

4:00 P.M.

1. **CALL TO ORDER**

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

ABSENT

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

NONE

Others present: Interim City Manager Jeff Meilbeck; City Attorney Michelle D'Andrea.

3. **PLEDGE OF ALLEGIANCE AND MISSION STATEMENT**

The audience and City Council recited the Pledge of Allegiance and Mayor Nabours read the Mission Statement of the City of Flagstaff.

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 Regular Meeting of November 18, 2014; Special Meeting (Executive Session) of December 3, 2014; Special Meeting (Executive Session) of December 15, 2014; Special Meeting (Executive Session) of December 16, 2014; Special Meeting (Executive Session) of December 18, 2014; Special Meeting (Executive Session) of December 23, 2014; Special Meeting (Executive Session) of January 6, 2015; and Special Meeting (Executive Session) of January 13, 2015.

Mayor Nabours asked that the wording on the November 18, 2014, meeting minutes be clarified regarding the sales tax being paid to either Peoria or Flagstaff, dependent on where the vehicles were purchased. Additionally, on page 13, the paragraph after PowerPoint should have reflected Councilmember Overton, not Oravits.

Moved by Councilmember Jeff Oravits, **seconded by** Councilmember Karla Brewster to approve the minutes of the City Council Regular Meeting of November 18, 2014; Special Meeting (Executive Session) of December 3, 2014; Special Meeting (Executive Session) of December 15, 2014; Special Meeting (Executive Session) of December 16, 2014; Special Meeting (Executive Session) of December 18, 2014; Special Meeting (Executive Session) of December 23, 2014; Special Meeting (Executive Session) of January 6, 2015; and Special Meeting (Executive Session) of January 13, 2015, as amended.

Vote: 7 - 0 - 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: Planning and Zoning Commission.

Mayor Nabours stated that this item had been postponed for two weeks at the Council's direction to allow for more applicants.

The following individuals came forward and introduced themselves:

- Justin Ramsey - current commissioner and applicant
- Margo Wheeler - current applicant

Mayor Nabours noted that he and Councilmember Brewster were the Interview Team

Moved by Mayor Jerry Nabours, **seconded by** Councilmember Karla Brewster to reappoint Justin Ramsey to the Planning and Zoning Commission, term to expire December 2017.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Karla Brewster, **seconded by** Mayor Jerry Nabours to appoint John Stigman to the Planning and Zoning Commission, term to expire December 2017.

Vice Mayor Barotz said that the current Commission has six men and one woman and in the interest of diversity it would be good to appoint another woman. They have a female applicant that is very knowledgeable and does not represent a specific industry. She said that she understood that the applicant was not given the opportunity to speak to the nominators and has offered to come back and give them further information if requested.

Councilmember Putzova asked Ms. Wheeler to return to the microphone and tell them a little more about herself. Ms. Wheeler said that she was a professional planner. In the past she has been a Planning Director in several California cities and in Las Vegas for ten years. She is currently on faculty at Northern Arizona University teaching planning. Additionally, she said that she has been on a planning commission several years ago in Burbank and would like to offer her experience and enthusiasm.

Vice Mayor Barotz said that Ms. Wheeler has been in Flagstaff for less than a year, and some may consider that a negative, but she believed that the fact that she was a woman would help the issue of gender diversity.

Councilmember Putzova said that in scanning the current roster the current commissioners represent either business or development, bringing projects to City staff and working with staff on their developments. She would like to see someone appointed that does not come from that background, but has experience in planning.

Councilmember Evans said that the work that John Stigman has done is incredible, but in looking at the applicants she was amazed that they delayed the vote to get further applicants and then did not interview them. She believed that someone with Ms. Wheeler's background would be good on the Planning and Zoning Commission.

Vote: 4 - 3

NAY: Vice Mayor Celia Barotz
Councilmember Coral Evans
Councilmember Eva Putzova

8. LIQUOR LICENSE PUBLIC HEARINGS

- A. Consideration and Action on Liquor License Application:** Larami Sandlin, Dark Sky Brewing Company, 117 N. Beaver St., Suite A, Series 03, New License.

Mayor Nabours opened the Public Hearing. There being no public input, the Public Hearing was closed.

Moved by Councilmember Jeff Oravits, **seconded by** Councilmember Coral Evans to forward the application to the State with a recommendation for approval.

Vote: 7 - 0 - 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.

None

10. ROUTINE ITEMS

- A. Consideration and Approval of Contract:** Services Agreement; Utility Payment, Bill Presentment and Notification Services. (**Approve Agreement for Payment Processing Services**).

Moved by Councilmember Karla Brewster, **seconded by** Councilmember Jeff Oravits to accept the Proposal and approve the agreement with Paymentus Corporation, for the annual services of Utility Payment, Bill Presentment and Notification Services; and authorize the City Manager to execute the necessary documents.

Vote: 7 - 0 - Unanimously

- B. Consideration and Approval of Sole Source Purchase:** Consideration and approval to purchase an upgrade to the Police Department's Public Safety Computer Automated Records System, to a WEB based Records Management System and Services through Intergraph Corporation, in the amount of \$500,000 plus applicable taxes. Funding of this request will come through the FY2016/17 budget process. (**THIS REQUEST IS TIME SENSITIVE DUE TO A JANUARY 31, 2015 DEADLINE BY THE VENDOR, SAVING THE CITY SUBSTANTIAL MONEY**)

Deputy Police Chief Dan Musselman said that this records management system from Intergraph is one of three systems that the Police Department currently uses; the others are CAD and jail management. He said that they implemented this system live in 2001 and have invested over \$4 million in it. It maintains the records of four agencies--the City, County Sheriff's Office, Northern Arizona University and the City of Williams.

He said that Intergraph is requiring their customers to upgrade in the next couple of years; however, if the City signs on now it will get a \$200,000 discount. He said that since this is a big-ticket item, they are requesting \$250,00 for this year and the remainder next year.

Chief Musselman said that the Statement of Work lays out when they get what; it is up to the City to determine when they want to start. He said that the only agency already upgraded is the Coast Guard, but Glendale is getting ready to do their upgrade, so they decided to hold

off until after that took place.

Chief Musselman said that these costs are divided among the four agencies. His understanding is that the City will pay the costs up front and then, pursuant to the Intergovernmental Agreement, each agency will pay their proportionate share.

Councilmember Overton said that he would advocate for the cooperation with the other agencies. He asked if they were forced to go with this system, or if there were other vendors available. Chief Musselman said that they are somewhat forced. It is like driving a Chevy truck and then going with another vendor which would require them to change to a Ford. Things would not work right. He said that based on the research he has done, to go to a new system they would be looking at an additional \$1 million up front and another \$1 million to transfer the data.

Councilmember Overton asked about the longevity of the next software generation. Larry Zamora replied that since it is fairly new, it should last for ten years or more.

Mayor Nabours said that the City has until January 31, but it was a nonbinding Notice of Intent. He asked when the trigger date was. Mr. Zamora said that Intergraph supports two revisions. Once they get beyond that they discontinue their support and that would end in January of 2017, so the City would have until then. He added that it will take 9-13 months to do the upgrade.

Moved by Mayor Jerry Nabours, **seconded by** Councilmember Jeff Oravits to approve the agreement from Intergraph Corporation entitled "I/LEADS Upgrade to Web RMS, CAGIS, and BI Direct", said purchase to be contingent upon budget approval through the FY2016/2017 budget process.

Vote: 7 - 0 - Unanimously

RECESS

The 4:00 p.m. portion of the Regular Meeting of January 20, 2015, recessed at 4:34 p.m.

6:00 P.M. MEETING

RECONVENE

Mayor Nabours reconvened the Regular Meeting of January 20, 2015, at 6:00 p.m.

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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 BAROTZ
 COUNCILMEMBER BREWSTER
 COUNCILMEMBER EVANS
 COUNCILMEMBER ORAVITS
 COUNCILMEMBER OVERTON
 COUNCILMEMBER PUTZOVA

NONE

Others present: Interim City Manager Jeff Meilbeck; City Attorney Michelle D'Andrea.

12. PUBLIC PARTICIPATION

Phyllis Kagely addressed the Council stating the Picture Canyon was in good shape and she has become aware of a working group at Picture Canyon. She suggested that the City obtain a report from them to it more legitimate.

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

14. PUBLIC HEARING ITEMS

None

15. REGULAR AGENDA

A. Consideration and Approval of an Amendment to Settlement and Release Agreement: Canyon Del Rio.

Moved by Councilmember Scott Overton, **seconded by** Mayor Jerry Nabours to approve the Amendment to Settlement and Release Agreement between the Canyon Del Rio Investors, LLC and the City of Flagstaff, AZ, authorize the City Manager to sign the amendment and any other necessary and appropriate documents, and authorize staff to take other actions as needed to further the Council direction, with the amended language to "protect their Deed of Trust priority at the discretion of legal counsel."

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Resolution No. 2015-03: A resolution of the Flagstaff City Council Regarding Walnut Canyon. (*Adopt resolution supporting Congressional designation of a special management area for protection of lands surrounding Walnut Canyon National Monument***).**

Sustainability Manager Nicole Woodman addressed the Council stating this resolution went with Option 2 as previously discussed.

Councilmember Brewster asked staff to reassure her that the two sections that are State Land and the Water Treatment Plant on Lake Mary Road are still in the largest map within the boundary. Ms. Woodman replied that they were. Councilmember Brewster said that the Congressional approval will approve those areas; she wants to make sure they do not override the City's rights. Ms. Woodman said that the way that the resolution is currently

written is strictly a statement of support; the details would be worked out later.

The following individuals addressed the Council:

- Ralph Baierlein
- Alicyn Gitlin, representing the Sierra Club
- Sabrina Carlson, representing the Arizona Trail Association

The following comments were received:

- This resolution supports Option 2.; Council's vote for the resolution will complete the process that its predecessors started in 2002 and will ensure that the community can enjoy the study area decade after decade.
- Thank you for considering the resolution; this is what the citizens need to move forward to achieve what they have been aiming to accomplish
- This is an action that will protect wildlife habitat explore hanging gardens, old growth Ponderosa pine, etc.
- It is their belief that the space has been well studied and should be protected for all generations in perpetuity.

Additionally, written comments of support were received from:

- Jack Welch
- Shirley Cannon
- Betsy McKellar
- Robert Brennig
- Karen Enyedy
- David Wilcox

Moved by Councilmember Coral Evans, **seconded by** Vice Mayor Celia Barotz to read Resolution No. 2015-03 by title only.

Vice Mayor Evans thanked staff, in particular, for their diligent work over many months and she was pleased to support the resolution.

Councilmember Oravits thanked everyone that has been dedicated to the cause. He said that he would not support the option presented tonight; he could if it was scaled back more. He had concerns with areas on the northwest quadrant toward I-40 and some of the private property.

Mayor Nabours said that he would not be supporting it as well because the area is too extensive; the public use definition is limiting. He thinks there will be a public use that will come up in the future that they have not thought of at this time.

Councilmember Overton said that he was of the opposing viewpoint. He thinks there is some strong wording in Option 2, but he believes there is enough protection in the wording. He said that the parties interested will be active players as it moves forward in the process and he congratulated that group.

Vote: 5 - 2

NAY: Mayor Jerry Nabours
Councilmember Jeff Oravits

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL REGARDING WALNUT CANYON

Moved by Vice Mayor Celia Barotz, **seconded by** Councilmember Coral Evans to adopt Resolution No. 2015-03.

Vote: 5 - 2

NAY: Mayor Jerry Nabours
Councilmember Jeff Oravits

C. Consideration and Approval of Agreement(s): Amending the Service Provider Agreement and Business Incubator Master Lease, and approving the Business Accelerator Master Lease

Grants Manager Stacey Brechler-Knaggs said that the Science and Technology Park was conceived in 2003, and during the 2004 election, bonds in the amount of \$61.2 million were approved by the voters to advance the project. The debt is to be paid with lease revenues and not secondary property taxes. McMillan Mesa was chosen as an ideal site due to the existing, nearby USGS Campus. Through investigation, a critical part of the science park would be the establishment of a business incubator for entrepreneurs and business start-ups. An overall science park master plan was developed around 2005. She then introduced the team that has been working on this project.

The master plan included a remodeled USGS Campus, a 10,000 square foot business incubator, and a science park on nine acres of adjacent land. The business incubator (Phase 1) was constructed in 2008 through a U.S. Department of Commerce Economic Development Administration (EDA) grant and is currently operated by Northern Arizona Center for Entrepreneurship and Technology (NACET), a separate private non-profit. Northern Arizona University was the original recipient of a grant from the Economic Development Administration to construct an Incubator facility. Construction was completed and a Certificate of Occupancy for the building was issued in November 2008.

City staff began to investigate the merits of a Public-Private Partnership (P3) to continue progress on the project (now known as Innovation Mesa - Phase 2). In the fall of 2011, the City along with several partners including EDA, ACA, NAU, NACET, Economic Collaborative of Northern Arizona (ECoNA), and NACOG, began discussions to advance the Innovation Mesa - Phase 2 project. Innovation Mesa - Phase 2 is intended to be the first of three buildings located adjacent to the USGS Campus and the business incubator (Phase 1), and will include a 28,000 square foot building featuring wet and dry labs/office space (89%) and light manufacturing space (11%), a conference room/alternate secondary EOC, and server facilities. The primary purpose of Phase 2 is to provide space for Tier 2 companies and graduates of NACET, as well as grow business startups and advance entrepreneurship and economic gardening programs within the region, and to retain and expand existing businesses through the creation of 300 jobs. As noted above, the building will feature a secondary or alternate EOC (as part of the conference room) should disaster related circumstances arise and warrant the need by either City and/or County personnel. Given the intent and purpose of this facility, the Business Accelerator was funded in part by EDA, and is currently under construction to be completed July 2015.

Ms. Zinky, NACET, clarified that the space in the Accelerator is not limited to NACET; it is open to any company in that stage of business. Councilmember Brewster asked if they had received inquiries from outside of NACET; Ms. Zinky replied that they had.

Mayor Nabours said that sometimes in the world of incubators and accelerators they hear about a City getting some share of the success of the business. Ms. Zinky said that they have considered that, but when a program is just starting out, as with the incubator, it can serve as a deterrent. She said that these businesses will be paying market rent. Mayor

Nabours said that if they are paying market rent they do not want to chase them off to someone that may ask them for a percentage.

Moved by Vice Mayor Celia Barotz, **seconded by** Councilmember Eva Putzova to authorize the City to enter into the Service Provider Agreement and both of the Master Lease Agreements for the use and operation of City-owned facilities on McMillian Mesa

Vote: 7 - 0 - Unanimously

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.

None

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

Councilmember Evans asked for information on the process used to nominate board/commission members.

Councilmember Putzova suggested a future agenda item, fairly time sensitive, about the impact the state budget situation will have on various agencies around the State and what role, if any, the City can play in the community.

Mayor Nabours suggested that they amend the Legislative Agenda to add NAU, the County, community college, etc. Mr. Meilbeck said that Ms. Watson is heading up the City's Legislative Agenda and they will be discussing that issue at next week's Joint Meeting with the County. Ms. Watson added that they already have that in the Legislative Agenda.

Councilmember Putzova said that she was not wanting just information, but action they could take. Vice Mayor Barotz said that she would support bringing up Richard a few times.

Vice Mayor Barotz reported that yesterday she participated in the Martin Luther King, Jr. March at the DuBois Center at NAU.

Mr. Meilbeck reported that he did a listening tour with Public Works last Friday and will be doing more of them. Additionally, staff will be making a slight adjustment to staff summaries to include an Executive Summary.

19. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held January 20, 2015, adjourned at 6:40 p.m.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATION

STATE OF ARIZONA)
) ss.
Coconino County)

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 on January 20, 2015. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 17th day of February, 2015.

CITY CLERK