

**CITY COUNCIL MINI BUDGET ADVANCE**

**CITY COUNCIL MINI  
BUDGET ADVANCE  
WEDNESDAY  
JANUARY 28, 2015**

**CITY COUNCIL CONFERENCE ROOM  
FLAGSTAFF CITY HALL  
211 WEST ASPEN  
1:00 P.M.**

1. **Call to Order**

2. **Roll Call**

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

MAYOR NABOURS  
VICE MAYOR BAROTZ  
COUNCILMEMBER BREWSTER  
COUNCILMEMBER EVANS

COUNCILMEMBER ORAVITS  
COUNCILMEMBER OVERTON  
COUNCILMEMBER PUTZOVA

3. **Mini Budget Advance**

A. **Overview**

B. **Questions from 1/22/15 Mini Budget Advance**

C. **Mini Advance #2: Infrastructure, Technology and Staffing**

D. **FY2016 Budget Strategies Discussion**

4. **Adjournment**

**CERTIFICATION OF POSTING OF NOTICE**

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on 1/28/15 at 11:15 a.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this 28th day of January, 2015.

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Elizabeth A. Burke, MMC, City Clerk

## CITY OF FLAGSTAFF

### STAFF SUMMARY REPORT

**To:** The Honorable Mayor and Council  
**From:** Elizabeth A. Burke, City Clerk  
**Date:** 01/27/2015  
**Meeting Date:** 01/28/2015



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#### TITLE

**Mini Budget Advance**

#### RECOMMENDED ACTION:

Council direction

#### EXECUTIVE SUMMARY:

The purpose of this Mini Budget Advance is to review questions raised at the January 22, 2015, Advance; address infrastructure, technology and staffing needs of the City; and discuss FY16 Budget strategies.

#### INFORMATION:

##### **COUNCIL GOALS:**

- 1) Invest in our employees and implement retention and attraction strategies
- 2) Ensure Flagstaff has a long-term water supply for current and future needs
- 3) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 4) Explore and adopt policies to lower the costs associated with housing to the end user
- 5) Develop and implement guiding principles that address public safety service levels through appropriate staffing levels
- 6) Relieve traffic congestion throughout Flagstaff
- 8) Improve effectiveness of notification, communication, and engagement with residents, neighborhoods and businesses and about City services, programs, policies, projects and developments
- 11) Ensure that we are as prepared as possible for extreme weather events

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**Attachments:** Questions from 1/22/15  
PowerPoint

## Questions from January 22, 2015 Mini Budget Advance

### Revenues Questions

- What is a one-time 2.3% change in fund balance? Implications of reducing? Bond rating impacts - .25% over 20 year example? Should any use of fund balance be dedicated to particular use?
  - Will review with Council on February 11<sup>th</sup>
- What impacts will the City see on current fuel prices?
  - Will review with Council on February 11<sup>th</sup>
- What is the land acquisition \$733,779 balance currently used for and what are the implications?
  - CCR with overview and will review with Council on February 11<sup>th</sup>
- What does 8% primary and 1% secondary translate to for property owners – residential and commercial?
  - Will review with Council on February 11<sup>th</sup>
- Does the City charge market rate for our leases?
  - Will review with Council at a later Work Session
- What do we take in for liquor licenses and how does it relate to what other communities are doing. Are we reasonable or average? Can we charge an annual fee for bars?
  - Will review with Council on February 11<sup>th</sup>
- What other revenue opportunities do we have besides taxes and fees? Are there investment opportunities to generate additional revenue?
  - Will discuss other revenue options with Council

### Employee Investment Questions

- What is the professional development target without uniforms included?
  - Will review with Council on January 28<sup>th</sup>
- Can Council receive presentations from all PSPRS proposed solutions/efforts?
  - Presentations with PSPRS Task Force and Brian Jefferies will be scheduled. PSPRS Task Force is scheduled for morning of February 24<sup>th</sup>.
- What does closing the employee investment gap look like over several years?
  - Will review with Council on February 11<sup>th</sup>
- How many people do we have on parental leave? Past use - 5 to 10 years and how much
  - Will review with Council on February 11<sup>th</sup>

# Flagstaff City Council Mini Budget Advance

January 28, 2015





## Agenda

- Council Mission, Vision and Goals
- Policy Questions
- Questions from 1/22 Mini-Budget Advance
- Mini Advance #2: Infrastructure and Staffing
  - Quality Infrastructure
  - Technology
  - Staffing
- Discussion about of strategies for FY16 Budget



## City Council Mission Statement

- To protect and enhance the quality of life of its citizens

## City Council Vision Statement

- The City of Flagstaff is a safe, diverse, vibrant, and innovative community with a unique character and high quality of life. The City fosters and supports a balance of economic, environmental, educational and cultural opportunities.



## A Framework for Stability and Success





## A Framework for Stability and Success

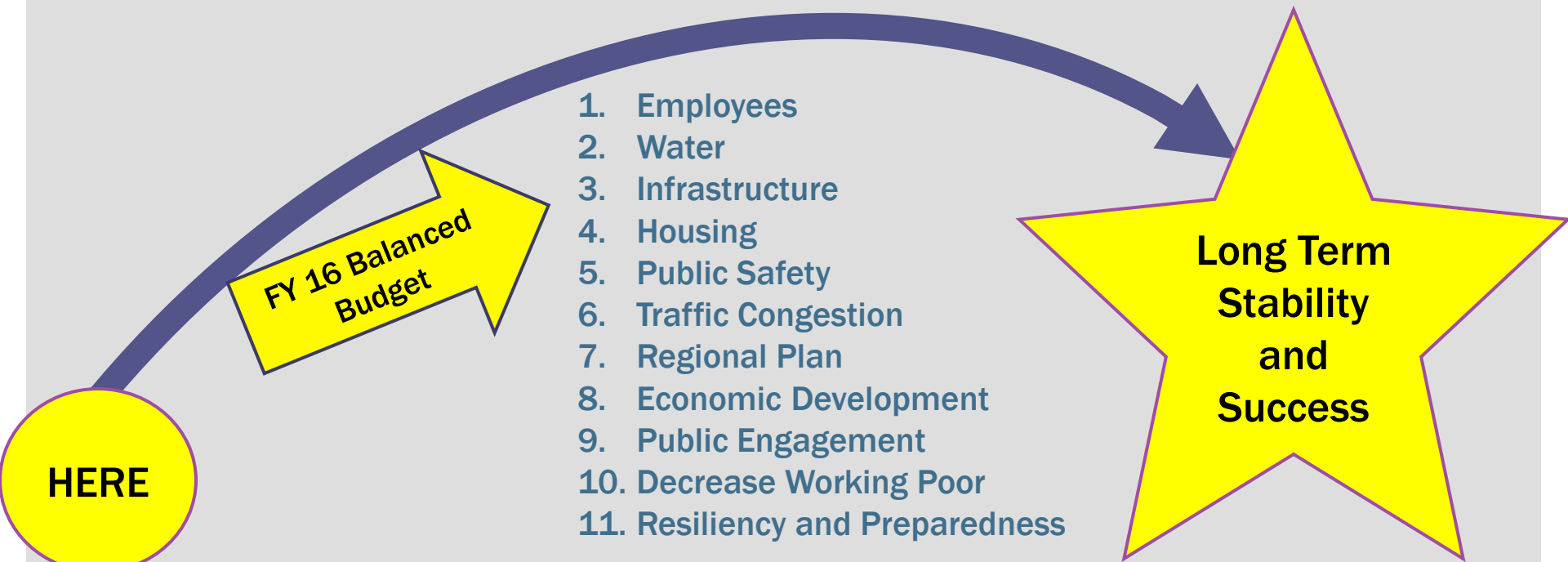
**HERE**

**Where We  
Want to Be**





## A Framework for Stability and Success





## Mini Advance #2:

### Infrastructure, Technology and Staffing

- Quality Infrastructure Cabinet
- Technology Investments
- Staffing Investments



## EMPLOYEE INVESTMENT

**Stop the Bleeding**

**Close the gap**

**Maintain**

### Employee Pension

General Fund	\$1,468,000	\$78,770,000
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All Other Funds	\$126,000	
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### Training

General Fund	\$150,000	\$284,000	\$284,000 + CPI
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All Other Funds	\$15,000	\$129,000	\$129,000 + CPI
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### Uniforms

General Fund	\$15,000	\$95,000	\$95,000 + CPI
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All Other Funds	\$0	\$6,000	\$6,000 + CPI
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### Employee Compensation

\$575,000	\$5,663,000	\$6,979,000
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<b>Total</b>	<b>\$2,349,000</b>	<b>\$84,947,000</b>	<b>\$7,407,500</b>
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Infrastructure	Stop the bleeding	Close the gap	Maintain
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General Fund Operations			
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Facilities	\$54,000	\$1,472,000	\$604,000
Parks	\$0	\$350,000	\$1,064,000
IT	\$45,000	\$2,074,000	\$1,076,000
Fleet	\$109,000	\$108,000	\$867,000
<b>General Fund Total</b>	<b>\$208,000</b>	<b>\$4,004,000</b>	<b>\$3,611,000</b>

Non General Fund Operations (Fleet and Facilities included in totals)			
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Library	\$19,000	\$150,000	\$106,000
BBB Parks	\$0	\$101,000	\$2,011,000
Airport	\$380,000	\$22,000,000	\$600,000
Environmental Services	\$5,000	\$935,000	\$1,041,000
USGS Facilities	\$5,000	\$0	\$290,000
IT (Court, Library)	\$30,000	\$330,000	\$142,000
Stormwater	\$120,000	\$120,000	\$330,000
Utilities	\$490,000	\$97,400,000	\$12,510,000
Street Maintenance/Ops	\$318,000	\$1,027,000	\$5,110,000

<b>Other Fund Total</b>	<b>\$1,367,000</b>	<b>\$122,063,000</b>	<b>\$22,140,000</b>
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## Technology ESTIMATES:

	Stop the Bleeding	Close the gap	Maintain
General Fund	\$1,760,000	\$1,960,000	\$1,010,000
All Other Funds	\$5,000	\$870,000	\$110,000
<b>Total</b>	<b>\$1,765,000</b>	<b>\$2,830,000</b>	<b>\$1,120,000</b>



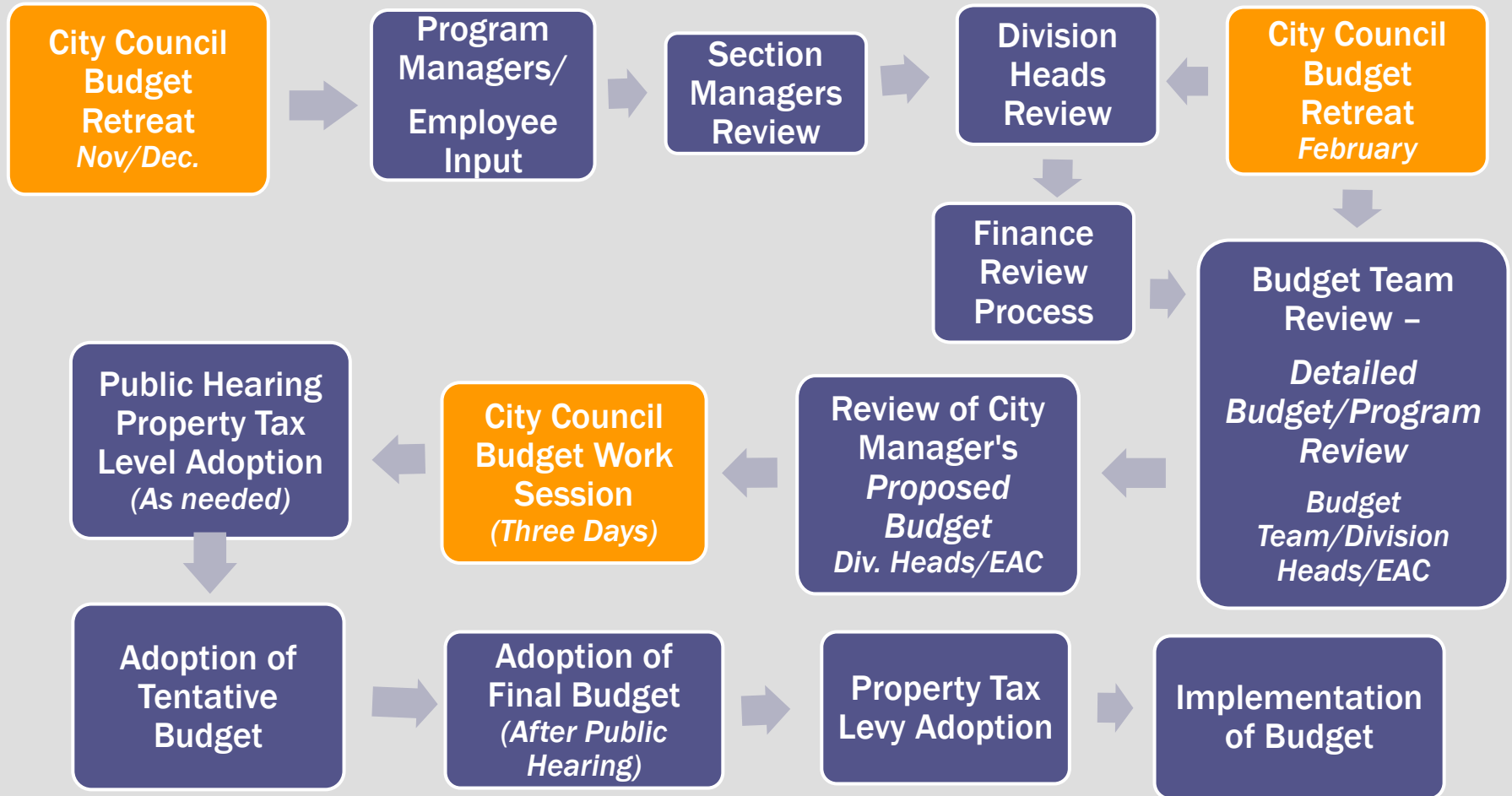


## Staffing ESTIMATES:

	Stop the Bleeding	Close the gap	Maintain
<b>General Fund</b>			
<b>FTE/ Cost Estimate</b>	22 FTE \$1,700,000	61 FTE \$4,700,000	57 FTE \$4,400,000
<b>Other Costs</b>	\$600,000	\$260,000	\$260,000
<b>All Other Funds</b>			
<b>FTE/ Cost Estimate</b>	2.5 FTE \$190,000	14 FTE \$1,100,000	12 FTE \$900,000
<b>Other Costs</b>	\$130,000	\$120,000	\$120,000
<b>Total</b>	<b>25 FTE \$2,600,000</b>	<b>75 FTE \$6,200,000</b>	<b>69 FTE \$5,700,000</b>



## Advance Wrap Up







## A Framework for Stability and Success

### Policy Questions

- Does the City need to have a structurally balanced budget (ongoing revenues = ongoing expenses;) vs. a balanced budget (ongoing revenues, one time revenues, and fund balance may pay for some portion of ongoing expenses?)



## A Framework for Stability and Success

### Policy Questions

- Do we want to establish a policy that increases ongoing revenues (including user fees, property taxes) annually to support the council budget goals? For example – are you willing to commit to increasing certain revenues annually to support a 1% market/merit every year?



## A Framework for Stability and Success

### Policy Questions

- Do we want to reduce expenditures through program reductions to support Council budget goals?



## A Framework for Stability and Success

### Policy Questions

- Do we want to take a more optimistic approach to our ongoing revenue projections?
  - Options will be reviewed on February 11<sup>th</sup>



## Council Discussion – Next Steps