

**JOINT WORK SESSION
FLAGSTAFF CITY COUNCIL/COUNTY BOARD OF SUPERVISORS**

AGENDA

**MONDAY
JUNE 2, 2014
4:00 P.M.**

**COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
FLAGSTAFF, ARIZONA**

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call:**

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

CHAIRMAN RYAN
SUPERVISOR ARCHULETA
SUPERVISOR BABBOTT

SUPERVISOR FOWLER
SUPERVISOR METZGER

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

- 4. Public Participation:**

*Public Participation enables the public to address the Council about an items that **are not** on the 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 on an item that **is** on the agenda 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 an opportunity to speak.*

- 5. Flagstaff Watershed Protection Project Draft Environmental Impact Study (DEIS) Presentation .**
- 6. City/County Road Repair Initiatives**
- 7. Presentation by Northern Arizona University President Dr. John D. Haeger re Student Housing. (THIS ITEM WILL NOT BEGIN BEFORE 5:30 P.M.)**
- 8. Informational Items To/From Chairman, Supervisors and County Manager/Mayor, Council and City Manager.**
- 9. Public Participation**

10. Adjournment

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2014.

Elizabeth A. Burke, MMC, City Clerk

Memorandum

6.

CITY OF FLAGSTAFF

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 05/29/2014
Meeting Date: 06/02/2014



TITLE:

City/County Road Repair Initiatives

DESIRED OUTCOME:

Discussion only

INFORMATION:

Representatives from Coconino County and the City of Flagstaff will be making presentations on their respective initiatives.

Attachments: Maguire
 County Presentation
 City Presentation

Transportation in Northern Arizona

A Key Economic Driver

Alan E. Maguire
The Maguire Company



The Maguire Company

Arizona's Transportation Network

Transportation is Foundational

- *Federal Highway Trust Fund*
- *Arizona Highway User Revenue Fund*
 - ✓ *Erosion of Fuel Tax Revenues*
 - ✓ *Decades Since Last Increase*
 - ✓ *Over \$1 Billion shifted out at State level*
 - ✓ *Pressure on Local Budgets*

No Help on the Horizon!



Arizona's Transportation Network

Transportation is Foundational

- ***Local Street and Road Funding***
 - ✓ ***Historical Reliance on Shared HURF***
 - ✓ ***Erosion of Buying Power***
 - ✓ ***Aging Roads = Higher Maintenance Costs***
 - ✓ ***Pressure on Local GF Budgets***



Arizona's Transportation Network

Transportation is Foundational

- *Response Elsewhere:*
 - ✓ *Over A Dozen State Tax Increases*
 - ✓ *Some Innovative Approaches*
 - ✓ *More Local Tax Initiatives*
 - ✓ *Continued Underfunding*



Arizona's Transportation Network

Transportation is Foundational

- ***Local Response:***
 - ✓ ***More Local Self-Reliance***
 - ✓ ***Growing Transfers for Other Sources***
 - ✓ ***Underfunding – Especially Preservation***
 - ✓ ***Growing Awareness of Challenges***
 - ✓ ***Local Support***



Arizona's Transportation Network

Transportation is Foundational

- *Key to Economic Vitality*
- *Safe to Schools and On-Time to Work*
- *Important Quality of Life Measure*



Transportation in Northern Arizona

A Key Economic Driver

Alan E. Maguire
The Maguire Company



The Maguire Company



***Potential
County Road Maintenance
Sales Tax Initiative***

***Board of Supervisors – City Council Joint Meeting
June 2, 2014***

Why Now?

GAS TAX -
NOT adjusted
to inflation since
1993. In 2014, this
alone = \$13.6 million
in lost revenues

**GAS TAX
HAS NOT
increased**

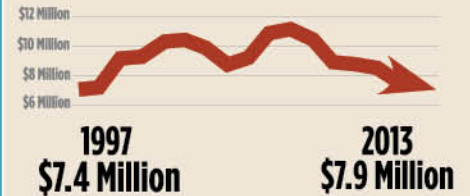
Gas Tax Revenue is **70%** of the
ROAD Maintenance
BUDGET

**STATE
SWEEPS
FUNDING**

**\$4 MILLION
SINCE 2009**

**\$1.5 MILLION
IN FEDERAL FUNDING CUTS**

Coconino County Gas Tax Receipts



**35% of paved roads are in severe or poor
condition. Paved road repair costs:**

**Pay NOW
\$70 Million**



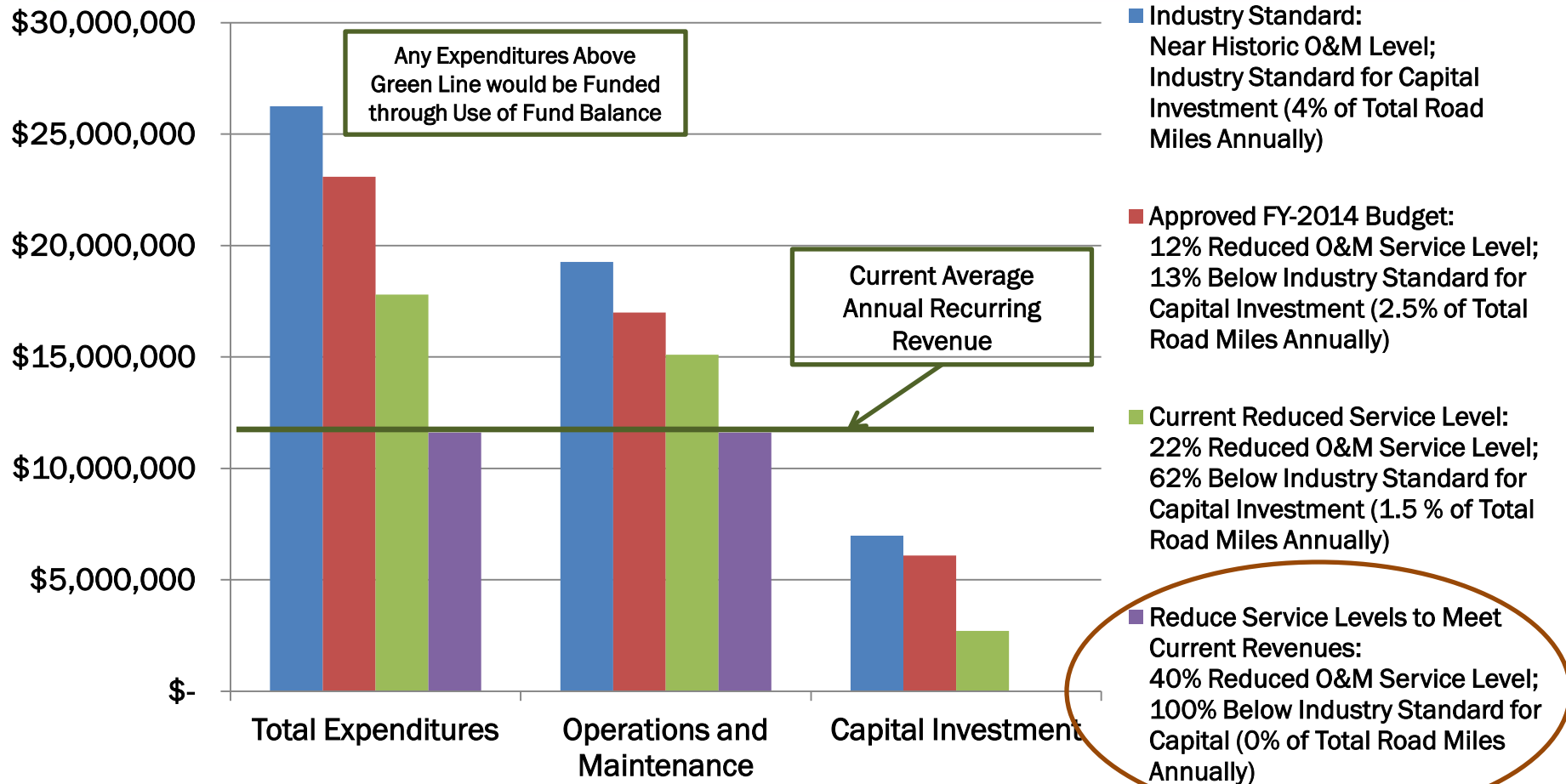
**Pay More Later
\$109 Million**



COCONINO
COUNTY ARIZONA



No New Revenue Scenario Summary



No New Revenue Impacts

- 44%+ Expenditure Reductions (35% additional reduction from current reduced costs)
- 40% Vacancy Rate would be required
- Equipment replacement Only upon failure
- Defer all capital investment except grant funded projects





No New Revenue: Road Service Impacts

Activity	No Revenue
Dirt/Gravel Road Maintenance	Reduce Grading Frequency by +/-50%
Paved Road Conditions	Potholes and Alligatoring
Snow Plowing	Daylight Only - Priority Roads
Staffing	Minus 9 More Positions (40% Vacancy Rate)
Equipment	Only Replace when Fails
Paved Capital	0 Investment
Chip Seal	+/- \$500,000
Road Failure Risk	Very High

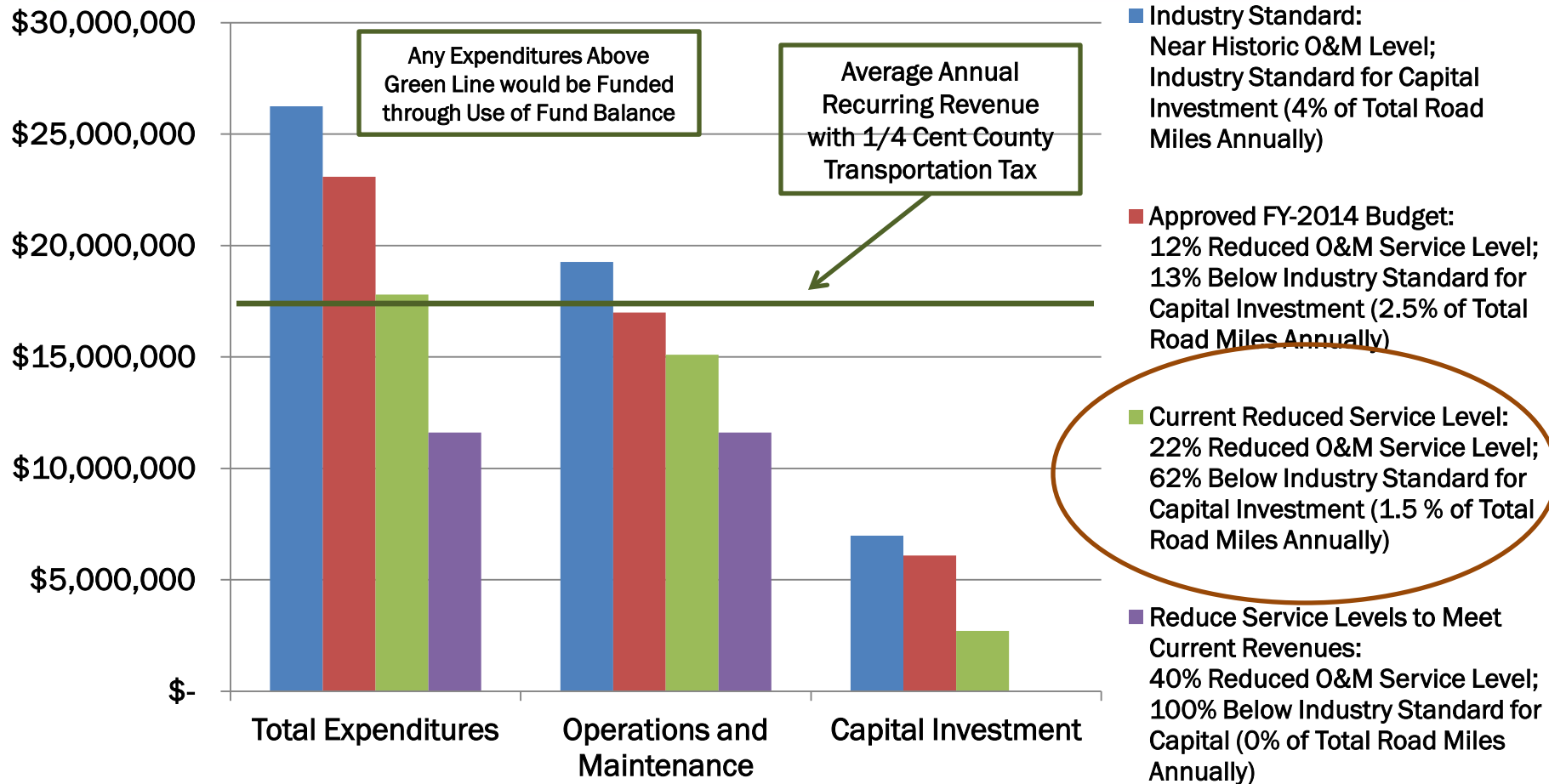
No New Revenue Impacts: Traffic Issues

- Speed limits on paved and dirt/gravel roads will be reduced for safety
- Increased traffic delays
- Increased commute times
- Increased vehicle maintenance costs
- Accident frequency could increase
- Reduced vehicle efficiency = impacts to operation costs & impacts to air quality



***Road Maintenance Sales Tax Options
Being Considered
by the Board***

1/4 Cent - County Transportation Tax





¼ Cent - Road Services Impacts

Activity	No Revenue	¼ Cent
Dirt/Gravel Road Maintenance	Reduce Grading Frequency by +-50%	Reduce Grading Frequency by +-25%
Paved Roads Conditions	Potholes and Alligating	Potholes and Alligating
Snow Plowing	Daylight Only Priority Roads	Current Reduced Plan
Staffing	Minus 9 More Positions (40% Vacancy Rate)	Current Level – 76 positions (32% Vacancy Rate)
Equipment	Only Replace when Fails	+ - \$1,000,000
Paved Capital	0 Investment	+ - \$2.4 Million
Chip Seal	+-\$500,000	+-\$1.5 Million
Road Failure Risk	Very High	High

Extend 1/8 Cent Existing County Sales Tax

- In addition to 1/4 cent County sales tax for road maintenance, extend the existing 1/8 cent County sales tax for road maintenance. Revenues from 1/8 cent are +- \$3 million/year.
- Current 1/8 cent for County parks & open space expected to expire this fall
- Dedicate revenue from the 1/8 cent to cities and unincorporated areas by population. Funds can only be used for road maintenance.
- City of Flagstaff could receive approximately \$1.5 million per year
- Approximately \$525,000 per year could be dedicated to the County's maintenance of Navajo Nation School Bus Routes. Current funding source for the road maintenance work done by the County on the Navajo Nation is no longer available.
- Unincorporated areas of the County could receive approximately \$637,000 per year in additional road repairs & maintenance services.

***The Board has made NO decisions relative to the level of the sales tax
or the potential for revenue sharing***

Term of Road Maintenance Sales Tax

- $\frac{1}{4}$ or $\frac{3}{8}$ cent tax buys time
- This tax level is not a long-term solution



Next Steps

- **June 3, 10 & 17 - Board Work Sessions to deliberate potential Road Maintenance Sales Tax Initiative**
- **June 17 or 24 (6:00pm meetings) - Board likely to make a decision regarding placing the road maintenance sales tax initiative on the November ballot**

Questions



Road Repair and Street Safety Initiative

June 2, 2014



ROAD REPAIR AND STREET SAFETY INITIATIVE

City of Flagstaff – Timeline

- November 2012: Completed analysis on the condition and improvement costs of critical City infrastructure
- March 2013: First regional coordination meeting
- April 2013: Council discussion on project approach
- July 2013: Reallocation of \$1M for FY15 Budget
- September 2013: Council discussion on funding proposals and direction to form Citizen Committee
- November 2013: Citizen Survey
- January – March 2014: Citizen Committee
- April 2014: Citizen Committee recommendation presented to City Council
- May 2014: Focus Groups and Survey Results



ROAD REPAIR AND STREET SAFETY INITIATIVE

City of Flagstaff – Timeline

- June 2: Review results of Focus Group, Follow up Survey, City Timeline, and County Timeline
- June 3: Discuss Council options and questions
 - Shiny and new vs. existing and improved?
 - 1x investment vs. ongoing investment
 - Sales tax vs. sales tax and property?
- June 10: Present options to Council
- June 24: Finalize proposal/question
- July 1: Approve final question



ROAD REPAIR AND STREET SAFETY INITIATIVE

Option #1	Option #2	Option #3	Option #4
\$53.3 - \$62.3M	\$93.3 - \$102.3M	\$100.2 - \$120.9M	\$113.2– 133.9M
0.245% - 0.286%	0.370% - 0.412%	0.402% - 0.497%	0.461% - 0.557%
Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild
Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater
Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike
	Pavement Preservation	Pavement Preservation	Pavement Preservation
		New Capital: Bike, Ped, Bus	New Capital: Bike, Ped, Bus
			New Capital: Congestion Projects
CRC (Option #4): Sales Tax: \$113.2 M – 0.461%, Property Tax: \$4.4M - \$0.0333, Transportation Extension - \$67.4M – 0.31%			

ROAD REPAIR AND STREET SAFETY INITIATIVE

City and County Coordinated Outreach

- City and County will coordinate outreach efforts on shared messaging, including:
 - Take local action because State and Federal shared transportation revenue is unreliable and has been reduced significantly
 - Make a community investment
 - Repair and invest in critical public infrastructure
- Coordination with FUSD, as appropriate
- City-specific messaging
- County-specific messaging

