

1. Call to Order

Mayor Nabours called the Flagstaff City Council Work Session of September 30, 2014, to order at 6:02 p.m.

2. Pledge of Allegiance

The audience and City Council recited the Pledge of Allegiance.

3. Roll Call

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

Councilmembers Present:

Councilmembers Absent:

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke; City Attorney Michelle D'Andrea

4. Preliminary Review of Draft Agenda for the October 7, 2014, City Council Meeting. *

** Public comment on draft agenda items may be taken under "Review of Draft Agenda Items" later in the meeting, at the discretion of the Mayor. Citizens wishing to speak on agenda items not specifically called out by the City Council for discussion under the second Review section may submit a speaker card for their items of interest to the recording clerk.*

Councilmember Woodson stated that Item 8-C makes reference to code compliance issues but they are not specified in the staff summary. He asked if additional information will be coming to the Council for review on this item prior to the meeting. Mr. Burke stated that more detailed information will be made available; however, it is limited on how it can be used for the basis of the recommendation.

Councilmember Barotz inquired about the item addressing Affordable Housing and asked Councilmember Brewster to clarify what the item is about. Councilmember Brewster stated that she would like to discuss how the City can do more to aid in affordable housing.

5. 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.

6. Presentation by Representatives of Arizona Department of Transportation (ADOT) re Tusayan Airport Improvements

Mr. Burke introduced Deputy Director for Business Operations John Nichols and Director of Administrative Services Sonja Herrera from the Arizona Department of Transportation (ADOT). Mr. Nichols provided a PowerPoint presentation on the Grand Canyon National Park Airport.

- WHAT GRAND CANYON AIRPORT (GCA) IS ALL ABOUT
- RUNWAY
- PASSENGER ENPLANEMENTS
- AIRCRAFT OPERATIONS
- AIRPORT OPERATING COST AND REVENUE
- ECONOMIC IMPACT OF THE AIRPORT
- INTRODUCTION OF SCHEDULED AIR
- TSA SUPPORT BEGAN IN 6/13/11

Ms. Herrera continued the presentation.

- MAIN TERMINAL
- NORTH END OF TERMINAL
- SOUTH END OF TERMINAL
- ENTRANCE FROM RAMP
- UNSAFE/DETERIORATING PASSENGER AREAS
- TERMINAL INTERIOR
- MAIN LOBBY WITH PASSENGERS
- HALL WITH PASSENGERS
- RESTROOM
- INADEQUATE BAGGAGE HANDLING CAPABILITY
- MASTER PLAN UPDATE
- A NEW TERMINAL BUILDING

Mr. Nichols continued the presentation.

- WATER SUPPLY PREVIOUSLY
- WATER SUPPLY TODAY
- WATER PROPOSAL
- FUTURE PLANS TO KEEP AIRPORT FINANCIALLY SELF-SUFFICIENT
- CONCLUSION

Mayor Nabours asked if there were any plans to expand the runway or taxiway. Mr. Nichols stated that there is no plan for increased space other than additional parking space.

Mayor Nabours asked if there was any plan to bring in scheduled air to the airport. Mr. Nichols stated that scheduled air is desired but there are many challenges that stand in the way of making that a possibility. The biggest challenge is that there is no place for the airport staff to live. The other issue is that there is no large airport fueling capacity at the airport. If an airline has to bring its own fuel their profit margin is eaten up quickly making it unsustainable to continue service. Mr. Nichols stated that he does anticipate an increase in charter flights.

Mayor Nabours asked how revenue is generated at the airport and how the enhancements would increase the revenue. Mr. Nichols indicated that fees are collected for landings and the real money comes in from the tour flights that are offered. 65% percent of the revenue is the fees charged to the tour services. Landing fees and gate fees are charged to charter flights and revenues are collected from gift shops and the food bar that are operated within the charter areas. The enhancements would allow the airport to open its own gift shop and possible restaurant generating further revenue.

Councilmember Oravits asked if there is land owned for future expansion. Mr. Nichols stated that there is no property available; the land that is currently used is leased from the Forest Service.

Councilmember Oravits asked what the estimated cost is for the project. Mr. Nichols stated that studies are being conducted now and the original footprint was estimated at 10 to 13 million dollars. Councilmember Oravits stated that he hopes the studies will research the impacts on the neighboring communities should more people be coming into the airport for quick turnaround day trips. He is concerned about the small communities that depend on tourism; if more and more people fly in chartered for day trips it may have financial implications on the surrounding towns that relied on them to pass through or fly into their town.

Vice Mayor Evans noted that she believes that this project is more of an expansion rather than a renovation. Mr. Nichols stated that the terminal looks and feels like 1965; the infrastructure and accommodations are not adequate to support the traffic that currently comes in and out. She expressed her concern about the hospitality industry in Flagstaff and Williams. Historically people have flown into the Phoenix, Flagstaff or Williams airports and commuted to the Grand Canyon providing revenue along their way. The unique issue is that the Grand Canyon Airport is a State run airport and it is directly competing with private and municipal airports. To have a State agency have a different plan or vision really negates the tourism industry in Flagstaff. There needs to be an economic impact study done to see how the Grand Canyon Airport turns a profit and is successful and how it is impacting the surrounding communities. Mr. Nichols responded stating that everyone will get an opportunity to weigh in on the study.

Mr. Burke stated that the message back to ADOT should be that the City of Flagstaff has aggressively been trying to secure an additional scheduled airline and ADOT has been very supportive of the airport with its investments. Scheduled air at the Grand Canyon would be counter-intuitive to ADOT's mission, and that portion of the mission should be considered with this expansion.

Mayor Nabours asked that Flagstaff Airport Director Barney Helmick address the Council in regards to the proposed expansion. Mr. Helmick provided a PowerPoint Presentation that covered the following:

- GRAND CANYON AIRPORT
- RANKINGS

Mayor Nabours recognized Representative Brenda Barton in the audience and invited her to make any comments. Ms. Barton stated that she learned a lot from the presentations and they

have given her some areas that she would like to research further. She offered her assistance in any way to help with any regulations or restrictions that may need to be addressed at the State level.

Minesh Patel addressed Council on behalf of the Flagstaff Lodging and Restaurant Association. He stated that the expansion of the Grand Canyon Airport in addition to I-11 will impact the tourism and hospitality industry in Flagstaff. The money the State will be paying would be better spent at the Flagstaff airport to expand and attract another airline.

Alicyn Gitlin addressed Council on behalf of the Grand Canyon Sierra Club Chapter with concerns about the expansion and the drilling of a new water well at the airport.

A break was held from 7:31 p.m. through 7:40 p.m.

7. Community Banking Program Update

Revenue Director Andy Wagemaker provided a PowerPoint presentation that covered the following:

- COMMUNITY BANKING PROGRAM
- REVIEW
- TUCSON COMMUNITY BANKING UPDATE
- IMPORTANT POINTS
- NEXT STEPS FOR FLAGSTAFF
- LOCAL LENDING PLAN
- NEXT STEPS

Mayor Nabours asked if the money would be invested in a way that it is all FDIC guaranteed and the City would not be putting any money at risk. Mr. Wagemaker stated that the investment would be FDIC guaranteed and the money is an investment from the City perspective.

The City Council directed staff to move forward with the RFP and return to Council with the results of the proposals.

8. Discussion of proposed changes to the Board and Commission Handbook and related documents

City Clerk Liz Burke addressed Council with information about updates to the Board and Commission Handbook. Based on previous Council discussions staff put together a handbook that encompasses many of the issues discussed and possible updates. One of the issues was the title of the document and whether the Council wanted to continue referencing it as a handbook or something else. The Council was in favor of changing the handbook title to manual.

Ms. Burke then asked the Council to consider whether they want all commissions to consist of seven members, except those dictated by law. The Council agreed that for all applicable boards and commissions the number of members should be seven; they also agreed that this should be accomplished through attrition.

Ms. Burke then explained that in reference to how issues are brought before boards and commissions the manual makes reference to a citizen petition. Mr. Burke recommended that it be removed from the options as there are plenty of other ways for an item to get on an agenda. The Council agreed with Mr. Burke's recommendation and requested that the item be removed.

Councilmember Barotz stated that the language that indicates a commissioner must be off a commission for a year before they are eligible to hold office again is confusing. She asked for staff to revise the language to make the direction more clear.

Ms. Burke noted that Board and Commission Member training has been scheduled for October 27, 2014 and the training will be recorded and placed on the Board and Commission website for viewing at any time. Commissioners will be required to view the training and sign an affidavit within three months of taking office. Additionally, they will be required to sign an affidavit stating they have read the Open Meeting Law prior to taking office.

9. Review of Draft Agenda Items for the October 7, 2014, City Council Meeting.*

** Public comment on draft agenda items will be taken at this time, at the discretion of the Mayor.*

None.

10. Public Participation

None.

11. Informational Items To/From Mayor, Council, and City Manager.

Vice Mayor Evans offered congratulations to Convention and Visitors Bureau Director Heidi Hansen, Economic Vitality Director Stacey Button, the Chairman of the Tourism Commission Jamey Hasapis, the Tourism Commission, and the Hospitality sector for their work in coordinating the tourism celebration; it was a fantastic event. She requested that the video that was showcased at the event be shown at a meeting for all to see. Mayor Nabours agreed asking for the item to be placed on an agenda under awards and presentations; he also requested that the video be posted on the City's website if possible.

Councilmember Barotz said that she attended the opening night for the Night Visions Art exhibit at the Coconino Center for the Arts. It was a great exhibit and she encourages all to stop by and check it out.

Councilmember Barotz also provided opening remarks at the Hopi Festival. It was a wonderful event and everything there was great.

She also attended the Legendary Teacher Event at NAU where the Mayor presented a proclamation to Nick Klemets. Mr. Kelmets is trying to establish a Legendary Teacher Day around the country to help elevate the profession of teacher and he is encouraging students to contact a past teacher and thank them for their efforts and time in teaching.

Lastly, she attended the Flagstaff Community Foundation Grant presentation award where the foundation gave awards totaling over \$1 million to non-profit organizations in Flagstaff.

12. Adjournment

The Flagstaff City Council Work Session of September 30, 2014, adjourned at 8:14 p.m.

MAYOR

ATTEST:

CITY CLERK