

## MINUTES

### 1. **CALL TO ORDER**

Mayor Nabours called the Regular Meeting of August 16, 2016, to order at 4:00 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 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. **ROLL CALL**

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

PRESENT:

ABSENT:

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

NONE

Others present: City Manager Josh Copley and City Attorney Sterling Solomon.

### 3. **PLEDGE OF ALLEGIANCE AND MISSION STATEMENT**

The audience and City Council recited the Pledge of Allegiance and Mayor Nabours 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 of its citizens.*

### 4. **APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**

- A. **Consideration and Approval of Minutes:** City Council Combined Special Meeting/Work Session of March 8, 2016; Budget Retreat of April 26-27, 2016; Work Session of May 10, 2016; Special Meeting of May 24, 2016; Special Meeting/Executive Session of June 28, 2016; Combined Work Session/Special Meeting of June 28, 2016; and Regular Meeting of July 5, 2016.

**Moved by** Councilmember Scott Overton, **seconded by** Councilmember Jeff Oravits to approve the minutes of the City Council Combined Special Meeting/Work Session of March 8, 2016; Budget Retreat of April 26-27, 2016; Work Session of May 10, 2016; Special Meeting of May 24, 2016; Special Meeting/Executive Session of June 28, 2016; Combined Work Session/Special Meeting of June 28, 2016; and Regular Meeting of July 5, 2016.

**Vote:** 7 - 0 - Unanimously

5. **PUBLIC PARTICIPATION**

*Public Participation enables the public to address the Council about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight'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 Public Participation. 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.*

Convention and Visitors Bureau (CVB) Director Trace Ward introduced the new Marketing and Media Relations Manager, Lorri Pappas, who joined their team a few weeks ago. Ms. Pappas said that she has been a community member for years and has had the privilege of working with several mayors and councils in the past. She said that she was excited to be part of Team Flagstaff.

Mayor Nabours recognized the Finance Department for receiving the GFOA Financial Report Achievement Award.

6. **PROCLAMATIONS AND RECOGNITION**

None

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:** Personnel Board.

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Eva Putzova to appoint Cathy Speirs to the Personnel Board with a term to expire October 2020.

**Vote:** 7 - 0 - Unanimously

B. **Consideration of Appointments:** Parks and Recreation Commission.

**Moved by** Councilmember Jeff Oravits, **seconded by** Mayor Jerry Nabours to reappoint Tom Ziegler to the Parks and Recreation Commission with a term to expire August 2019.

**Vote:** 7 - 0 - Unanimously

**Moved by** Councilmember Eva Putzova, **seconded by** Councilmember Scott Overton to appoint Brian Bloom to the Parks and Recreation Commission with a term to expire August 2019.

**Vote:** 7 - 0 - Unanimously

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Karla Brewster to appoint Michael Trouche to the Parks and Recreation Commission with a term to expire August 2018.

**Vote:** 7 - 0 - Unanimously

**C. Consideration of Appointments:** Sustainability Commission.

**Moved by** Vice Mayor Celia Barotz, **seconded by** Councilmember Eva Putzova to appoint David McCain to the Sustainability Commission with a term to expire October 2017.

**Vote:** 7 - 0 - Unanimously

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Scott Overton to appoint Brian Petersen to the Parks and Recreation Commission with a term to expire October 2017.

**Vote:** 7 - 0 - Unanimously

**8. LIQUOR LICENSE PUBLIC HEARINGS**

None

**9. CONSENT ITEMS**

*All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.*

**Moved by** Councilmember Scott Overton, **seconded by** Mayor Jerry Nabours to approve Consent Items 9-A through 9-E.

**Vote:** 7 - 0 - Unanimously

**A. Consideration and Approval of Contract:** 2016-60 Desktop Supplies and Services

Accept the Proposal and approve the agreement with Quality Connections Inc. for annual purchases of desktop office supplies; and authorize the City Manager to execute the necessary documents.

**B. Consideration and Approval of Cooperative Contract:** 2017-05 Cooperative Agreement with Baker & Taylor

Approve the cooperative agreement for Library Supplies and Services through the separately procured agreement between the City of Mesa and Baker & Taylor Inc.

**C. Consideration and Approval of Agreement:** Intergovernmental Agreement between City of Flagstaff and Coconino County for election services for the General Election of November 8, 2016.

Approve the Intergovernmental Agreement between the City of Flagstaff and Coconino County for election services for the General Election of November 8, 2016.

**D. Consideration of Ratifying Grant Agreement:** Between FEMA Assistance to Firefighters Grant (AFG) and the City of Flagstaff for the Regional Training Grant.

Approve the ratification of the Grant Agreement to FEMA (Assistance to Firefighters) for grant funds totaling in the amount of \$186,395.00 (Federal share \$169,450, City/Fire District Share \$16,645) to improve regional operational efficiency and scene safety.

- E. **Consideration and Approval of Intergovernmental Agreement:** Intergovernmental Agreement (IGA) between the City of Flagstaff and the Greater Flagstaff Region (GFR) partnering agencies (Summit Fire District, Highlands Fire District and Ponderosa Fire District)  
Approve the Intergovernmental Agreement with GFR partners (Summit Fire District, Highland Fire District and Ponderosa Fire District) for the FEMA AFG Regional Training Grant totaling \$186,395 of which 10% is from matching funds by GFR partners (City of Flagstaff's share is \$9,727)

10. **ROUTINE ITEMS**

- A. **Consideration and Adoption of Resolution No. 2016-30:** A resolution of the City Council of the City of Flagstaff, Arizona authorizing the Arizona Power Authority Power Sales Contract; and establishing an effective date.

**Moved by** Councilmember Jeff Oravits, **seconded by** Councilmember Karla Brewster to read Resolution No. 2016-30 by title only.

**Vote:** 7 - 0 - Unanimously

*A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA ADOPTING THE ARIZONA POWER AUTHORITY POWER SALES CONTRACT; AND ESTABLISHING AN EFFECTIVE DATE*

**Moved by** Councilmember Jeff Oravits, **seconded by** Councilmember Karla Brewster to adopt Resolution No. 2016-30.

**Vote:** 7 - 0 - Unanimously

- B. **Consideration and Approval of Contract:** AZ State Forestry Division Cooperative Intergovernmental Agreement (IGA) FD-16-0090-ASF-A1S

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Karla Brewster to approve the Cooperative Intergovernmental Agreement with the Arizona State Forestry Division, FD 16-0090-ASF-A1S.

**Vote:** 7 - 0 - Unanimously

- C. **Consideration and Adoption of Resolution No. 2016-28:** A resolution authorizing the conveyance of utility easements to Arizona Public Service Company across City property located at the Flagstaff Airport and Wheeler Park, delegating authority complete the transactions, and establishing an effective date (***Grant of easements to APS***)

Real Estate Manager Charity Lee explained that there were two easements--one across Wheeler Park on the west corner of Humphreys and Aspen and the other across a parcel at the airpark, both to increase power for future developments. She noted that representatives of Arizona Public Service were present if Council had any questions of them.

Councilmember Putzova asked if there would be any impact on Wheeler Park with the Easement. Kent Bushman, Flagstaff Construction Section Leader with APS, said that they have to trench in the same area, so there will be a disturbance, but it will be re-landscaped on completion.

Mayor Nabours noted that the easement at the airport would be going across an existing parking lot and the tenant using it is agreeable.

**Moved by** Councilmember Scott Overton, **seconded by** Councilmember Jeff Oravits to read Resolution No. 2016-28 by title only.

**Vote:** 7 - 0 - Unanimously

*A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE CONVEYANCE OF UTILITY EASEMENTS TO ARIZONA PUBLIC SERVICE COMPANY ACROSS CITY PROPERTY LOCATED AT THE FLAGSTAFF AIRPORT AND WHEELER PARK, DELEGATING AUTHORITY TO COMPLETE THE TRANSACTIONS, AND ESTABLISHING AN EFFECTIVE DATE*

**Moved by** Councilmember Jeff Oravits, **seconded by** Councilmember Scott Overton to adopt Resolution No. 2016-28.

**Vote:** 7 - 0 - Unanimously

**D. Consideration and Approval to Amend Lease :** No. GS-09B-94446 Building 3 of the USGS Facility at 2255 North Gemini Drive, Flagstaff, AZ. 86001 (***Extend lease term three years***)

Ms. Lee noted that back in May staff came before Council to submit a RLP on this property, but they have not heard back yet and the lease on Building 3 expires in December. This would amend that lease to extend it for an additional three years.

Ms. Lee explained that the intention is to build new buildings first and once completed, they would relocate into Building 7 and then Building 3 would be demolished.

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Karla Brewster to amend the lease with GSA to extend the term of the lease for Building 3, through December 21, 2019.

**Vote:** 7 - 0 - Unanimously

**E. Consideration and Adoption of Resolution No. 2016-29:** A resolution ratifying the submittal of a Request for Lease Proposal (RLP 5AZ0152) from the United States General Services Administration (GSA) for building 6 of the United States Geological Campus located at 2400 North Gemini Drive.

Ms. Lee said that while Council was on break staff received another RLP (Request for Lease Proposal) from the USGA for Building 6 of the USGS Campus located at 2400 North Gemini, with a very short time to respond. This item before Council is to ratify the action taken by staff in submitting such an RLP due to the time constraints. She said that they did not propose to modify Building 6 other than regular maintenance, such as carpet and paint. With that approach they were able to decrease the lease debt and this will aid in that reduction. She said that they have calculated around \$100,000 in reserves annually to go into the account. This does not cost the City anything and keeps USGS there.

**Moved by** Councilmember Karla Brewster, **seconded by** Councilmember Jeff Oravits to read Resolution No. 2016-29 by title only.

**Vote:** 7 - 0 - Unanimously

*A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, RATIFYING THE SUBMITTAL OF A BID RESPONSE TO THE UNITED STATES GENERAL SERVICES ADMINISTRATION FOR THE LEASE OF THE UNITED STATES GEOLOGICAL SURVEY CAMPUS, BUILDING 6; AND ESTABLISHING AN EFFECTIVE DATE*

**Moved by** Councilmember Jeff Oravits, **seconded by** Councilmember Karla Brewster to adopt Resolution No. 2016-29.

**Vote:** 7 - 0 - Unanimously

**RECESS**

The 4:00 p.m. portion of the August 16, 2016, Regular Council Meeting recessed at 4:24 p.m.

**6:00 P.M. MEETING****RECONVENE**

Mayor Nabours reconvened the meeting of August 16, 2016, at 6:00 p.m.

**NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

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**11. ROLL CALL**

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

PRESENT:

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

ABSENT:

NONE

Others present: City Manager Josh Copley and City Attorney Sterling Solomon.

**12. PUBLIC PARTICIPATION**

Barry Brenneman, Flagstaff, addressed the Council thanking the City for promptly responding to a tree needing to be removed. He also noted that the submission filed by the City in response to the Hub Appeal was not very professional and the individuals who wrote it should be talked to.

Mayor Nabours noted that they would be discussing Item 15-B first.

**13. CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA**

None

**14. PUBLIC HEARING ITEMS**

None

**15. REGULAR AGENDA**

**A. Council Consideration and Direction: 2017 League Resolutions.**

Assistant to the City Manager Stephanie Smith reviewed the League Resolutions through the following PowerPoint presentation:

#### LEAGUE PROCESS

- Cities and towns submit ideas
- League Policy Committees
- Resolutions Committee
- Annual League Conference
- Municipal Policy Statement

Ms. Smith said that the resolutions would be voted on at the Annual Business Meeting at the conference next week, and those resolutions make up the League's Legislative Agenda for the coming year.

#### PROCESS

##### FLAGSTAFF'S RECOMMENDATIONS

- Approved as Recommended Resolutions (submitted more than others; 6 of 8 were submitted)
- Approved as Recommended Resolutions
- Approved as Guiding Principles
- Not Approved

##### APPROVED AS GUIDING PRINCIPLES

- Protect local authority to bring revenue to cities and towns
- Uphold and restore principle of local control
- Protect existing funding to cities and towns which support the quality of life for its residents

##### RECOMMENDED TO COMMITTEE

- Improve Forest Health
- Support State Housing Trust Fund
- Support Energy Districts

##### RESOLUTIONS NOT RECOMMENDED

- Improve safety in public facilities (Members decided to not move forward as they saw it being best served at local level)
- Clarify state law regarding signs (White there was great interest and discussion, the committee voted to work on this with the League, attorneys, and interested parties, but not add it to the legislative priorities for this year)

##### QUESTIONS RE THE FATE OF FLAGSTAFF'S REQUESTS

##### RESOLUTIONS RECOMMENDED TO COMMITTEE

- Seek legislation to create Economic Development Reimbursement Authority System for Infrastructure/Improvements (As written it is voluntary - would not be required, but available) - Surprise
- Amend statutes to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality - Yuma
- Create workable, mutually-beneficial construction sales tax reform (Note: Barbara Goodrich is on the task force that the League has already put together)
- Simplify the rezoning language for cities and towns to reflect the more direct county language (So all properties adjacent to a properly seeking a potential rezoning case would have opportunity to protest) Sedona

Vice Mayor Barotz said that from a community and policy perspective, she would like to understand if this would be reducing the ability of property owners to challenge a rezone. Ms. Smith said that in speaking with Sedona and the League, the intent is to clarify, but also to ensure consistency so that all property owners have the ability to participate in a protest.

Mayor Nabours noted that he sits on the Resolutions Committee, and the question that keeps coming

up is whether the 20% required in the statutes is of all of the surrounding properties, or 20% of one side, that can trigger a super majority. He said that Yuma had an issue where one small side and one property owner on that side required a super majority. If they read this that 20% of the property owners on any one side can trigger the supermajority, then that one property owner could overrule 50 other property owners around the perimeter.

Councilmember Evans said that she was not sure that she would support this; she would need to understand it more. She said that the supermajority clause has been used three times in the City, and she would like to see how those challenges would have been impacted by this proposed legislation.

Councilmember Putzova requested that this item be voted on separate from the others because there was not complete support.

Michael Collier was asked to come forward and respond to how this would apply to the Public Works Yard issue. Mr. Collier said that when the yard issue first came up he talked with all of the people that lived within 150 feet of the property. It was simplified because 75% by numbers said absolutely, so there was no question. He did sit down with the Deputy Attorney Kevin Fintel who did a wonderful job of walking through what the state mandated rules were on this. Mr. Collier said that in his mind it would be better to have it clearer and he was glad that the League was attempting to make it clearer.

#### RESOLUTIONS RECOMMENDED TO COMMITTEE (Continued)

- Seek legislation to remove any limitation or penalty in accessing PSPRS Retirement benefits as the member is transitioning into a job reassignment as an accommodation under the ADA
- Design legislation to improve the County island annexation process without undue burden to any one party
- Revise and update the disincorporation statutes
- Explore options that create funding solutions and/or financing authority to deal with PSPRS unfunded pension liabilities
- Support the presence of military installations

#### UPCOMING DATES

- Resolutions Committee Meeting
- Annual Business Meeting
- Setting and League Overview (November/December)

Vice Mayor Barotz asked if the public was able to comment on the resolutions being considered at the 1:30 p.m. meeting on August 23. Mr. Dille replied that in the past there is an availability of seats around the committee and typically they are there to watch the proceedings. He does not recall any instance where they took public comment.

Mayor Nabours said that there was a request to vote separately on the Rezoning Clarification statement; he asked if there were any others requested to be taken separately. Councilmember Putzova said that she was not sure she would support the Support of Military Installations.

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Scott Overton to instruct him, as the Resolutions Committee representative from the City of Flagstaff, to vote yes on Resolutions BFED 1, 2, 3, 4; GAHRE 2, 3, 4 and 5; and NSQL 1 and 2.

**Vote:** 7 - 0 - Unanimously

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Scott Overton to instruct him, as the Resolutions Committee representative for Flagstaff, to vote yes on GAHRE 1, Rezoning.

Vice Mayor Barotz said that she could not support this resolution because she does not feel she has the proper understanding of unintended consequences. She would continue to be kept informed on the outcome of this resolution.

Councilmember Evans said that she could not support this resolution as well because it could have a negative ramification and minimize options and abilities, and it reduces personal property rights.

Councilmember Overton said that the take away for him is it is not so much in changing the threshold, but to simplify the rezoning language. It is a very difficult appeals process and he would like to see it easier for the public to read and apply.

Mayor Nabours noted that the League does not make the laws or amend them; they make proposals to the legislature and then the final product is hammered out.

Councilmember Brewster said that she supports simplifying the language for the average person.

Councilmember Oravits said that he was on the fence. As a general discussion, it would be good to simplify the language, but if it negatively impacts property rights, then he would be concerned.

Vice Mayor Barotz said that she did not see it as an effort to take away personal property rights. Her concern is that it will make it harder to challenge a rezoning. If she really believed that the intent was to clarify, she may support, but she does not believe that to be the case.

**Vote:** 4 - 3

NAY: Vice Mayor Celia Barotz  
Councilmember Coral Evans  
Councilmember Eva Putzova

**Moved by** Mayor Jerry Nabours, **seconded by** Councilmember Jeff Oravits to instruct him, as the Resolutions Committee representative from Flagstaff, to vote yes on PSMAC1, Supporting Military Installations.

Councilmember Putzova said that this policy concerns her. There are no specific provisions and under the policy any provisions could be moved forward theoretically. There is a lot of weaponry that is developed and ends up in the civic sphere just because it is on the market. She is comfortable with some of the statements, but she does not think that military installations should be considered from the economic perspective.

Vice Mayor Barotz said that she was concerned about the way it is written.

**Vote:** 5 - 2

NAY: Vice Mayor Celia Barotz  
Councilmember Eva Putzova

- B. Consideration and Adoption of Ordinance No. 2016-32:** An ordinance to enter into a Fourth Amendment to the Development Agreement (DA) with Nestle-Purina PetCare Company (Nestle-Purina) to extend the agreement and underlying lease until October 15, 2017 (***Possible extension of Development Agreement with Nestle-Purina; odor mitigation and FUTS easement***).

Business Retention & Expansion Manager John Saltonstall reviewed the item, noting that Nestle-Purina PetCare's new Factory Manager, Casey Hansen, was present as well. He reviewed a PowerPoint presentation which addressed:

PROPOSED EXTENSION OF NESTLE-PURINA DEVELOPMENT AGREEMENT  
BACKGROUND

Development Agreement first adopted in 2003; amended in 2008, 2015, and 2016  
Odor Mitigation Study done in 2016  
They are in compliance with all state and federal regulations re air quality

PERFORMANCE MEASURES  
DEDICATION OF RIGHT OF WAY FOR FUTS  
STACK DIAGRAM MAP  
PHASE I

Installation of a combined tall stack by April 30, 2017

Anticipated 50% reduction of modeled ground level odor as measured against base line test value

Post Installation testing

PHASE II

Combine all dryer exhaust into new taller stacks

Anticipated 50% reduction of modeled ground level odor as measured against base line test value

Post Installation testing

He said that Nestle Purina PetCare and the City have agreed to reconvene to assess odor mitigation efforts on or before October 15, 2020, to ensure that the mitigation effort continues and that as technology changes they continue a dialogue to ensure there is clean air.

He said that their due diligence included contracting with an environmental consultant to have them confer with the City regarding the science and validity of what was being proposed. They received affirmation that this is a sound approach and by the best practices they should see this reduction in odor by 50%.

FOURTH AMENDMENT BY THE NUMBERS

\$800,000 property tax savings by Nestle-Purina over two years

\$1.1 million capital investment by Nestle-Purina

\$90,000 dedication of land for FUTS by Nestle-Purina

\$100,000 in testing by Nestle-Purina

\$2.72 additional energy costs by Nestle-Purina

\$54 million estimated annual economic impact of Nestle-Purina in community

Mr. Saltonstall clarified that the City paid for the economic analysis and Nestle-Purina PetCare paid for the Brown and Caldwell study (\$120,000).

Vice Mayor Barotz asked Mr. Hansen if he was familiar with plants around the world and whether this has been a problem elsewhere. Mr. Hansen replied that he was not.

Councilmember Putzova said that at the last meeting where this issue was discussed, she asked if Nestle-Purina would do this work even if the development agreement was not amended, and they were told yes. She asked if that was still their position. Mr. Hansen said that he would like to see what happens on the 6th, but they are committed to these improvements. He said that the \$800,000 in incentives would be a nice kick start to get the project moving quicker.

**Moved by** Councilmember Karla Brewster, **seconded by** Mayor Jerry Nabours to read Ordinance No. 2016-32 by title only for the first time.

Councilmember Putzova proposed an amendment to the motion, with permitted wordsmithing, with an intent that the \$800,000 tax credit be payable upon satisfactory evidence that the anticipated odor reduction is met. Mr. McIntire clarified that they are not paying the City, but they are committed in the Development Agreement to pay the City back if they do not meet the numbers.

Ms. Goodrich said that she heard the question of whether they could wait for Nestle-Purina to put these measures into place before they receive the tax benefit. There is no way to not authorize the incentive and then withhold it because of the way the Coconino County taxes are determined, usually two years out.

Ms. Wendel said that right now the commitment is for Nestle-Purina to install and operate the equipment. This is new technology that has not been implemented here. They anticipate, and their environmental engineering firm anticipates, 50%, but they are not sure,; therefore, they have hedged in not meeting that requirement. She referred the Council to Item No. 15.

**Moved by** Councilmember Putzova and **seconded by** Vice Mayor Barotz to amend the motion that if the 50% reduction is not shown at 60 days after installation of Phase II, they reimburse the tax credit. After further discussion, **Councilmember Putzova amended her motion** to amend the Development Agreement to provide that if Nestle-Purina has not made a 50% reduction by October 2020 that they would have to give back the tax savings that they have received since 2015 (approximately \$800,000) or prorated by how close they got to 50%; **amended motion seconded by Vice Mayor Barotz.**

Councilmember Overton said that the thought the intent was good of the Development Agreement and extending the Development Agreement. He could agree that it would be great to put performance measures tied to possible repayment of the tax abatement, but he does not want to hold up the benefit to the east side residents. He was happy to have that conversation now, but he believed they have done good homework and as a partner they do not have exact scientific results, but they know it will be better. He was willing to take that risk.

Councilmember Oravits said that he would support leaving it as is without the amendment, but would like to see some measurements met.

After further discussion **Councilmember Putzova withdrew her motion** to amend; **Vice Mayor Barotz withdrew her second.**

**Vote:** 7 - 0 - Unanimously

*AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE CITY OF FLAGSTAFF TO ENTER INTO A FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT WITH NESTLE PURINA PETCARE COMPANY, AND EXTENDING THE UNDERLYING LEASE UNTIL OCTOBER 15, 2017; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE*

Mayor Nabours said that they would leave it up to City staff and Nestle-Purina to see if anything else could be resolved and bring it back at the September 6, 2016, meeting.

- C. Consideration and Adoption of Ordinance No. 2016-06; and Approving a Declaration of Trust:** An ordinance of the City Council of the City of Flagstaff, amending the City of Flagstaff City Code Title 1, Administrative, Chapter 1-24, Insurance, relating to the Board of Trustees and administration of the Self Insurance Trust Fund; providing for repeal of conflicting ordinances, severability, and establishing an effective date; and approving a Declaration of Trust (***Self-Insurance Trust Fund***).

Management Services Director Rick Tadder presented a PowerPoint presentation on this issue, which addressed:

SELF-INSURANCE TRUST  
 Update City Code Title 1, Chapter 1-24  
 Align our City Code with ARS 11-981  
 Define the Board of Trustees  
     Five-Member Board  
 Define the Powers of the Board  
     Retrospective Review  
     Recommendations to Council  
     Reserves, investments, actuarial assumptions  
     Annual Reporting

He said that the statutes allow for one member to be councilmember and one member to be a staff member; however, staff was recommending five external candidates. They will go through the normal process for obtaining applications through the City Clerk's Office.

BOARD OF TRUSTEE'S AGREEMENT

Outlines the Self Insurance Trust Fund as defined in City Code  
 Defines Responsibilities of the Trustees  
 Fiduciary Insurance  
 Indemnification  
 Non-Liability of Trustees  
 Rules and Procedures

Mayor Nabours asked how much money is usually in the Trust and how it is used. Mr. Tadder said that at the end of FY17 it will be around \$3.3 million. It is used to pay certain insurance premiums, workers compensation, health insurance, accidents, death, and property insurance claims.

**Moved by** Councilmember Scott Overton, **seconded by** Councilmember Karla Brewster to read Ordinance No. 2016-06 by title only for the first time.

**Vote:** 7 - 0 - Unanimously

*AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL, AMENDING THE FLAGSTAFF CITY CODE, TITLE 1, ADMINISTRATIVE, CHAPTER 1-24, INSURANCE, RELATING TO THE BOARD OF TRUSTEES AND ADMINISTRATION OF THE SELF-INSURANCE TRUST FUND; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE*

16. **DISCUSSION ITEMS**

17. **FUTURE AGENDA ITEM REQUESTS**

*After discussion and upon agreement by a majority of all 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 Putzova to place on a future agenda a discussion re Thorpe Park and the steps needed to keep open space designation into the future.

Councilmember Putzova said that her request was to legally secure the public works yard on Mogollon and to ensure that the part of Thorpe Park where it was located, remains part of the park.

The following individuals addressed the Council in support of this item:

- Charlie Silver
- Jamie Whelan

There was a consensus of Council to move this item forward to a future agenda.

- B. **Future Agenda Item Request (F.A.I.R.):** A request by Mayor Nabours to place on a future work session agenda a discussion re zoning/sign codes related to donation bins.

Mayor Nabours said that he would like to place this on a future agenda so they have some answers on donation bins. After brief discussion it was agreed that they would first start with a Council Communication Report (CCR).

18. **INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, FUTURE AGENDA ITEM REQUESTS**

Vice Mayor Barotz said that she was very sorry to hear that a long-time employee, David McKee, had resigned. She said that he was a former Employee of the Year and highly valued. She thanked him for his exceptional work and was sorry to hear that his career did not end on a good note.

Councilmember Overton said that he saw a lot of staff over the summer break and it appeared that everyone was happy with the change in the summer break dates.

Councilmember Overton said that at some point in the future he would like to start the discussion about how they are going to hire their next city manager.

Councilmember Evans said that she would like to receive more information on HB2451. It is her understanding that Arizona may be looking at another boycott because of the passing of this bill. The last boycott negatively impacted their hotel and restaurant industry and she is trying to figure out if this is something they need to get ahead of.

Councilmember Evans said that at the NAACP meeting last night, while Deputy Chief Miller was speaking, the question of who investigates shootings came up and there was a conversation about the Shoot Team Policy. The community does not seem to know about this and while the newspaper has mentioned the fact that there is a three-agency team and that agencies do not investigate their own, the information is often buried within a larger story. She would like to see something about this on the City's website and the Flagstaff Police Department's website that is clear about the policy, and perhaps the City should ask the newspaper to do a story about this team in particular.

Councilmember Evans reported that at the Tourism Roundtable with Congresswoman Kirkpatrick that was held last week there was an issue brought up regarding the Grand Canyon National Park Proposed Backcountry Management Plan and Draft Environmental Impact Statement. Within it there is a proposal to reduce and limit the amount of independent tour operators. According to the information that she received from Ben Murphy of All-Star Grand Canyon Tours (a Flagstaff business) the idea is to go from 27 such organizations down to 5-7. This would negatively impact the local companies that are in town. She said that she forwarded to the the City Manager the email and information that she received from Mr. Murphy on this issue, and asked that he distribute to the rest of Council. Mr. Murphy asked that the Flagstaff City Council consider a resolution against this action as a way of support for local tour companies. Due to this request, she was asking for a F.A.I.R. item.

Councilmember Evans said that in 2003, when the barrier was put in place on Izabel Street, the idea was that after a barrier was placed at the corner of Izabel and 6th Avenue, the barrier on Izabel would be removed. At that time the neighborhood was waiting for the piece of 6th Avenue between West and Izabel to be paved. She has forwarded an e-mail from a resident in that neighborhood who provided all of the documentation to the City Manager and is asking that he forward this on to Council as well. She said that she was wondering when that will happen given the fact that the new barrier has been in place now for approximately five years.

She said that over the summer break she had the opportunity to speak with several individuals in the community and throughout the state. It has come to her attention that most cities their size have commissions that look at the status of Women and Women Issues and she asking for a F.A.I.R. item for the creation of a Women's Commission in Flagstaff.

Councilmember Evans said that yesterday the City's website came up in a discussion and it was noted for people who have challenges reading there is not an "audible" option. She was wondering if they can work on getting that type of accommodation for the City's website.

Mr. Copley reported that staff would be coming back on August 30, 2016, to discuss the City's education strategy for Proposition 411 (transit) and 412 (courthouse). He noted that they were starting tomorrow with courthouse outreach.

Vice Mayor Barotz asked if there was any way to have outreach on the transit as well as the courthouse. Mr. Copley said that they are coordinating efforts with NAIPTA. When they do these civic

groups they only have about a 15-minute block.

**19. ADJOURNMENT**

The Regular Meeting of the Flagstaff City Council held August 16, 2016, adjourned at 8:04 p.m.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**CERTIFICATION**

I, ELIZABETH A. BURKE, 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 August 16, 2016. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of September, 2016.

\_\_\_\_\_  
CITY CLERK