

MINUTES

1. Call to Order

Mayor Nabours called the Flagstaff Work Session of April 28, 2015, to order at 6:02 p.m.

2. Pledge of Allegiance

The Council and audience recited the pledge of allegiance.

3. Roll Call

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

PRESENT

ABSENT

MAYOR NABOURS

NONE

VICE MAYOR BAROTZ

COUNCILMEMBER BREWSTER

COUNCILMEMBER EVANS

COUNCILMEMBER ORAVITS (telephonically)

COUNCILMEMBER OVERTON

COUNCILMEMBER PUTZOVA

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

4. Preliminary Review of Draft Agenda for the May 5, 2015, 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.*

Mayor Nabours asked, with regard to Items 9-D, E and F of next week's agenda, if staff could report to the Council the average account balance of the write-offs. The numbers in the staff summary are large so breaking it down by the number of accounts may add perspective to the discussion. Additionally, he would like information on the efforts made to collect once they are written off.

With regard to Item 15-B, Mayor Nabours also asked for information regarding the red stickers

Tucson uses for their party ordinance enforcement. Police Chief Kevin Treadway stated that suggestions are welcome but staff felt that the red sticker was too much for Flagstaff so they eliminated the placarding element from the proposed ordinance.

Councilmember Putzova stated that the title of item 17-A is incorrect; she sent corrected language to the City Clerk who will include it in the final agenda. Mr. Meilbeck stated that the Clerk did receive the corrected language and he has discussed it with the City Attorney; the final agenda will reflect an updated title for the item.

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.

Adam Shimoni addressed Council about working to minimize the use of plastic bags. He also voiced concern about the State overreaching into City matters.

Mayor Nabours changed the order of the meeting to the following:

Item 6 - Visitor Intercept Survey Results/National Travel & Tourism Week

Item 10 - US 180 Winter Congestion Report

Item 8 - Plastic Bag Focus Group Final Report

Item 7 - 2015 Legislative Session Report from Richard Travis, Triadvocates, and Discussion of Potential 2016 League Resolutions

Item 9 - Discussion of Procurement Preferences Regarding Carbon Footprint and Disadvantaged Businesses

Item 11 - FY 2016 Budget Confirmation

The minutes are reflective of the original order of the agenda.

6. **Visitor Intercept Survey Results/National Travel & Tourism Week (Survey result about visitors to Flagstaff)**

Flagstaff Convention and Visitor's Bureau Director Heidi Hansen, introduced Dr. Cheryl Cothran of the Arizona Hospitality Research and Resource Center who provided a PowerPoint presentation that covered the following:

FLAGSTAFF VISITOR AND ECONOMIC IMPACT STUDY SURVEY METHODS

Mayor Nabours asked how the survey was administered and how it was determined that the people taking the survey were visitors. Dr. Cothran stated that researchers went to places that they knew they would find visitors and they would personally ask if they were visiting Flagstaff. Mayor Nabours asked how many questions were in the survey. Dr. Cothran stated that it was a

two page survey packed with information on various things. She continued the presentation.

COMPARISON: 2009 VS. 2014
VISITOR ORIGINS
ECONOMIC IMPACT
FLAGSTAFF...A TOURISM STAR

Councilmember Brewster asked how long the survey was distributed. Dr. Cothran stated that they typically survey for twelve months and they typically single out one week a month to really focus their attention on getting surveys.

Councilmember Overton asked if they found anything in the data that suggests Flagstaff should change or adjust anything. Dr. Cothran stated that the results were all pretty positive and the recommendation would be to continue on that path.

Councilmember Putzova asked if any of the data targeted the participants' specific reason for visiting Flagstaff. Dr. Cothran explained that many visitors come to ski and for special events and most come for vacation and leisure.

Ms. Hansen stated that National Travel and Tourism week begins on May 2, 2015 and this year's theme is "Travel is *blank*" allowing people to fill in their own definition of travel so that it is unique and personal to them.

7. 2015 Legislative Session Report from Richard Travis, Triadvocates, and Discussion of Potential 2016 League Resolutions

Deputy City Manager Jerene Watson introduced State Lobbyist from Triadvocates Richard Travis who provided Council with an update on the 2015 Legislative session. Mr. Travis explained that the Legislature and the Governor were very efficient this session with the shortest session since 1968. There was only one major issue that could not be agreed upon and that was the appointment of the Inspector General. Common Core and implementation repeal took a lot of time and energy at the Legislature. Other big topics included microbreweries, Real ID and the elimination of the Department of Weights and Measures.

Flagstaff did not push any bills this year and because of that it was difficult to keep up with the legislature. The bills that Flagstaff was involved in were bills that were introduced through other means.

Key bills for Flagstaff that will likely be seen next session or in special session include sales tax and pension reform. The sales tax reform was supposed to come online in January of 2015; the audit is extremely important to Flagstaff so it is important that it is done right. In regards to the pension reform the reason it was pulled was because the City of Phoenix had a pension issue on their ballot.

There were two bills Flagstaff worked on this year. The first was the Waste Collection Bill that would have taxed the City for out of city collections. By working with the League and Representatives an amendment was crafted that would limit City exposure; the amendment passed.

The other bill was guns in public places. This was very contentious and it did not pass the Senate by one vote. Staff had exhausted all of its ability to get votes and came up short so they reached out to partners in the private sector who were willing to talk about the impacts to them.

Councilmember Putzova asked for additional information on what activities the City was involved in with regards to the plastic bag issue. Mr. Travis stated that the League handled that bill because it was so clearly preempting city and town control. The issue had such tremendous support from the business community and was not something that was introduced at the beginning of the session. It was a strike everything bill and it was introduced at the last minute. It made it extremely difficult to lobby against due to how late in the session and how quickly it was introduced. Vice Mayor Barotz asked who provided the strike everything amendment to which Mr. Travis responded Warren Peterson.

Councilmember Evans stated that there have been a lot of recent bills that minimize the power that local governments have to dictate policy; she asked if Mr. Travis sees this trend continuing. Mr. Travis stated that it is likely to continue in next session with the current Legislature and Governor.

Mayor Nabours asked for the bills that passed that will have an impact of the City. Mr. Travis stated that the two primary bills were the waste bills. The first bill is the bill that will give multi-housing owners the ability to chose a private hauler or municipal hauler. He explained that it is not a level playing field; in the waste hauling world the trash only component is a good money maker, the bulk trash and hazardous products are money losers. The cities will be left to cover the fixed costs of waste management and will still have the obligation to pick up bulk and hazardous products. There has been discussion about an ordinance that dictates that bulk trash and hazardous materials must be picked up by the private hauler in the event that they are selected for trash service.

Mr. Travis stated that the other bill is the one that charges cities in-lieu tax for land and equipment used for trash services. There will have to be calculations done to determine what impacts there will be but it is highly likely there will be a significant impact on cities.

Mr. Travis stated that the Veteran's Home is a big topic and he recommends setting priorities now in that regard so that there is the ability and time to make modifications if needed. The narrower and more specific the agenda the more chance at success; getting \$10 million next session will be tough and it will require a united mission and a united voice and bringing in people from the community to support the effort.

Mayor Nabours stated that he has noticed that resolutions can be sent to the League and before the League will champion the issue other cities have to come on with support. He noted that it will be important to remember this as they work on possible resolutions to bring forward. Mr. Travis explained that the League does also consider the varying degrees of impact when choosing which resolutions to bring forward.

Mr. Travis stated that higher education funding is also another big topic. The Governor and Legislature have set universities on a path to wean higher education off the general fund. Councilmember Brewster asked for the reasoning behind the action. Mr. Travis stated that every member has a different answer; what they rely on is that the funding is such a small percentage of the university's overall budget and because of that it should not be seen as a drastic cut. However, the money received from the state has a lot of flexibility associated with it and it can be applied to many areas. The concern is that most of the federal money that comes into the universities as well as grant money cannot be used for things such as personnel or overhead facility costs. While it may only be 2% of their overall budget removing that funding has a vast effect on how the universities fund their operations. Councilmember Putzova stated that she would appreciate it if people would stop referring to the 2% because it has been misused completely for political benefit. It is not actually 2% of the institution's real budget but a political

spin and the sooner people stop repeating the figure the sooner the community will realize that something needs to be done in 2016.

Councilmember Evans stated that she would like to see a resolution regarding local control. Ms. Watson explained that local control is one of the guiding principles of the League. Councilmember Evans stated that there needs to be a stronger statement. Ms. Watson stated that something can be put into writing to see if the League feels that there is a bill that can be brought forward to that effect. Vice Mayor Barotz added that a resolution could be a very powerful statement to the state. It should include a statement that powerfully reflects that dissatisfaction with a list of bills that are overreaching into local control. This approach may be more impactful than the language that is currently being used as a guiding principle. Ms. Watson asked for Councilmembers to send specific ideas and language to her for drafting. Councilmember Overton expressed concern about the reception the resolution will have and he is not sure that it will be as effective as it is hoped. The Legislature may respond negatively and he cautions against stirring a hornet's nest. Mayor Nabours reminded Council that the resolutions that are being proposed are draft resolutions to the League. The League will filter them and vote on which will be pushed forward for consideration and tweaking. Mr. Travis stated that there is a natural tension between the Legislature and cities and towns. It used to be that in the 70s and 80s there was a lot more deference paid; there were a lot of people who came to the Legislature from cities and towns that had practical experience as town Mayors or Councilmembers. The Legislature today does not have that history and it is something that has to be re-taught every two years with the new legislature. If the resolution is worded correctly it could be a good tool, but what will be done with that tool needs to be defined.

Councilmember Putzova suggested putting forward a resolution to repeal SB1241. There will likely be other cities who would be interested in joining that effort. She added that resolutions are important for communicating with the public and it is important for the public to know how unfriendly the Legislature is to the cities and towns.

8. Plastic Bag Focus Group Final Report

Mr. Meilbeck addressed Council stating that the purpose of this item is to thank the Sustainability Commission and the Plastic Bag Focus Group for their work. The commission was very supportive of the focus group. He offered thanks to the focus group and officially relieved them of their duties. With the passage of SB1241 there are some changes that will need to be made in the approach taken by the City and more time is needed before staff can return to Council with a recommendation. Mr. Meilbeck asked the committee to come to the podium to be recognized. He thanked Kathy Flaccus, Moran Henn, Madison Ledgerwood, Stuart McDaniel, Rick Resnick, Judy Sal, and Rob Wilson for their work on the committee.

Stuart McDaniel addressed Council thanking them for allowing such a diverse group to meet. It was gratifying to come together in good faith and trust to work together and find some common ground on an issue that is important.

Moran Henn addressed Council and thanked the Sustainability Program for all the work they did on the issue and being 100% available to the group. She thanked the Commission for being gracious in allowing another group to take a stab at what they had already put so much work into. This is an issue that was very important to a lot of people in Flagstaff and it is frustrating to have it trampled by the State. This is a passionate issue and there is still a lot of work to be done to identify options.

Rob Wilson addressed Council and thanked Kari Blume who was the facilitator of the group and

played a very vital role. The group was a great success; despite having a diverse group of people there was more in common than originally thought. The group succeeded in putting together a plan and that has since been overcome by State issues. He suggested that additional funding be directed to the Sustainability Department for further work, research and education about plastic bags. There are still things that can and should be done.

Cathy Flaccus addressed Council and thanked them for the opportunity to be a part of the group. She was not sure how it would go as one of the conservative voices in the group but they worked very well together. She stated that in talking to some people at the state level she found that they were not aware of the budget issues that exist in Flagstaff with regards to Flagstaff's effort to reduce plastic bags. There are great ideas out there and it would be great for Flagstaff to increase its education to help people further understand what is recyclable. Education works and getting stronger information and better alternatives out to people is key.

Mayor Nabours thanked the committee again for their work and stated that Council will be having future discussions about plastic bag use.

9. Discussion of Procurement Preferences Regarding Carbon Footprint and Disadvantaged Businesses

Purchasing Director Rick Compau provided a PowerPoint presentation that covered the following:

**PROCUREMENT PREFERENCES
CARBON FOOTPRINT**

Mayor Nabours stated that the intent of the request was not how to measure one company's footprint versus another but rather if a company has to mobilize from out of town there is a presumption that there will be repeated travelling and burning of gasoline compared to a local company that is not traveling as much or moving equipment as far. Mr. Compau agreed that the wording could be simplified but more research is still needed to determine how that can be applied in a fair and equitable way and within the purchasing statutes. Mr. Meilbeck stated that one of the concerns is presumption; this is something that is very hard to quantify legally. Staff must have a measure to quantitatively make the assessment. There is a significant need to protect the interest of the City in its procurement practices. Mr. Solomon added that the concern is that it must be quantified at some point legally, it has to be measured some way. Legal can look into simple ways to measure that but it has to be made in a way that is legally defensible. Mayor Nabours stated that if a simple step can be identified that is what the intent of Council was when they agreed to look at this issue further.

Mr. Compau continued the presentation.

BUSINESSES WHO SERVE OR EMPLOY DISABLED PERSONS

Councilmember Overton stated that it is great for employers to take on disabled persons. This section limits these employers to three categories; he asked if there is any legal room to expand the categories to include deserving employers, such as those who employ deaf or physically handicap persons. Mr. Compau explained that a lot of the public sector agencies that have adopted this kind of language have limited their preference to these three categories. It would require further research to determine if other options exist. Councilmember Overton noted that it seems odd to call out only one disability. He would be very interested in determining if the City is able to broaden that category. Councilmember Brewster stated that there are a number

of agencies that employ disabled persons but are for profit and would not qualify. Mr. Compau offered that in order to be certified as a non-profit agency in Arizona the disabled workforce has to be a minimum of 65%.

A majority of Council is in favor of moving forward with further research as well as the development of an ordinance for the businesses that serve or employ disabled persons.

10. US 180 Winter Congestion Report

Flagstaff Metropolitan Planning Organization Manager Dave Wessell provided a PowerPoint presentation that covered the following:

US 180 WINTER TRAFFIC STUDY
BACKGROUND
PROBLEM IDENTIFICATION
MINDMIXER RESULTS
IMPLEMENTATION PLAN
POSSIBLE SOLUTIONS
ALTERNATE ROUTE SIGNAGE
MANAGED LANE CONCEPT

Mr. Wessell introduced Kent Lane who represents ADOT as the Regional Transportation Engineer.

Mayor Nabours asked if it is possible to have three lanes on US 180 and with use of cones or other traffic devices dedicate two lanes inbound and one lane outbound during peak times. Mr. Lane stated that the issue would be that there would be no left turn capabilities for people travelling northbound; additionally, the equipment used would cost around \$12,000 per day which is a budget impact that ADOT is unable to accommodate. It is a complex production that would have a few days of planning for each instance. ADOT is not in the business of trying to accommodate fluctuating traffic that is recreational based. What was presented was a much smaller concept and would require consistent traffic movement on Milton to be of any success. To that accord, an alternative timing plan has been in production since 2011 and it adds ten additional seconds to green lights along Milton; the downfall is that it takes timing away from side streets and people have to wait through numerous cycles to get to the main road, if at all. There is little benefit to further adjusting the signal timing at this time.

With regards to the alternate routes that have been signed and advertised, people are not utilizing them. Milton has the eateries, gasoline, the ski rental returns, and other amenities. People do not see the benefit of taking alternative routes. It comes down to determining how big of a problem it truly is and how much the City and State are willing to spend on addressing it.

Councilmember Overton stated that the root cause of the traffic issue is snow play. The ski resort has been here for decades but once the snow play areas moved out to the same relative vicinity it created a severe bottleneck. If the snow players can be moved to another area of Flagstaff it may help with the problem. Mr. Lane stated that Wing Mountain opened up as a permitted area to address safety problems and concerns along US 180; they have been open about being willing to look at other locations. There may be some need to restrict activity there to drive down the demand in the corridor because the mountain is the magnet.

JR Murray addressed Council stating that in a strange way Flagstaff has a success story that cannot be labeled as such. Flagstaff has always been the winter capital of Arizona and it is a

novelty and everyone wants to play in the snow. This is the community history and now with growth there is a traffic problem. Flagstaff wants people to come but it does not do a good job of welcoming them. Citizens in that corridor are concerned about emergency response. The County had a meeting last week to talk about this situation and the solution is to disperse snow play. Flagstaff needs eight snow play areas; it needs parking, utilities, restroom facilities, and private industries. He suggested making the snow and getting the snow play visitors off of US 180 and get them into the City where facilities and infrastructure exist. Every City park could be a snow play area. He stated that Snowbowl is part of the solution and now is time to make changes happen.

Councilmember Putzova asked for additional information on transit being a possible solution. She also asked for ideas on possible public/private partnerships. Mr. Wessel explained that the key to making transit successful is to replace cars with transit. This may work well for skiers but the issue is snow players who have a lot of equipment with them. There would need to be some incentives or decentives to utilize transit or shuttles otherwise there will be the same amount of cars plus the buses. Another suggestion has been for shoulder widening on US 180 which would allow for lane passing and provide emergency service access but that is a long distance with a heavy expense.

Councilmember Evans stated that she would like more information on those types of suggestions. The Council and public are aware of the history and what needs to be done; cost estimates and possible funding sources is what is needed to further the conversation and make decisions. Mr. Wessel stated that there are a number of funding sources that can be researched; BBB revenues might be a possibility along with cost recovery from users. Additionally, a transportation tax or other sales tax may be an option for larger capital improvements. In terms of the actual costs there are costs that came out of the study that can be provided. NAIPTA also did some analysis on costs for running a shuttle system. One of the concerns is that without a predictable season there may be capital with limited funding.

11. FY 2016 Budget Confirmation

Mr. Meilbeck explained that Council had a great budget advance but staff would like to clarify the direction and conclusion before moving forward. He asked if the spreadsheet was what Council was approving.

Councilmember Putzova stated that among the first items discussed as investments is merit based pay and the Council was supportive of that then but moved on to different items to discuss. After they discussed the other items the issue was brought up again and the conversation went back and forth between merit based pay and market based pay. At the end of the day the Council did not come to a consensus to support merit based pay or move to market based pay. She does not think that there was a consensus at the end of the session.

Mayor Nabours stated that there were several more revenue sources that were up for discussion and none of them passed with a majority of Council who wanted to enact them.

Councilmember Oravits stated that he felt that there was a clear consensus and Council went through all the expense and revenue options.

Vice Mayor Barotz stated that when she read the email to City staff from Mr. Meilbeck she felt that there was some confusion on the direction and did not think that the spreadsheet was the final accepted proposal.

A majority of Council agreed that the spreadsheet was the approved summary of the budget direction.

12. Review of Draft Agenda Items for the May 5, 2015, City Council Meeting.*

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

None

13. Public Participation

None

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

Councilmember Putzova stated that at the special work session regarding Police Department staffing issues it was suggested that a roundtable discussion be had with other employers in the City to discuss employee housing. She asked for staff to work on getting major employers together for the discussion. Councilmember Evans added that it would be a great topic for Council to be involved in to get a sense of what can be done and what other employers may be willing to do.

Councilmember Evans asked for a status on a future discussion item request for SB1241; she would like to know what the City can do legally and the public is interested as well. Mr. Meilbeck explained that he is unsure when it will come back for Council discussion as the City Attorney is researching possible options. Councilmember Evans stated that she would like to know all of the options available including a challenge or referendum of the bill. She asked for information on any deadlines for bringing forward a challenge.

Vice Mayor Barotz requested a Possible Future Agenda Item on a possible ordinance that would require multi-family landlords to continue to provide for the removal of bulk and hazardous materials even if they chose to move to a private trash hauler. Mr. Solomon stated that the Legal Department is already working on the issue and will have more information to the Council soon.

Mr. Meilbeck stated that in terms of employer housing this is something that staff is currently working on. Vice Mayor Barotz asked if it would be coming back to Council for further discussion. Mr. Meilbeck explained that he feels that the item falls under the goals Council has set and he will be bringing it back for full discussion outside of the Possible Future Agenda Item request process. Councilmember Oravits asked for the information to include what the City is doing that is causing the cost of land and housing to be higher. He also would like information on what the City is doing in terms of resource protection. He would like the perspective of staff and what the costs are in terms of this discussion. Mayor Nabours stated that he would like to have that information as well but feels that it is a separate issue from asking other employers if they would be interested in getting together to discuss and possibly devise solutions related to employee housing. Vice Mayor Barotz agreed that it is two different issues and should be handled as such. Councilmember Evans stated that when the conversation occurs about the regulatory piece that Councilmember Oravits is referring to she would like to know what the true cost of development is; the true prices and why things are priced a certain way. She would also

like to know what the City controls and what is driven by the private market.

15. Adjournment

The Flagstaff City Council Work Session of April 28, 2015, adjourned at 8:37 p.m.

MAYOR

ATTEST:

CITY CLERK