

MINUTES

SPECIAL MEETING
TUESDAY, FEBRUARY 25, 2014
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
5:00 P.M.

1. Call to Order.

Mayor Nabours called the Flagstaff Special Meeting of February 25, 2014, to order at 5:00 p.m.

2. Roll Call

Councilmembers present:

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

Councilmembers absent:

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

3. Possible FY15 Budget Reductions

Mayor Nabours stated that at the budget retreat Mr. Burke had asked for suggestions on possible budget reductions and to bring them forward for consideration. This is just a preliminary discussion to see if there are at least three Councilmembers that want to further discuss the proposed reductions.

Mayor Nabours proposed the discontinuation of funding to SEDI; it is duplicative of what the City spends money on with NACET and ECONA. The funding is \$10,000 in ongoing funds and \$10,000 one time funds this year. He also proposed a 10% reduction to the funding of United Way, NACASA, and Victim Witness. A lot of City departments have significant needs and have taken significant cuts and compensation and benefits are an issue. The agencies that can raise funds themselves could take a little cut to help out some of the struggling departments in the City. It has come time to take care of the City's core services first.

Councilmember Oravits stated that the City currently has an unsustainable budget. He suggested that staff come to Council with suggestions of how to reallocate 1% of the General Fund to streets, infrastructure, compensation, and staffing levels.

Vice Mayor Evans stated that at the last budget retreat the Council discussed increasing revenues and there were a few that were agreed upon to continue to research. Mr. Burke stated that the three that staff is researching are recreation fees, a use tax, and a jet fuel tax. Vice Mayor Evans asked if the jet fuel tax was increase would it be enough to keep the organizations whole. Mr. Burke stated yes they could remain whole with some shuffling of funds.

Councilmember Barotz asked how the prior year one time funds are incorporated into the draft budget for the upcoming year. Mr. Burke stated that the budget starts with zeroing out all the one time dollars to see the base budget and what, if any, excess dollars there are for one time allocations. Staff then makes a proposal to the Budget Committee on how to use the one time monies. Last year the City used over a million dollars of one time monies to fix streets. It is not possible to commit to continuing the funding of all the one time requests.

The Mayor opened the discussion for public comment and asked that the speakers limit their remarks to three minutes as there are many that want to address the City Council and there is a limited amount of time.

The following individuals addressed Council in favor of maintaining current contributions to SEDI:

- Eric Marcus
- Sheila Anders
- Kevin Ordean
- Al White
- Jim Wurgler
- Janet Regner
- Joe Costion

The following individuals addressed Council in favor of maintaining current contributions to United Way:

- Steve Peru
- Diana Watt
- Erik Wolverton

The following individuals addressed Council in favor of maintaining current contributions to NACASA:

- Kara Ransom-Wright
- Alicyn Gitlin

The following individuals addressed Council in favor of maintaining current contributions to Victim Witness Services:

- Myra Ferrell-Womochil

- Alicyn Gitlin

The following individuals addressed Council in favor of looking into contribution reduction:

- Peggy Pavlich
- Bill McCullough
- Joy Staveley

Councilmember Oravits asked if the City Council would consider looking at the whole issue as a hybrid of the two; perhaps there are ways to find \$660,000 and keep the contributions intact.

Councilmember Brewster stated that she is not comfortable giving a head nod to stop funding but would be open to having a broader discussion about looking for alternative ways to shift funding.

Councilmember Overton noted that this conversation is much easier in April as there is some predictability about the one time dollars that are available. He would like SEDI to have an opportunity to provide Council with an update similar to what FUSD, NACET and ECONA have done recently. He is not interested in cutting funding to United Way.

Vice Mayor Evans stated that she is not interested in the City discontinuing funding to SEDI. She also stated that Victim Witness Services is an extension of the Police Department and if Victim Witness goes away the Police Department will have to take on that service and thus increase funding. Additionally, she is not interested in cutting funding to NACASA as well.

Councilmember Woodson stated that he is not interested in the specific cuts outlined today; he is in favor of looking for a 1% reallocation. It would be helpful to understand what staff believes could be reallocated.

Councilmember Barotz stated that she is not supportive of the reductions to United Way, Victim Witness Services, and NACASA. She suggested looking more at revenue generating options.

Councilmember Oravits stated that the City should make cuts and reallocations but also look at the potential transportation tax as a possible funding source. The request for the discussion is simply an opportunity to look for the cuts, whether the full amount is found or not remains to be seen. He expressed support for the discussion of United Way in the context of what services are being provided and how they are funded.

Mr. Burke clarified that there are three Councilmembers in support of discussing the funding of SEDI as well as discussing a 1% cut.

4. Adjournment

The Special Meeting of the Flagstaff City Council held on February 25, 2014, adjourned at 6:10 p.m.

MAYOR

ATTEST:

CITY CLERK