

MINUTES

WORK SESSION
TUESDAY, DECEMBER 11, 2012
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
6:00 P.M.

Mayor Nabours called the Flagstaff Work Session of December 11, 2012, to order at 6:09 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).

1. **ROLL CALL**

Councilmembers present:

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

Councilmembers absent:

COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke; City Attorney Rosemary Rosales

2. **Public Participation (Non-Agenda Items Only):**

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.

3. Preliminary Review of Draft Agenda for the December 4, 2012, City Council Meeting.*

**Public comment on draft agenda items will be taken under "Review of Draft Agenda Items" (Item No. 9) later in the meeting. 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. The item will be called out during the second "Review of Draft Agenda Items" to allow citizens the opportunity to comment. Citizens are also encouraged to submit written comments.*

None.

4. Presentation by Homer Rodgers, Assistant Deputy Director of the Arizona Department of Veterans Services, regarding a potential Veterans Home and Cemetery in Bellemont, Arizona.

Homer Rodgers, Assistant Deputy Director of the Arizona Department of Veterans Services, provided Council information about the recently received funding for a Veterans cemetery adjacent to Camp Navajo in Bellemont.

It will take 18 months to construct the cemetery with construction starting this year. Additionally, there is a Veterans home projected to be erected in Bellemont to serve Veterans in the area. Design services for the home are expected to start in 2017.

Mr. Rodgers provided a binder of pictures and information about the proposed facilities to Council.

Council requested information about the issue of getting Veterans certified at the federal level and the long wait associated with this process.

Mr. Rodgers explained that due to the backlog there it is currently a 286 day waiting period at the Veterans Affairs federal level. Lobbying to congress is needed to get additional support services to help process these requests more timely.

Council asked about the matching grant dollars needed for the Veteran home facility and if the City could help in anyway. Mr. Rodgers explained that the Federal Government should put up the matching funds due to the need of the facility in the region. There is a 65/35 match for the grant; a 90 bed facility will cost approximately \$20-\$22 million to construct. The matching funds could come from any source so long as approved by state legislature to construct.

Joe Lincoln, Administrator of State Cemeteries, explained that the State Veterans Cemetery is the final benefit that can be offered to veterans. The goal is to have no family have to drive more than an hour to arrive at a cemetery to pay respects to their loved ones.

At a minimum the cemetery is designed to serve the needs of the community for at least 50 years. The National Cemetery Administration is always looking at space savings in their designs and it is anticipated that this cemetery will serve much longer than 50 years.

5. Presentation regarding Flagstaff employee pension programs.

Mr. Burke introduced Alan McGuire, an Economist with an extensive background in the Arizona retirement system.

Mr. McGuire gave a very detailed PowerPoint presentation about the current state of the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS), attached hereto and made a part hereof as Exhibit A.

ASRS is a great retirement system on a national basis with the healthiest health insurance plan in the country. The investment returns from the ASRS are rated number one or two in the country as well.

PSPRS is also a great retirement system but has bigger issues than the ASRS. This is in part due to the difference in contribution rates and the unexpected liabilities that drive those rates up especially for smaller work forces, such as Flagstaff. There have been significant improvements to the system over the last few years.

The differences between the two systems are the contribution rates from the employer and employee. There is also a difference in the general attitude between the systems. The average PSPRS member is conscious of the 20 year and out program and that benefit counterbalances the contribution they have to make into the system; whereas the typical ASRS employee who started at age 25 is not eligible to retire until age 65.

Council inquired about the possibility of withdrawing from the system and the impacts that it may have.

Mr. McGuire explained that the option does exist for new employees; the City cannot take away the benefit from those already in the system. The result of this action would be that the contribution rate would go up dramatically for those remaining in the system but there would be a decline in covered employees over time. Additionally, there would always be a division in the organization based on the more favorable system at the time.

The challenge becomes attracting and keeping employees. Currently, less risk taking individuals tend to enter the public sector. Public sector individuals do earn significantly less wages but trade that for the higher retirement benefits.

A break was held from 7:34 p.m. to 7:44 p.m.

6. Presentation of Feasibility Study Results-Composting Portions of Municipal Solid Waste within the City of Flagstaff.

Item postponed to a later date.

7. Presentation on Flagstaff Convention & Visitors Bureau (CVB) Re-Imaging.

Heidi Hansen, Flagstaff Convention and Visitors Bureau (CVB) Director, presented a PowerPoint presentation on the re-imaging of Flagstaff, attached hereto and made a part hereof as Exhibit B.

The CVB is looking at new methods for reaching Flagstaff visitors and travelers. The new campaign is scheduled to launch in May 2013.

Council explained that the photos seemed to only be promoting outdoor and sporting activities. There are other activities in Flagstaff that may be intriguing for many, for example the Museum of Northern Arizona, Flagstaff Symphony and Theatrikos, etc. Council requested that as the CVB continues to get photographs that more indoor arts and cultural events and activities be included.

Council also suggested getting input from the City's Boards and Commissions.

Heather Ainardi, Marketing and Public Relations Manager, addressed the Council about the various media outlets that are being used to promote Flagstaff. The outlets include print, online, radio, Trip Advisor website and a contract with an online placement agency that identifies locations to post ads based on activity.

Council asked about the branding and perception of Flagstaff outside of Arizona. Ms. Ainardi explained that the focus groups that the CVB uses are out of Phoenix; there currently has not been anything researched outside of Arizona. They would keep that concept in mind when generating future focus groups and questions.

8. Support for the Coconino County Teacher of the Year Program.

Mr. Burke explained that he was approached by the Coconino County Superintendent's office as they are looking to develop a teacher of the year program that recognizes teachers in Coconino County, and they asked if the City would like to be a part of the program. At the most basic level the City would offer their logo and show support for the program; a more increase level would be a monetary sponsor of an award.

Council requested further information on the criteria used to determine the recipients of the award. Council agreed that support of the program is fine through the use of our logo and general support. Monetary support can come from the individual level. It was suggested that Councilmembers could donate their own funds and then as a group provide that to the County.

9. Review of Draft Agenda Items for the December 18, 2012, City Council Meeting.*

** Public comment on draft agenda items will be taken at this time.*

Scott Overton explained that he appreciated the questions that Mr. Burke posed regarding the Solid Waste scraper purchase and would be looking for the responses.

10. Public Participation

None.

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

Councilmember Oravits shared his opportunity to go on the BNSF Holiday Express on Sunday. It was an excellent event with over 400 people on the train mostly active military and families. Each car was done up to represent the glory days of train travel.

Mayor Nabours had the experience of a lifetime riding in the bucket of the ladder truck Friday night around town and lighting the tree in Heritage Square.

Mayor Nabours also participated in the ceremony of Lighting of the Menorah in the City Hall lobby; the event was well attended and very nice.

Councilmember Brewster reported that the NAU graduations on Friday have been rescheduled due to the impending storm. The 9:00 A.M. ceremony is now scheduled to start at 10:00 A.M., the 1:00 P.M. ceremony and the 5:00 P.M. ceremony have been combined into a 3:00 P.M. start time ceremony.

Mr. Burke reminded Council about the mini-budget retreat scheduled for 8:00 a.m. tomorrow morning in the Council Conference Room.

12. Adjournment

The Flagstaff City Council Work Session of December 11, 2012, adjourned at 8:18 p.m.

MAYOR

ATTEST:

CITY CLERK