

REGULAR COUNCIL MEETING
TUESDAY, MAY 6, 2014
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.

4:00 P.M. MEETING

1. CALL TO ORDER

Mayor Nabours called the Regular Meeting of the Flagstaff City Council of May 6, 2014, 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:

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

Absent:

VICE MAYOR EVANS

Others present: Kevin Burke, City Manager; Sterling Solomon, Deputy City Attorney.

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

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 Work Session of March 25, 2014; the Special Work Session of March 27, 2014; the Work Session of April 8, 2014; and the Regular Meeting of April 15, 2014.

Councilmember Woodson moved to approve the minutes [of the City Council Work Session of March 25, 2014; the Special Work Session of March 27, 2014; the Work Session of April 8, 2014; and the Regular Meeting of April 15, 2014]; seconded; passed unanimously.

5. **PUBLIC PARTICIPATION**

Public Participation enables the public to address the Council about an item that is not on the agenda (or is listed under Possible Future Agenda Items). 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.

None

6. **PROCLAMATIONS AND RECOGNITIONS**

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:** Disability Awareness Commission.

Mayor Nabours moved to reappoint Kathryn Chandler, Debra Gale, James Martinez, and Russell Randall to terms expiring March 2017; seconded; passed unanimously.

- B. **Consideration of Appointments:** Library Board.

Councilmember Woodson moved to reappoint Jean Cray to a term expiring November 2016; seconded; passed unanimously.

C. **Consideration of Appointments:** Open Space Commission.

Councilmember Barotz moved to reappoint Jessica Gist as the Natural and Cultural Science representative, with a term expiring April 2017; seconded; passed unanimously.

Councilmember Barotz moved to reappoint Carrie Eberly as the at-large member, term expiring April 2017; seconded; passed unanimously.

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

Councilmember Brewster moved to appoint Adam Kaupisch to the Parks and Recreation Commission, term expiring August 2014; seconded; passed unanimously.

Deputy City Clerk Stacy Saltzburg noted that this was a partial appointment.

8. **LIQUOR LICENSE PUBLIC HEARINGS**

A. **Consideration and Action on Liquor License Application:** Roger J. Verderame, "Il Pizzeria", 105 N. Beaver St., Series 12 (restaurant), New License.

Mayor Nabours opened the Public Hearing; there being no public input Mayor Nabours closed the Public Hearing.

Councilmember Oravits moved to forward the application to the State with a recommendation for approval; seconded; passed unanimously.

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.

A. **Consideration and Approval of Contract:** Involving Coconino Coalition for Children & Youth Program, Flagstaff Unified School District and the City of Flagstaff for the FACTS after school program funding for Fiscal Year 2014.

MOTION: Approve Agreement with Flagstaff Unified School District and the Coconino Coalition for Children and Youth in the amount of \$247,319 for the FACTS Program and \$19,669 for the Coconino Coalition for Children & Youth Program.

B. **Consideration and Approval of Contract:** Consideration to enter into the Cooperative Greater Flagstaff Fire Agencies All Risk Emergency Intergovernmental Agreement. ***(Approve IGA with nearby fire districts for provision of reciprocal mutual aid).***

MOTION: Approve the Cooperative Greater Flagstaff Fire Agencies All Risk Emergency Intergovernmental Agreement and authorize the Mayor to execute on behalf of the City of Flagstaff.

- C. **Consideration and Approval of Contract:** Copy Center and Mailroom Services Contract (Amended) and a supplementary Services and Solutions Agreement with Xerox Corporation

MOTION: Consent to assignment of the Copy Center and Mailroom Services Contract (as Amended) to Xerox Corporation, and the supplementary Services and Solutions Contract with Xerox Corporation that is required as part of the contractual arrangement.

- D. **Consideration and Approval of Final Plat** for TLC PC AZ, LLC., for a final plat of The Estates at Pine Canyon, Unit 5, a 47-lot, single-family residential subdivision. The site is 29.9 acres in size and located at 3851 South Clubhouse Circle in the Pine Canyon subdivision. The site is zoned R1, Single-Family Residential.

MOTION: Staff recommends approval of the Final Plat, and authorize the Mayor and City Clerk to sign both the plat and City Subdivider Agreement.

Mayor Nabours moved to approve Consent Items 9-A through 9-D; seconded; passed unanimously.

10. **ROUTINE ITEMS**

- A. **Consideration and Adoption of Resolution No. 2014-17:** A resolution of the Mayor and City Council of Flagstaff, Arizona, appointing Election Boards for the Mail Ballot Special Election to be held in the City of Flagstaff, Arizona, on Tuesday, May 20, 2014

Councilmember Brewster moved to read Resolution No. 2014-17 by title only; seconded; passed unanimously.

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF FLAGSTAFF, ARIZONA, APPOINTING ELECTION BOARDS FOR THE MAIL BALLOT SPECIAL ELECTION TO BE HELD IN THE CITY OF FLAGSTAFF, ARIZONA, ON TUESDAY, MAY 20, 2014, AND DECLARING AN EMERGENCY

Councilmember Brewster moved to adopt Resolution No. 2014-17; seconded; passed unanimously.

- B. **Consideration and Approval of Transaction Privilege (Sales) Tax Account Write-offs:** Delinquent and uncollectable accounts for Fiscal Year 2014.

Revenue Director Andy Wagemaker briefly reviewed the process followed by the City prior to writing off accounts:

•STATEMENTS/PAST DUE

- MONTHLY BILLS / FINAL BILL
- COLLECTIONS
- CREDIT REPORT

Councilmember Oravits asked if they ever bundled accounts and sent them to a third party for collection. Mr. Wagemaker said that they have done that in the past without much success.

Councilmember Oravits asked how the process will be impacted with the State of Arizona taking over tax collection on January 1, 2015. Mr. Wagemaker said that they do not know yet; the state has not identified the process they will be following.

Councilmember Woodson moved to approve write offs of delinquent and uncollected transaction privilege (sales) tax accounts, utility accounts, and miscellaneous receivables for FY 2014 [transaction privilege (sales) tax accounts in the amount of \$140,569.91; utility accounts in the amount of \$191,097.80; miscellaneous receivable accounts in the amount of \$2,125.86]; seconded; passed unanimously.

- C. **Consideration and Approval of Utility Account Write-offs:** Delinquent and uncollectable accounts for Fiscal Year 2014.
- D. **Consideration and Approval of Miscellaneous Receivable Account Write-offs:** Delinquent and uncollectable accounts for Fiscal Year 2014.

RECESS

The Regular Meeting of the Flagstaff City Council held May 6, 2014, recessed at 4:20 p.m.

6:00 P.M. MEETING

RECONVENE

The Regular Meeting of the Flagstaff City Council held May 6, 2014, reconvened at 6:08 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:

Absent:

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

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

12. **PUBLIC PARTICIPATION**

The following individuals addressed the Council regarding student housing and asked that the topic be placed on a future agenda for discussion:

- Gloria Valencia
- Emily Davalos
- Stacy Hamburg, representing Friends of Flagstaff's Future
- Adam Schmode
- Chris Farnsworth
- Jeff Nichol
- Robert Douglas
- Norm Wallen
- Brennen Venwicker
- Alex Gainer
- Tim Levy
- Harry Friedman

Ms. Davalos also addressed Mayor Nabours' behavior and his prior vote for a project that would have cost the City \$20,000 more and put five employees out of work.

Nat White suggested that a small secondary property tax be put into place to raise pay for police officers, without taking money from the library, parks, etc.

John Viktora suggested that with prior discussions in needing to change behavior, that Council look at their own set of skills. He said that the hands free devices while driving is the same as using hands held; neither is safe.

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

None

14. **PUBLIC HEARING ITEMS**

None

15. **REGULAR AGENDA**

A. **Consideration of Audited Financial Reports:** Year ending June 30, 2013.

Finance Director Rick Tadder addressed the Council reviewing the City's Financial Reports. He said that the role of the auditors is to provide an opinion as to the financial statements of the City and report back any findings in the letters they have provided. He said that they do not look at every transaction; it is not feasible and too expensive. They put together a plan and perform their audit to provide reasonable assurances that they are not materially misstated.

He said that the City is responsible for a single audit because it receives in excess of \$500,000 in federal awards, which they exceed by far. The single audit was put in place in 1984 and it requires that every agency go through the single audit practices. It is performed so that every federal agency does not have to come and do an individual audit for their respective agency, but it does not eliminate the opportunity for those agencies to visit the City.

Mr. Tadder said that the goal of the Finance Section is to come through an audit with no findings and make sure they have solid internal controls in place. This year they were noting two findings along with the City's action plan for corrective actions.

Mr. Tadder said that they discussed the Single Audit with the Audit Committee, which includes members of the citizenry. He said that this year's finding changes from a low-risk audit to high-risk which requires their auditors to review 50% or greater of the federal revenues versus 25% at the low-risk.

He said that after thorough review of the statements by the Audit Committee, they unanimously approved the audits as presented.

Mr. Tadder said that they are looking financially strong and as they go out for bonding reviews they continue to get strong ratings from Moody's and Standard and Poor's.

Councilmember Barotz said that she sits on the Audit Committee and they asked a lot of good questions this year and discussed different issues. She said that it was her understanding that the findings would not impact the City's ratings.

Mayor Nabours said that the audit overall was glowing and he complimented staff for their work.

Councilmember Oravits moved to accept the June 30, 2013, CAFR and single audit report as recommended by the City's Audit Committee; seconded; passed unanimously.

B. **Consideration and Adoption of Ordinance No. 2014-10:** An ordinance of the Flagstaff City Council adopting Public Safety development fees (***Impact fees for public safety***).

Planning Director Dan Folke said that the ordinance before them was based on the prior discussions. The two changes made were: 1) they will not adopt a graduated fee schedule for single residential units based on number of bedrooms; and 2) they would not collect fees for previously made capital expansions funded through bonds.

He said that in order to get this in place by August 1, they will need to have the second reading and adoption at a Special Meeting next Tuesday to provide the required 75 day waiting period between adoption and implementation.

Councilmember Barotz said that she wanted to remind everyone that although they have chosen not to, the State allows them to collect for water facilities, wastewater, facilities, stormwater, libraries, streets and neighborhood parks and recreational facilities.

Moran Henn, representing Friends of Flagstaff's Future, thanked Mr. Folke for meeting with them last week and breaking down the information. After months of discussions they would encourage the Council to continue the fees for Fire and Police and approve the full fees recommended by staff.

Mayor Nabours moved to read Ordinance No. 2014-10 for the first time by title only: seconded.

Vice Mayor Evans said that she was going to vote in support of this item because they are crucial and necessary, but she was very disappointed that the majority decided to remove the repayment of debt service.

She said that with the removal of that line item it will be interesting to see how it affects the cost of housing. People keep saying that the cost of housing is because of the fees.

Councilmember Oravits said that he thought it was a good compromise. He would prefer to phase them out altogether; some proposed to raise them. He thought this would strike a good middle ground.

Councilmember Woodson said that he mentioned at the last meeting that he wished they could have done more. He would vote for it, but he wished it was not a reduction in the fees.

Councilmember Barotz added that with the inflexibility of the way the statute is written, they could not do a lot of mix / match in terms of options.

Motion passed unanimously.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, SECTION 3-11-

007-0001, DEVELOPMENT FEE FOR RESIDENTIAL DEVELOPMENT, AND SECTION 3-11-007-0002, DEVELOPMENT FEE FOR NONRESIDENTIAL DEVELOPMENT, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Mayor Nabours noted that second read and adoption of the ordinance would happen next week.

- C. **Consideration and Adoption of Ordinance No. 2014-08:** An Ordinance of the City Council of the City of Flagstaff, Arizona, amending Flagstaff City Code, Title 4, Building Regulations, by amending the Uniform Housing Code, 1997 Edition and Amendments. ***(To bring the minimum standards up to current code and to streamline the process and simplify debt collection by the City when the cost of repairs or demolition is taken on by the City)***

Building official Mike Scheu reviewed this ordinance, noting that it served two purposes: 1) to bring the current edition of the Housing Code and standards in line with the current adopted Building Code; and 2) streamline the process for recovering the costs of repair or demolition incurred by the City. He noted that the standards are less restrictive in the current Building Code.

He said that they are not changing a property owner's right to appeal. He then gave a brief PowerPoint presentation which addressed:

- BACKGROUND/HISTORY
- ADMINISTRATION OF THE UNIFORM HOUSING CODE
- REASON FOR DELETION OF CHAPTER 16
- COMPARISON OF CODES

Mayor Nabours said that he thought they were just trying to streamline the lien process, and a year ago they looked at the dilapidated building ordinance which was a separate ordinance about houses and buildings that were about to fall down. Now he was seeing how appeals could be made by a disgruntled tenant. He said that they have gone further than he thought they were going.

Mayor Nabours asked if it had any applications to mobile homes. Mr. Scheu said that mobile homes were a different creature; they are regulated by the State. Once they are set they are usually turned over to the City.

Mr. Burke clarified that the intent of the agenda item was not to enter into a new level of service; this was an existing code and the intent was merely to clean it up so there were not conflicting sections between the Housing Code and the Building Code, and to streamline the lien process.

Mr. Burke said that if they wanted to have a policy discussion on whether they should have a housing code that provides a different level of service, they would need to place it on a future agenda.

Lengthy discussion was held on the ability of the City to regulate substandard structures.

Councilmember Barotz explained that the purpose of this was to make the Housing Code and Building Code consistent, which makes it easier for everyone.

Deputy City Attorney Sterling Solomon said that from the legal perspective the reconciliation between the Uniform Housing Code and the Uniform Building Code was the issue.

Councilmember Barotz moved to read Ordinance No. 2014-08 by title only for the first time by title only; seconded; passed 6-1 with Mayor Nabours casting the dissenting vote.

AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL AMENDING TITLE 4, BUILDING REGULATIONS, BY ADDING A NEW CHAPTER 4-10, UNIFORM HOUSING CODE, EDITION 1997

16. **DISCUSSION ITEMS**

None

17. **POSSIBLE FUTURE AGENDA ITEMS**

Verbal comments from the public on any item under this section must be given during Public Participation near the beginning of the meeting. Written comments may be submitted to the City Clerk. After discussion and upon agreement of three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

A. **Possible Future Agenda Item:** Zoning for Student Housing Projects

Vice Mayor Evans said that she had asked that the Council put on a future work session discussion of the off-campus student housing projects since they were not addressed in the Regional Plan or Land Development Code.

She said that there are five such projects in the pipeline. They have been hearing about one and without some type of framework discussion they will continue to be reactive rather than proactive.

Mayor Nabours said that he had no problem with a discussion, and suggested they hold a roundtable discussion with various parties participating.

Councilmember Woodson said that he was in favor of the discussion. They also need to consider the Planning and Zoning Commission. He said that he was shocked to hear that after four plus years of discussion on the Regional Plan that it was silent on student housing. He would like to see background records and whether there were not any breakout sessions. He said that he would like to see what the current Zoning Code says and asked how they could legally differentiate between student housing and regular housing. He had a lot of questions, but was open to having a discussion.

Councilmember Barotz said that it is an issue of use. The Zoning Code was about use. The problem they were having is the dormitory style housing versus regular housing rented to students. She said that she did think they should have a policy discussion, but did not want to confine it to a Zoning Code amendment or Regional Plan amendment. She said that it would not affect the current case, but a lot of members of the community have a lot to say on the issue.

Mr. Burke said that there were different discussions going on; one was use, the other was behavior. He asked if there were other items that were more public safety oriented. Vice Mayor Evans said that she would like to have a full conversation, maybe breaking it down to smaller solutions.

Mayor Nabours suggested a roundtable with Police, NAU, current student project owner, etc. to get different perspectives. Councilmember Barotz said that she was uncomfortable with the roundtable format. She said that the Zoning Code roundtable did not turn out the way she expected and she would rather have a discussion as Council with an invitation to the public.

Councilmember Brewster said that she totally disagreed with the roundtable as that is where most of their discussion is going to be.

Vice Mayor Evans said that she was not interested in having a roundtable.

Some of the issues discussed for staff preparation included:

- 1) What is currently have on the books?
- 2) What type of policies are in place? Land Development Code, Regional Plan, and what is not in place?

Mr. Burke noted that because of Prop 207 they cannot tell someone their zoning is going to be different.

Councilmember Overton said that it may be helpful to have a property inventory within a radius around the campus of current entitlement areas—those that would not require rezones. Mr. Burke said that would be a simple exercise, but to identify what properties might be right that do not have current zoning would be harder.

Vice Mayor Evans said that the developers have some kind of map with designations, and she suggested they check with them.

Councilmember Barotz said that the distinction is in that property that is entitled with existing zoning and that property requiring a zone change. Councilmember Overton said that they may have an entitlement with current planning, but the City may still be able to facilitate discussions with neighborhoods.

Vice Mayor Evans said that Flagstaff is not the only City dealing with the issue. Tempe has been dealing with it and also Tucson. Maybe staff could look and see what general information they may have that would be useful.

Councilmember Barotz said that if the Regional Plan is approved, perhaps they should talk about amending it to discuss values. She said that there are a lot of people that have a lot of fears and concerns. They do not understand how City government works and the information has been miscommunicated. She wants everyone to know they are invited to attend and participate.

Consensus of the Council was to move forward with placing this discussion on a future agenda.

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

Vice Mayor Evans reported that she would not be at the meeting next Tuesday.

Councilmember Woodson suggested that when staff was making changes on the boards/commission process that they also address the ability to appoint for more than the term in cases such as the one appointed earlier in the meeting for just a few months.

Councilmember Woodson said that they need to find a way to let the public know that the (student housing) project in question has not yet been touched by the Council. They have not yet seen it and won't for several months. Mr. Burke said that they have been working with Community Development for a guest editorial on just that issue. He said that there is a significant misunderstanding of how the process works.

Mr. Burke noted that the summer recess would end August 26, which is typically the first meeting back, but that was also Primary Election night, and he asked if Council would prefer to consider a different night. Council requested that staff place this on a future agenda for action.

Councilmember Oravits said that some time back he asked if someone could take a look at the left-turn lane at Huntington and Fourth, possibly restriping, and since nothing has occurred, he asked if that could be looked at.

Councilmember Brewster reminded everyone that this weekend was graduation at NAU so the west side of town will have a lot of traffic.

19. **ADJOURNMENT**

The Regular Meeting of the Flagstaff City Council held May 6, 2014, adjourned at 8:02 p.m.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATION

STATE OF ARIZONA)
 SS)
County of Coconino)

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 May 6, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 20th day of May, 2014.

CITY CLERK