY CODE RELATED TO THE PARKS AND RECREATION COMMISSION, TOURISM COMMISSION, BEAUTIFICATION AND PUBLIC ART COMMISSION, OPEN SPACES COMMISSION, AND HOSPITALITY INDUSTRY TAX REVENUES"

Moved by Councilmember Jim McCarthy, seconded by Councilmember Khara House to read Ordinance No. 2024-16 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 2, BOARDS AND COMMISSIONS, CHAPTERS 2-03, PARKS AND RECREATION COMMISSION, 2-13, TOURISM COMMISSION, 2-14, BEAUTIFICATION AND PUBLIC ART COMMISSION, AND 2-20, OPEN SPACES COMMISSION, AND TITLE 3, BUSINESS REGULATIONS, CHAPTER 3-06, HOSPITALITY INDUSTRY TAX REVENUES, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "2024 AMENDMENTS TO CHAPTERS 2-03, 2-13, 2-14, 2-20, AND 3-06 OF THE CITY CODE RELATED TO THE PARKS AND RECREATION COMMISSION, TOURISM COMMISSION, BEAUTIFICATION AND PUBLIC ART COMMISSION, OPEN SPACES COMMISSION, AND HOSPITALITY INDUSTRY TAX REVENUES," PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

11. DISCUSSION ITEMS

A. Discussion and Direction following Council's Revisions to Water, Wastewater, and Reclaimed Water Model Assumptions and Resulting Rates

Water Services Director Shannon Jones, Water Resources Manager Erin Young, and Carole Malesky with Stantec provided a PowerPoint presentation that covered the following:

WATER, RECLAIMED WATER, & WASTEWATER COST-OF-SERVICE STUDY
 COUNCIL DIRECTED SCENARIO
 MATRIX OF FACTORS FOR DIRECTION PRESENTED ON MAY 21
 RESULTS FOR ADJUSTED MODEL ASSUMPTIONS
 COUNCIL DIRECTED SCENARIO IMPACT ON RATE PROJECTIONS

Councilmember Matthews questioned the terms of a proposal, pointing out that after year five, the request appeared to show no escalation, yet a 5% increase was still included in the documentation. Mr. Jones responded that their current recommendation did not include escalation beyond year five. He clarified that the 5% figure was not part of the actual request but was included only as part of a five-year projection in case unforeseen circumstances arose. He emphasized that there was nothing currently on the horizon prompting that increase, it was simply a planning estimate, not a firm ask.

PROJECTED BILL IMPACTS
 WATER RATE STRUCTURE -- COUNCIL DIRECTED SCENARIO RATE PROJECTIONS
 RECLAIMED WATER RATE STRUCTURE -- COUNCIL DIRECTED SCENARIO RATE

PROJECTIONS**WATER PROJECTED AVERAGE BILL IMPACTS -- COUNCIL DIRECTED SCENARIO****WASTEWATER RATE STRUCTURE -- COUNCIL DIRECTED SCENARIO RATE PROJECTIONS****WASTEWATER PROJECTED AVERAGE BILL IMPACTS -- COUNCIL DIRECTED SCENARIO****RATE STUDY COUNCIL DIRECTION SUMMARY****COUNCIL CONFIRMATION****NEXT STEPS**

Mayor Daggett noted that she had previously asked for information comparing actual flow data versus projections and appreciated the response showing that the difference had a minimal impact on rates.

Councilmember McCarthy expressed support for the updated figures, stating that the revised numbers struck a good balance. He was pleased to see that customer rate increases had been reduced while still addressing the city's needs.

Councilmember House agreed with Councilmember McCarthy and appreciated the additional effort staff had put into returning with updated information. She emphasized the level of attention both Council and staff had given to the issue and praised the willingness to reassess and make adjustments based on community needs and impact. She felt the city was moving in the right direction.

Councilmember Matthews asked whether final direction had been given on the impact fees. Mr. Jones responded that capacity fees were increasing.

Councilmember Matthews said she was more comfortable with the recent changes but still wanted time to finish communicating with the business community. She voiced concern over the city and its consultants using different methodologies and felt the full impact was not yet clear. She requested to wait until the next meeting to give final direction.

Councilmember Harris added that she had asked for more information, specifically about the figures provided by Mr. Puhr, and had not received answers yet. She wanted to understand why the city was not using Mr. Puhr's numbers. Mr. Clifton explained that Mr. Puhr's figures focused on population growth and inflation.

Councilmember Harris acknowledged the work being done by staff but emphasized her need for a full explanation. Mr. Jones responded that a reply was already drafted and would be shared soon. He noted that while the city did consider population growth, it did not use high inflation figures in its models.

Ms. Malesky added further clarification, stating that she and her team had reviewed Mr. Puhr's letter and met with him to discuss his model. They identified that his assumptions included a projected FY2025 budget that did not align with city estimates. That was the first major difference. Secondly, the city's model uses two escalation factors: a general inflation rate of 3.5% and a separate factor for costs that increased above inflation. In contrast, Mr. Puhr's model used simplified assumptions and lacked detail, making it less feasible for the city's needs.

Mayor Daggett revisited her earlier interest in allowing utility customers to "round up" their water bills to help support residents in need. She said she had previously been told the system might not allow it but wanted to continue exploring that option.

Councilmember Sweet echoed interest in a round-up option and asked whether changes could still be made based on upcoming meetings with the business community.

Mayor Daggett stated that the current proposal reflected the last discussion, and that staff had examined it from all angles. She voiced support for moving forward as presented.

A majority of Council expressed support for proceeding with the current information and staff recommendations.

12. FUTURE AGENDA ITEM REQUESTS

After discussion and upon agreement by three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

- A. **Future Agenda Item Request (F.A.I.R.):** A request by Councilmember McCarthy to place on a future agenda a discussion regarding towing and car storage charges and the use of cash versus credit cards.

Councilmember McCarthy brought up a concern raised by a resident regarding their car being towed and the associated charges, which appeared unreasonable. He noted that the individual was not allowed to pay with a credit card, which added to the frustration. Councilmember McCarthy asked that staff look into the issue and research how other cities handled similar situations. He expressed interest in whether the city could put regulations in place to ensure towing practices, including pricing and payment options, were fair and equitable.

Mr. Clifton clarified that the issue in question did not stem from city-operated towing services. Instead, the incident involved a private towing company on a private lot, which limited the city's authority.

City Attorney Sterling Solomon added that state law did allow for a cap on towing charges, and there may be opportunities to explore similar caps by reviewing what other municipalities had done. However, when it came to payment methods, such as whether a company accepts credit cards, the city may not have the legal authority to regulate that aspect.

There was requisite support to advance the item to a future agenda for discussion.

- B. **Future Agenda Item Request (F.A.I.R.):** A request by Councilmember Matthews to place on a future agenda a discussion about expanding the Employer Assisted Housing program and how to expand the program to local employers for workforce housing using incentives.

Councilmember Matthews noted that the city already had an allocation to incentivize affordable housing development. While acknowledging that Flagstaff could not solve the entire housing crisis alone, she emphasized the City's role in offering incentives that could help address local needs. She encouraged keeping the approach broad and flexible, particularly to support employers considering Employer Assisted Housing (EAH). She said that such incentives could give businesses the boost they needed to move forward with housing solutions for their workers.

Mayor Daggett asked whether the idea tied into the city's current incentive policy, code work, and the ongoing efforts of the housing staff and Housing Commission.

Housing Director Sarah Darr responded that staff was aware of the community conversations happening around EAH and was actively participating in some of them. She noted that employer-assisted housing spanned a wide range of options, and that staff had been exploring various models. However, they had not specifically looked at incentives like building permit waivers or fee reductions tailored to EAH projects. She added that it may be possible to incorporate insights from the city's code analysis project and consider options such as a matching program that could help smaller employers provide housing for their staff.

Councilmember Matthews clarified that she was specifically referring to the budget line item for incentives. She asked if the Incentive Program for Affordable Housing (IPAH) was separate from what was currently being discussed.

Ms. Darr confirmed that IPAH was directly tied to the incentive policy. The funding set aside under IPAH traditionally supported projects like those led by Habitat for Humanity, Housing Solutions, and tax-credit developments. It did not currently have any specific criteria targeting EAH.

Councilmember Matthews stated her intent was to broaden the scope of the IPAH funding so that it

could also be available to local employers looking to provide employee housing.

Ms. Darr stated that it was not something staff had actively worked on or evaluated, but that it could be incorporated into the upcoming rewrite of the IPAH policy, which was part of the ongoing LASS/CAP project. She also mentioned there may be another potential funding source that could align with the effort.

Mayor Daggett recommended that instead of bringing the topic back to Council as a standalone item, staff should integrate it into the broader policy work being developed for the Housing Commission. That way, it could be considered there before coming back to Council for a recommendation.

Council agreed that the topic be included in the upcoming discussions with the Housing Commission for recommendations to Council.

13. **OPEN CALL TO THE PUBLIC**

None

14. **INFORMATIONAL ITEMS TO/FROM MAYOR, COUNCIL, AND STAFF, AND FUTURE AGENDA ITEM REQUESTS**

Councilmember Matthews shared that she was honored to be one of 27 individuals selected statewide to participate in the Flinn Brown Fellowship, a prestigious leadership program in Arizona.

Councilmember Harris reported that over the past month, she had spent time in the Brannon Homes area near the Boys and Girls Club. She expressed concern about the condition of the neighborhood, noting the poor appearance of the buildings and deteriorating paint. She urged staff to take a closer look at the area to determine what could be done and that it was not appropriate to have people live in those conditions.

Vice Mayor Aslan brought up that he had travel plans during Thanksgiving week and would like to consider cancelling the Council meeting scheduled for that week.

Mayor Daggett offered her congratulations to Councilmembers Matthews and Vice Mayor Aslan for being selected as Flinn Brown Fellows, calling it a great program they would certainly enjoy. She also provided an update on local homelessness data, noting that she had requested weekly updates from service providers. That week, the number of adults experiencing homelessness was reported at 705, including 25 families with children, a decrease from 772 the previous week and significantly lower than the average trend. She highlighted the importance of the weekly conference calls taking place among service providers to coordinate resources and support and emphasized the availability of the Front Door program for anyone seeking housing assistance.

15. **ADJOURNMENT**

The Regular Meeting of the Flagstaff City Council held June 4, 2024, adjourned at 5:54 p.m.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on June 4, 2024. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 16th day of December, 2025

CITY CLERK