

MINUTES

WORK SESSION
TUESDAY, MARCH 11, 2014
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
6:00 P.M.

1. Call to Order.

Mayor Nabours called the Flagstaff City Council Work Session of March 11, 2014, to order at 6:02 p.m.

2. Pledge of Allegiance.

The City Council and audience recited the Pledge of Allegiance.

3. Roll Call

Councilmembers present:

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

Councilmembers absent:

None

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

4. Preliminary Review of Draft Agenda for the March 18, 2014, 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.*

Councilmember Woodson asked for clarification on Item 15-F, and why they were adopting a 1997 Code. Mr. Burke explained that this was an issue relating to the recent issue that came before Council regarding placement of a lien on a property needing to be cleaned up. He said that this would amend that requirement and have it become an administrative action.

Mr. Burke noted that he was suggesting that they move items 15-F and 15-G to the 4:00 p.m. section of the meeting next week.

With regard to Item 15-G, Councilmember Oravits asked if they would be able to discuss the fees associated with filing of pro/con statements with this item. Mr. Burke said that would need to come back on a future agenda.

5. **Public Participation**

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.

The following individuals address the Council regarding the Arrowhead Trailer Park situation:

- Adam Shimoni
- Gabriel D'Luzansky
- Leslie Fox
- Emily Davalos
- Michael (last name not given)
- Brenton (last name not given)
- Frankie Beesley

Comments received were:

- There is a lot of misunderstanding
- Activities are happening really fast
- Would like to see Council care more about its people
- Would like to see more of a compromise
- Great to see NAU expand, but need to be conscious about where housing is going
- Needs to be more integrated into the design of the plan
- Need to balance student housing with low-income housing
- Arrowhead people are not being heard
- Developers did a "smoke and screen" presentation
- Witnessed two weeks when student wanted to speak and Mayor shut him down
- Vice Mayor Evans spoke up for the students
- Urges Council to have developers hold another meeting that better informs – and it should happen before it moves to Planning and Zoning Commission
- Many students support the housing project
- Has met with many of the residents of Arrowhead Trailer Park and heard their stories; many the students who have spoken this evening have not had that opportunity
- Gentrification leaves people marginalized

The following individuals addressed the Council re increasing minimum wage:

- Jacob McIntosh
- Shaun McKernan
- Ryan Wright
- Ryan (last name not given)

- Cost of living in Flagstaff is higher
- Raising minimum age would create jobs, not destroy them
- Need occupational area wages
- Supports increasing minimum wage
- City employees need to be paid a living wage

Adrienne Anecchini then addressed the Council, representing many others as well, regarding the proposed changes to Fourth Street and voicing opposition to narrowing of the street.

Marcelino Coppola, NAU student, said that he had dropped a letter off earlier in the day and was asking the Council to require Vice Mayor Evans to be accountable for her behavior at the recent informational meeting held re the new student housing.

6. **Community Banking Program**

Management Services Director Barbara Goodrich gave a brief PowerPoint presentation on Community Banking.

- WHAT IS A COMMUNITY BANK?
- WHY INVEST IN A COMMUNITY BANK?
- TUCSON, AZ EXAMPLE
 CHARTERED IN ARIZONA
- CDARS PROGRAM

Business Retention and Expansion Manager John Saltonstall continued the presentation, addressing:

- LOCAL LOW COST FINANCING

He reported that at present there have been 13 applications received; 2 loan requests have been declined; 6 have been funded at a total of \$145,000; 5 loan requests are pending totaling \$198,000 and 2 loans have been completed repaid. He also gave a brief history on the Revolving Loan Fund and the transfer of its administration from NACOG to the City.

After questioned by Council, Ms. Goodrich said that the City usually has around \$50 million invested in a variety of sources; some are restricted and some are not. She said that they would probably have between \$5 million to \$8 million available on a monthly basis available for this type of program.

Ms. Goodrich said that Tucson has designed their program to require that the bank have a physical presence in their community and be a part of the Arizona Department of Financial Institutions.

Ms. Goodrich explained that under the CDAR's, the money is deposited in a bank, up to the limit insured, such as \$250,000. Each \$250,000 would be deposited at a different entity.

Sherri Slayton, Alliance Bank, then gave a brief review of their bank's involvement with the CDAR program, adding that they were the sponsor of the Economic Outlook Conference held annually at NAU, and they have six programs within the group located at the NAU College of Business.

Council clarified that while they may be receiving information from Alliance Bank, they were not voting to do anything with Alliance Bank, or any other, but rather considering the development of such a program in the future.

Ms. Slayton further explained that whatever bank they worked with, the bank would administer the program and manage the various deposits. The City would receive one statement regarding one account. She said that typically their bank lends between \$50 million and \$75 million a year out of their office, with some of that covering other parts of northern Arizona. She said that they loaned out between \$20 million and \$30 million per year to addresses within Flagstaff.

Upon questions from Council, Ms. Slayton said that it would be great to receive between \$5 million and \$10 million from the City for the purpose of making loans. She was confident, based on their history, that they could make loans with that amount. She said that they have plenty of loan demands.

Brief discussion was held on the other agencies in the City that provide loans such as NACET, ECoNA, and SEDI. Vice Mayor Evans said that there has been some discussion with other agencies about possibly providing "character loans" for those that do not have much credit, to assist with getting a business started. She asked if that type of loan would be available through the Community Banking program. Ms. Slayton said those would not be available with the loans she had discussed.

Mayor Nabours asked Ms. Goodrich if she would be able to get those funds together if the Council decided to move forward with such a program. Ms. Goodrich said that she could. She would ask that they consider starting with \$2 million to \$5 million to allow for time to evaluate their success. They would want to protect their interest rates and make sure it did not impact their revenues. It is something she would also run by the City's investment advisors.

•QUESTIONS FOR COUNCIL

After further discussion, consensus of Council was to move forward with establishing a community banking program, to be a part of the CDAR program, to entities with a Flagstaff zip code, for a maximum amount of \$5 million in deposits.

Ms. Goodrich said that she would let Council know when the RFP is issued and will notify the local banks that may be interested (those with a local branch presence and headquartered in Arizona).

Mr. Burke said that periodically the City puts out an RFP for deposits and asked where the City was with that and if that would impact this program. Ms. Goodrich said that the City currently works with Wells Fargo, and they have been with them for many years. The City is not limited in their ability to invest elsewhere.

A break was held from 7:14 p.m. to 7:30 p.m.

7. Discussion on the path forward for proposed amendments to the Flagstaff Zoning Code

Zoning Administrator Roger Easement gave a brief PowerPoint presentation to address:

- ALL OTHER ZONING CODE AMENDMENTS
- THE PROCESS
 - Established in statutes and zoning code
- TIMING – MOVING FORWARD
- FOUR POSSIBLE OPTIONS
- CONCLUSION

He said that staff was recommending they move forward with Option #2, to start with the Sign Code and then move on to the other Zoning Code amendments.

Discussion was held on what process they would use for submitting issues Council would like to address and how meetings would be held.

Lance Diskan, Flagstaff, said that he was a member of the Dark Sky Coalition and they were requesting involvement by the Coalition in any and all discussion of the Zoning Code amendments, mostly those dealing with illuminated signs. They hope to offer the City their expertise and technical knowledge to the process.

Consensus of the Council was to start with the Sign Code, and then they would work on the rest of the amendments, understanding that staff would be working on some of those at the same time. Suggestions for issues would be directed to the City Manager, to be forwarded to staff, and this would be scheduled for an upcoming Work Session.

8. Discussion/Direction of Charter Amendment Process

Ms. Burke gave a brief review, noting that on January 21, 2014, Council directed staff to schedule the creation of a Charter Advisory Committee for a future meeting. Staff began discussing election schedules and submitted suggestions for consideration, which totaled 30 proposed amendments, which were then divided into policy and technical changes.

Ms. Burke reviewed the election calendar and Council discussed the pros and cons of various election dates and whether to form a committee.

After further discussion Council directed the City Manager to establish a Manager-appointed committee, to make recommendations to the City Manager, and to plan for a May 2015 election. It was noted that this would allow time for the City Manager to wrap up his work with the Road Repair Tax Committee.

9. **Review of Draft Agenda Items for the March 18, 2014, City Council Meeting.***

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

None

10. **Public Participation**

None

11. **Informational Items To/From Mayor, Council, and City Manager; requests for future agenda items.**

Mayor Nabours voiced concern with the miscommunication of information regarding the Fourth Street project. It was suggested that the City Manager prepare a one-paragraph CCR to get to the paper. Council also discussed possibly having a meeting to share the correct information with the public.

Mayor Nabours reported that Colonel Colton of the Army Corp of Engineers would be at City Hall on Thursday at 10:00 a.m. to meet with staff re the Rio de Flag project and asked any Councilmembers who were able, to attend.

Councilmember Barotz asked for a CCR to provide a printout of the lowest wages earned by City employees and their divisions. Mayor Nabours asked that staff include in that CCR whether the City has any control over the minimum wage.

12. **Adjournment**

The Work Session of the Flagstaff City Council held March 11, 2014, adjourned at 8:21 p.m.

MAYOR

ATTEST:

CITY CLERK