

MINUTES

COMBINED SPECIAL MEETING/ WORK SESSION
TUESDAY, NOVEMBER 12, 2013
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
6:00 P.M.

SPECIAL MEETING

1. Call to Order.

Mayor Nabours called the Flagstaff Combined Special Meeting/Work Session of November 12, 2013, to order at 6:05 p.m.

2. Roll Call

Councilmembers present:

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

Councilmembers absent:

COUNCILMEMBER WOODSON

Others present: Deputy City Manager Josh Copley; City Attorney Michelle D'Andrea.

3. **Consideration and Possible Adoption of Ordinance No. 2013-25:** Authorizing the purchase of approximately 2,251 acres known as Observatory Mesa.

Councilmember Overton moved to read Ordinance No. 2013-25 for the final time by title only; seconded; passed unanimously.

*AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF
AUTHORIZING THE ACQUISITION AND PURCHASE OF APPROXIMATELY 2,251
ACRES MOST COMMONLY REFERRED TO AS OBSERVATORY MESA.*

Councilmember Brewster moved to approve Ordinance No. 2013-25; seconded; passed unanimously.

4. Adjournment

The Special Meeting of the Flagstaff City Council held on November 12, 2013, adjourned at 6:09 p.m.

WORK SESSION

1. Call to Order

Mayor Nabours called the Flagstaff Work Session of November 12, 2013, to order at 6:09 p.m.

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. 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.

Grace Thompson, resident, addressed Council about concerns of discrimination in the work place.

3. Preliminary Review of Draft Agenda for the November 19, 2013, 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.*

Mayor Nabours noted that in Section 17 of the agenda, all four items will be removed from the agenda and postponed to a later date. Item 14A and 14B will be moved to the December 3, 2013 Council meeting.

4. Presentation on the City's Investments by the PFM Group

Revenue Director Andy Wagemaker introduced Lauren Brant and Paulina Woo from the PFM Group who has handled the City's investment accounts since 2011. Ms. Brant provided a PowerPoint presentation of an update on the City's investments.

- ▶ INVESTMENT PROGRAM UPDATE
- ▶ CITY'S INVESTMENT OBJECTIVES
- ▶ OVERVIEW OF PFM ASSET MANAGEMENT LLC
- ▶ HOW PFM SUPPORTS THE CITY
- ▶ PFM'S SERVICES TO THE CITY
- ▶ OVERVIEW OF CITY'S CURRENT MANAGED PORTFOLIO
- ▶ SECTOR DIVERSIFICATION
- ▶ VALUE OF PROACTIVE MANAGEMENT

- ▶ PORTFOLIO MAINTAINS ATTRACTIVE YIELD
- ▶ LOW INTEREST RATE ENVIRONMENT
- ▶ CURRENT INVESTMENT STRATEGY

Councilmember Barotz asked for the cost of the services PFM provides. Ms. Brant stated that the City pays an Assets Under Management fee which equates to less than .1% annually. Over the last two years the City has paid \$78,000 and PFM has generated over \$280,000 in earnings.

Mayor Nabours noted that as of December 2011 PFM has eliminated nearly all money market accounts. Ms. Brant agreed and clarified that it is just in the managed portfolio; the City still retains a liquidity portion of \$7-8 million that is managed internally in addition to the \$56 million PFM manages.

Councilmember Oravits asked if the strategy is to continue short term because it is a rising rate environment. Ms. Brant stated that there were securities in the portfolio from 2011 that were gaining higher rates. When interests trended higher there was an advantage to buying US Treasury Security. It is a strategy to stay short to capture the higher levels of return as soon as possible.

Mayor Nabours noted that if the City had simply put all its money into treasury bonds it would have yielded .43% but with the help of PFM the City has yielded an average .63%.

5. Update on a List of Reported Distressed Properties and/or Buildings

Zoning Code Administrator Roger Eastman provided a PowerPoint presentation on distressed properties. The only properties listed in the presentation are those in which the City has had contact with the property owners.

- ▶ LIST OF REPORTED DISTRESSED PROPERTIES
- ▶ MEETING PURPOSE
- ▶ LIST OF REPORTED DISTRESSED PROPERTIES
 - 39 PROPERTIES ON THE INVENTORY
- ▶ DISTRESSED PROPERTY INVENTORY
- ▶ LOCATIONS OF DISTRESSED PROPERTIES
- ▶ INTERACTIVE DISTRESSED PROPERTY MAP
- ▶ SAMPLE PHOTOGRAPHS
- ▶ 1726 N. KUTCH
 - Never been able to make contact with the property owner.
 - Next step is to hire a landscaper to clear the property, make it safe, and eliminate the rat vermin harborage with a lien back to the homeowner for the cost.
- ▶ 523 S. ERNST STREET
- ▶ 1809/1811 N. ARROWHEAD AVENUE
- ▶ 23 S AGASSIZ STREET
 - Cultural Resources Phase One study completed as this is a structure of historic significance. Currently in the process of completing a Phase Two Cultural Resources Study.

- ▶ 46 S. SAN FRANCISCO
 - Cultural Resources Phase One study just submitted to Heritage Preservation Commission for review.
- ▶ 251 E. BRANNEN AVENUE
 - A demolition permit has been pulled for the property.
- ▶ EXISTING CITY CODE PROVISIONS
- ▶ 1997 ABATEMENT OF DANGEROUS BUILDING CODE
- ▶ TITLE 4 – BUILDING REGULATIONS
- ▶ 1997 HOUSING CODE
- ▶ CONCLUSION

Mayor Nabours stated that there are 20 cases where staff action is still needed. Mr. Eastman stated that staff is working as hard as they can with the resources available. There is just not a whole lot of time in the work program to accommodate them all; staff has been dealing with the most extreme first.

Councilmember Oravits stated that he has concerns about the vagueness of the definitions in Chapter Three. It is a matter of interpretation and it needs to go through a process of clearing up the vagueness. Mr. Eastman responded that the Building Official and his staff make the determinations based on experience. The language can be clarified when the code comes back for changes and updates.

Councilmember Brewster asked if properties such as the Tourist Home are dealt with differently due to the fact they are historical in nature. Mr. Eastman responded that there is not a different process but staff includes Karl Eberhard and the Historic Preservation Commission for the examination of the Cultural Resources Study. The primary concern is the health, safety and welfare of the public; it is an attempt to balance historic preservation and historic values with public safety.

Vice Mayor Evans stated that the use of the 1997 codes are good as they are more comprehensive than the proposed Property Maintenance Ordinance the community was asking for and she is not interested in revisiting the codes because they are allowing staff to do the job. The current graffiti codes do not address the cleanup of graffiti on private property and it will be important to address this as soon as possible.

Vice Mayor Evans requested an update on the roof collapse at 621 W. Clay.

Code Enforcement Officer Tom Boughner stated that staff is limited on graffiti enforcement on private property as there is nothing that states graffiti must be covered within a particular time. There are several properties that refuse to let the City cover the graffiti damage; there is a need for a tool that allows the City to step in. Dilapidation brings more dilapidation so it is important to have a reasonable and encompassing ordinance in place.

Councilmember Oravits asked what the tool would be to address graffiti and what exactly is needed from Council. Mr. Eastman explained that staff would need to work with Mr. Burke on that to identify the resources that will help.

The following individuals addressed Council in regards to distressed properties:

- David Monihan
- Derik Spice

Annie Loots, Author of the Cultural Resource Study with SWCA, stated that what started out as a job has now become a labor of love. The study is a new regulatory requirement and it has been a positive element in that it uncovers a lot of historical information about the property and the community. There are truly treasures in town. The City of Flagstaff is unable to do an overlay zone; it is those types of local zoning tools that cities have to protect properties. Proposition 207 precludes the ability for the City to protect these areas with an overlay zone.

A break was held from 7:13 p.m. to 7:27 p.m.

Mayor Nabours asked Council if there is a consensus to ask Mr. Burke to look at adding a position to address distressed properties. A majority of Council would like to have Mr. Burke look into the possibility of adding a position for this purpose.

Mayor Nabours asked if there was a consensus for staff to look into a graffiti ordinance that would allow the City to go onto private property on an emergency basis to remove graffiti, understanding that Zoning and Legal will need to weigh in on what is possible. A majority of Council requested a CCR on the possibility of private property graffiti removal.

6. Regional Plan Discussion #11 – Implementation and Annual Report

Comprehensive Planning Manager Kimberly Sharp provided a PowerPoint presentation on the Implementation and Annual Report.

- ▶ REGIONAL PLAN IMPLEMENTATION
- ▶ CHAPTER III: DECISION MAKING
- ▶ CHAPTER III: DEVELOPMENT PROCESS
- ▶ PROPOSED REGIONAL PLAN AMENDMENT PROCESSES

Councilmember Oravits asked if the major plan amendments have to be done in December or just once per year. Ms. Sharp stated that state statute offers a clear process of submittal and it must be approved by December.

Councilmember Barotz inquired about the difference between a major and minor plan amendment in the Open Space category and why one column includes purchase but the other does not. Ms. Sharp explained that purchase means land that is purchased, deeded, or restricted as open space. Councilmember Barotz stated that the language should be clearer because it is confusing. It was requested that this item be placed on the parking lot for further examination.

Mayor Nabours stated that a major amendment would be to change the category of zoning. He asked how the categories came to be decided. Ms. Sharp stated that depending on one's location, map 20 or 19 would be used to determine current zoning. The public indicated that they did not want another zoning map but instead something more broad and flexible. What was really important to the community was to maintain the character. The result was a more broad designation of areas. The community wants

to compromise and they want choices. There are very strategic places for different areas to grow.

Ms. Sharp went on to explain that Appendix D is a list of ideas of metrics that can be used for updates and measurements. Many of these items came out of the public input sessions. Councilmember Oravits requested that a more in depth appendix discussion be added to the parking lot.

Mayor Nabours stated that he could see a possible annual report that is drafted each year that brings forward issues and progress; it may not need to be as detailed as Appendix D is suggesting. Councilmember Overton noted that the appendix seems somewhat bureaucratic and does not believe that some of the things belong in the report. The annual reports from the Water and Sustainability Divisions are very informative and address many of the items in the appendix; a Regional Plan report would be redundant.

Vice Mayor Evans stated that it is important to know how the Regional Plan is doing. If the information is already contained in other reports, a summary can be put together that would be accessible online to the public. The community would benefit from an annual update.

The following individuals addressed Council in regards to the Regional Plan:

- Angela Horvath
- Michelle Thomas
- Tish Bogan-Osmun
- Bill McCullough

Comments received include:

- Add a requirement of questions about Flagstaff's health in the metrics.
- If at the time of the annual report there is new credible information about natural resources, they should be added to the significant resources map.
- The Regional Plan should not be a policy document.
- The amendment process requires close evaluation.

7. Review of Draft Agenda Items for the November 19, 2013, City Council Meeting.*

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

Mr. Copley indicated that there is a robust agenda for December 3rd; in managing the time it is requested to open the public hearing at a 5:00 special meeting.

Mayor Nabours stated that public input will be taken on November 19th for the Trailside development with the official public hearing and Council action being held on December 3rd. Vice Mayor Evans noted that according to the Rules of Procedure, public hearings are to be held at 6:00 p.m. She expressed concern about moving the public hearing to 5:00 p.m. that it may not allow for some of the public to attend.

8. Public Participation

Angela Horvath asked Council if decisions will be made and public comments taken at the meeting on December 10th. Mayor Nabours stated that the Board of Supervisors will be giving the City Council their recommendations of the Regional Plan and the public will have the opportunity to address the Council.

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

Councilmember Brewster noted that there was a meeting today with the Board of Supervisors and State Legislators to discuss concerns and priorities for the coming year.

Councilmember Overton announced that it is Red Ribbon Week and his oldest child, Madison, was selected to appear on this year's poster. This weekend, anyone with a red ribbon will receive free entrance at the game at NAU.

Vice Mayor Evans reported that she also attended the meeting today with the Board of Supervisors and State Representatives.

Vice Mayor Evans requested information on the total cost the City incurred with regards to the Regional Plan over the last four years.

10. Adjournment

The Flagstaff City Council Work Session of November 12, 2013, adjourned at 8:24 p.m.

MAYOR

ATTEST:

CITY CLERK