

NOTICE AND AGENDA

**COMBINED SPECIAL MEETING/WORK
SESSION/BUDGET RETREAT
TUESDAY - DECEMBER 12, 2017**

**COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
1:00 P.M.**

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).

SPECIAL MEETING

1. Call to Order

2. Roll Call

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

MAYOR EVANS

VICE MAYOR WHELAN

COUNCILMEMBER BAROTZ

COUNCILMEMBER MCCARTHY

COUNCILMEMBER ODEGAARD

COUNCILMEMBER OVERTON

COUNCILMEMBER PUTZOVA

- 3. Consideration and Adoption of Ordinance No. 2017-32:** An ordinance of the City Council of the City of Flagstaff, adjusting the salaries of future City Council members by amending Section 1-07-001-0005, *Salaries*, of the Flagstaff City Code.

RECOMMENDED ACTION:

At the December 12, 2017, Special Council Meeting:

- 1) Read Ordinance No. 2017-32 by title only for the first time
- 2) City Clerk reads Ordinance No. 2017-32 by title only (if approved above)

At the December 19, 2017, Council Meeting:

- 3) Read Ordinance No. 2017-32 by title only for the final time
- 4) City Clerk reads Ordinance No. 2017-32 by title only (if approved above)
- 5) Adopt Ordinance No. 2017-32

4. **Adjournment.**

WORK SESSION

1. **Call to Order**
2. **Discussion re Reduction of the Engineering Development Fees.**
3. **Adjournment**

BUDGET RETREAT

1. **Call to Order**
2. **City Council Fiscal Year 2019 Budget Retreat - Budget Priorities.**
3. **Adjournment**

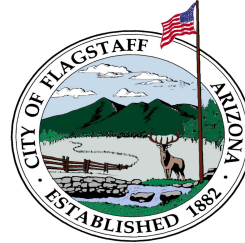
CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2017.

Elizabeth A. Burke, MMC, City Clerk

To: The Honorable Mayor and Council
From: Rick Tadder, Management Services Director
Date: 12/05/2017
Meeting Date: 12/12/2017



City Council Fiscal Year 2019 Budget Retreat - Budget Priorities.

Discuss Council Goals and set forth budget priorities for the Fiscal Year 2019 budget.

The budget for the City of Flagstaff is the policy document that reflects the goals and objectives of the City Council. Over the course of several months the City Council meets to gather input on major budget issues prior to preparation of the budget.

The December 12 retreat will be the first of three City Council budget retreats for upcoming FY 2019 budget. This special meeting is set to provide a high level financial outlook, budget team direction to staff and provide an overview of FY 2018 budgetary investments and progress on City Council Goals. The main goal of the retreat is for the City Council to provide the City Manager direction on their budget priorities for the FY 2019 budget.

A detailed agenda for budget retreat is attached. Here is a summary of today's discussion.

- Retreat Welcome
- Financial Update
- Budget Team Message
- Review of Goals, FY 2018 Objectives, FY 2018 Budget New Investments, Highlights and Accomplishments, FY 2019 Objective Changes
- Public Participation
- FY 2019 Budget Priorities and Path Forward
- Council Discussion on Legislative Trips

Attachments: [Budget Retreat Agenda](#)
[Budget Retreat Presentation](#)
[Intergovernmental Priorities](#)
[Council Goals](#)

City Council Retreat – Budget Priorities

December 12, 2017

Detailed Agenda

Time	Duration (Min)	Topic
2:00pm	10	Retreat Welcome and Outline
2:10pm	10	Financial Update: Revenues and Expenditures
2:20pm	10	Budget Message: Budget Team Direction
2:30pm	60	Goals: <ul style="list-style-type: none"> • Economic Development • Affordable Housing • Social Justice • Transportation and Other Public Infrastructure
3:30pm	15	Break
3:45pm	120	Goals: <ul style="list-style-type: none"> • Building and Zoning/Regional Plan • Climate Change • Water Conservation • Environmental and Natural Resources • Personnel • Community Outreach • Town and Gown • Code Compliance
5:45pm	15	Break
6:00pm	15	Public Participation
6:15pm	30	FY 2019 Budget Priorities/Path Forward
6:45pm	15	Council Discussion on Legislative Trips

All times are estimate and items could be re-ordered during the meeting.

FY 2019 Budget Priorities

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MISSION

**To protect and enhance the
quality of life for all.**

VISION

**The City of Flagstaff is a safe, diverse,
just, vibrant and innovative community
with a unique character and quality of life
for all. The City fosters and supports
economic, environmental, educational
and cultural opportunities.**

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Introduction and Agenda

- Revenue and Expenditure Update
- Budget Message from Budget Team
- Goals
 - Highlights and Accomplishments
 - Council Discussion

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Financial Update

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Revenues and Expenditures

- Economic Outlook – Moderate Growth
- Market Based Pay Plan – Year 3 of 3
- Health Insurance
- Health Subsidy – Year 2 of 2
- Pension Costs
- Minimum Wage
- Fixed Costs - Utilities

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Budget Message

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Budget Team Direction

Priorities:

- 2% Market Pay Adjustment
- Funding One-time Positions Ongoing
- Funding New Requests Ongoing
- Vacant/New Positions 12% Above Minimum
- Establish Merit for Performance System
- Minimize Impact of Rising Health Care Cost

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Budget Team Direction

Strategy:

Base Budget (Ongoing) Reductions

- Engage Staff at all Levels
- Review Contractual/Commodities
- Divisions report back to Budget Team

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Goals

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Economic Development

Grow and Strengthen a More Equitable and Resilient Local Economy

FY 2018 Objectives:

- Improve the small business experience when going through the City process.
- Support and enhance services to all businesses in the community.
- Complete the sale of the auto mall properties.
- Increase Eco and historic tourism in Flagstaff.
- Form an arts district and cultural arts facility.
- Market Parks and Recreation as accessible for all regardless of income.
- Promote internet connectivity throughout the community.

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Economic Development

Grow and Strengthen a More Equitable and Resilient Local Economy

FY 2018 Budget – New Investments:

\$727,000

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Economic Development

Grow and Strengthen a More Equitable and Resilient Local Economy

Highlights and Accomplishments:

- Community Investment, along with AZ@WORK Business Services Team, held two free Business Resource Events
- Free parking was offered for Shop Small Saturday
- Sold lot 11 and in contract with lot 8 at the Auto Park
- Business Accelerator incentives have raised occupancy to 70%
- Eco and Historic Tourism procured stories increased by 15%
- Police Department held and continue to hold monthly meetings with Downtown Business Alliance and Flagstaff Retail Assets Protection Association
- Parks and Recreation staff have updated their scholarship program to expand criteria used to review eligibility; the program offers a 50% discount to children and adults who meet income guidelines as established by other social service agencies

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Economic Development

Grow and Strengthen a More Equitable and Resilient Local Economy

FY 2019 Objectives (Changes/New):

- Support and enhance services to all businesses in the local community.

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Economic Development

Grow and Strengthen a More Equitable and Resilient Local Economy

- **Council Direction for FY 2019 Budget Priorities**

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Affordable Housing

Support Development and Increase the Inventory of Public and Private Affordable Housing for Renters and Homeowners Throughout the Community

FY 2018 Objectives:

- Increase the number of affordable rental units.
- Promote energy efficient rental units.
- Improve the distribution of affordable rental units throughout the community and neighborhoods.
- Seek private developer partnerships to increase affordable housing inventory in both rental and ownership units.
- Pursue financing strategies for affordable housing to create additional rental and ownership housing opportunities.
- Modify the building and zoning codes to encourage more affordable housing options.
- Adopt a primary property tax rate increased to the maximum allowed with additional funds dedicated to setting up robust city-managed rental housing units.
- Establish an Employer Assisted Housing Program.

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Affordable Housing

Support Development and Increase the Inventory of Public and Private Affordable Housing for Renters and Homeowners Throughout the Community

**FY 2018 Budget – New
Investments:**

\$1,170,000

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Affordable Housing

Support Development and Increase the Inventory of Public and Private Affordable Housing for Renters and Homeowners Throughout the Community

Highlights and Accomplishments:

- Employer Assisted Housing Program established and approved by Council
- Scattered Site Affordable Housing RFP scheduled to be awarded
- Working with finance on potential bond initiative options for 2018

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Affordable Housing

Support Development and Increase the Inventory of Public and Private Affordable Housing for Renters and Homeowners Throughout the Community

FY 2019 Objectives (Changes/New):

- Advocate for full funding of Public Housing, Section 8 Housing Choice Voucher Program and the Community Development Block Grant Program. (New)
- Advocate for the state to review Low Income Housing Tax Credit applications more than once a year. (New)

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Affordable Housing

Support Development and Increase the Inventory of Public and Private Affordable Housing for Renters and Homeowners Throughout the Community

- **Council Direction for FY 2019 Budget Priorities**

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Social Justice

Advance Social Justice in Our Community

FY 2018 Objectives:

- Increase communication and engagement with indigenous communities regarding City decisions.
- Strengthen and repair relationships with the indigenous and immigrant communities.
- Revisit the anti-camping ordinance.
- Sponsor and support state or federal legislation that restores and protects funding for social and other services to our population with special needs.
- Advocate for healthcare as a human right.

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Social Justice

Advance Social Justice in Our Community

FY 2018 Budget – New Investments:

\$83,000

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Social Justice

Advance Social Justice in Our Community

Highlights and Accomplishments:

- Indigenous Circle of Flagstaff
- Meetings with Indigenous Tribes
- Cultural Sensitivity Training
- Indigenous Awareness/Marketing
- Social Services
- Police Department completed recruitment advertisements on the Navajo Nation
- Police Department presented Anti-Camping Ordinance

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Social Justice

Advance Social Justice in Our Community

FY 2019 Objectives (Changes/New):

- Develop a strategic plan to implement the Indigenous Circle of Flagstaff recommendations. (New)
- Strengthen partnerships and advance mutual goals engagement with Indigenous Community. (New)
- Improve overall communications and engagement with Native Nations as we work in partnership on shared issues and concerns. (New)
- Support implementation priorities of the Memorandum of Understanding between Navajo Nation Human Rights Commission and City of Flagstaff. (New)
- Facilitation of annual meetings with tribal nations and collaborate on agenda development. (New)

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Social Justice

Advance Social Justice in Our Community

- **Council Direction for FY 2019 Budget Priorities**

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Transportation and Other Public Infrastructure

Deliver Quality Community Assets and Continue to Advocate and Implement a Highly Performing Multi-Modal Transportation System

FY 2018 Objectives:

- Send a transportation tax renewal question to voters in November 2018 and earn majority voter support.
- Improve peak travel times between Snowbowl Road and the Interstate 17/40 corridors.
- Advocate for additional state and federal funding for state and federal roads.
- Facilitate infrastructure needed to develop private land.
- Develop a Downtown and Southside multimodal transportation plan.
- Promote Fourth street connection with John Wesley Powell Boulevard.
- Secure Fourth Street Bridge funded through Arizona Department of Transportation five-year Capital Improvement Program.

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Transportation and Other Public Infrastructure

Deliver Quality Community Assets and Continue to Advocate and Implement a Highly Performing Multi-Modal Transportation System

FY 2018 Objectives:

- Support the Regional Transportation Plan.
- Complete the Public Works Yard in the next two years.
- Complete the Intergovernmental Agreement with the County for a new courthouse and begin the design process.
- Evaluate water, wastewater and reclaimed water infrastructure capacity issues.
- Replace aging infrastructure.
- Support the airport with needed infrastructure upgrades in order to enhance our tenant and patron experience as well as additional airline attraction.

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Transportation and Other Public Infrastructure

Deliver Quality Community Assets and Continue to Advocate and Implement a Highly Performing Multi-Modal Transportation System

FY 2018 Budget – New Investments:

\$2,782,000

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Transportation and Other Public Infrastructure

Deliver Quality Community Assets and Continue to Advocate and Implement a Highly Performing Multi-Modal Transportation System

Highlights and Accomplishments:

- JWP specific plan consultant negotiation underway
- FMPO applying for grant to improve regional transportation model
- Fourth Street bridge design and construction IGA with ADOT
- Since the passage of Proposition 406, we have been able to treat and improve over 293 total street lane miles, representing almost 44% of total street inventory

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Transportation and Other Public Infrastructure

Deliver Quality Community Assets and Continue to Advocate and Implement a Highly Performing Multi-Modal Transportation System

FY 2019 Objectives (Changes/New):

- ~~• Participate in planning for and mitigating impacts of winter recreation visitors in the Highway 180 corridor.~~
- Evaluate, plan, and implement strategies to address the impacts of winter recreation visitation. (New)
- Provide airport infrastructure upgrades to enhance tenant and patron experience and secure a second airline.



Transportation and Other Public Infrastructure

Deliver Quality Community Assets and Continue to Advocate and Implement a Highly Performing Multi-Modal Transportation System

- **Council Direction for FY 2019 Budget Priorities**

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Building and Zoning/Regional Plan

Revise the Zoning Code to Remove Ambiguities and Ensure it is Consistent with Community Values and the Regional Plan

FY 2018 Objectives:

- Align building codes, zoning codes and regional plan.
- Adjust the codes to better reflect community values and the intent of the regional plan.
- Improve clarity and readability of existing building and zoning codes.
- Continue efforts to understand the impacts of student housing while supporting the housing type.
- Develop code changes to encourage more affordable housing.
- Complete and update neighborhood plans specific to Housing Urban Development consolidated plan and target neighborhoods within that plan.
- Continue the conversation about impact fees.

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Building and Zoning/Regional Plan

Revise the Zoning Code to Remove Ambiguities and Ensure it is Consistent with Community Values and the Regional Plan

FY 2018 Budget – New Investments:

\$112,000

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Building and Zoning/Regional Plan

Revise the Zoning Code to Remove Ambiguities and Ensure it is Consistent with Community Values and the Regional Plan

Highlights and Accomplishments:

- High Occupancy Housing Plan is in adoption phase (Jan. 2018)
- Work has begun on the Southside Specific Plan
- Amendments to Transect Code are in adoption phase (Dec. 2017)

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Building and Zoning/Regional Plan

Revise the Zoning Code to Remove Ambiguities and Ensure it is Consistent with Community Values and the Regional Plan

- **Council Direction for FY 2019 Budget Priorities**

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Climate Change

Take Meaningful Climate Change Action

FY 2018 Objectives:

- Develop and implement a climate action plan.
- Become a 100% renewable energy city as an organization and a community.
- Achieve financial divestment from fossil fuels.
- Sponsor and support state or federal legislative action that combats climate change.
- Update energy code.

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Climate Change

Take Meaningful Climate Change Action

**FY 2018 Budget – New
Investments:**

\$80,000

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Climate Change

Take Meaningful Climate Change Action

Highlights and Accomplishments:

- Development of Climate Action and Adaptation Plan anticipated to be complete October 2018
- Hydroelectric power from Hoover Dam is now being sent to Lake Mary WTP and Rio de Flag WRP
- Flagstaff became Arizona's first city to call for a national revenue-neutral carbon fee and dividend legislation

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Climate Change

Take Meaningful Climate Change Action

- **Council Direction for FY 2019 Budget Priorities**

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Water Conservation

Become a National Leader in Water Conservation in All Sectors

FY 2018 Objectives:

- Develop a sustainable water budget.
- Enhance water conservation efforts.
- Encourage commercial and multi-housing sectors to participate in water conservation efforts.
- Secure long-term water resources.
- Prioritize reclaimed water uses.

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Water Conservation

Become a National Leader in Water Conservation in All Sectors

**FY 2018 Budget – New
Investments:**

\$128,000

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Water Conservation

Become a National Leader in Water Conservation in All Sectors

Highlights and Accomplishments:

- Water Conservation Plan – contract mid-February
- Assembling billing data for a Supply vs Demand scenario model
- RFP for customer service portal and analytics tool
- Launched program for hotels using USEPA's H2Otel
- Developed new APP for tracking and reporting watering violations

FY 2018-2019

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Water Conservation

Become a National Leader in Water Conservation in All Sectors

FY 2019 Objectives (Changes/New):

- Prioritize reclaimed water for necessary uses such as toilet flushing and recharging the aquifer rather than optional uses such as water intensive landscaping and recreation.

FY 2018-2019

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Water Conservation

Become a National Leader in Water Conservation in All Sectors

- **Council Direction for FY 2019 Budget Priorities**

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Environmental and Natural Resources

Actively Manage and Protect All Environmental and Natural Resources

FY 2018 Objectives:

- **Aggressively support efforts for forest health.**
- **Preserve natural resources.**
- **Further develop sustainability and waste removal policies and programs.**
- **Align City policies and SLEDS committee recommendations.**
- **Continue to support the Four Forest Restoration Initiative (4FRI).**

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Environmental and Natural Resources

Actively Manage and Protect All Environmental and Natural Resources

**FY 2018 Budget – New
Investments:
\$486,000**

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Environmental and Natural Resources

Actively Manage and Protect All Environmental and Natural Resources

Highlights and Accomplishments:

- Aggressively supporting efforts for forest health on both programmatic and project basis
- Continuing to support 4FRI with ongoing engagement and advocacy
- Adopted management plan for legally-designated open space properties and incorporated an additional 320 acres into open space management
- Adopted Rethink Waste Plan

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Environmental and Natural Resources

Actively Manage and Protect All Environmental and Natural Resources

FY 2019 Objectives (Changes/New):

- Increase City recycling from 13% to 75%. (New)

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Environmental and Natural Resources

Actively Manage and Protect All Environmental and Natural Resources

- **Council Direction for FY 2019 Budget Priorities**

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Personnel

Attract and Retain Quality Staff

FY 2018 Objectives:

- Invest in employee training.
- Ensure adequate Public Safety staffing levels.
- Provide pay raises for all employees.
- Provide paid maternity and paternity leave.
- Expand the housing assistance program for all City staff.
- Enhance tuition reimbursement opportunities throughout the organization.
- Provide parking incentives for employees.
- Evaluate ways to pay down unfunded pension liabilities.



Personnel

Attract and Retain Quality Staff

**FY 2018 Budget – New
Investments:**

\$3,468,000

FY 2018-2019

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Personnel

Attract and Retain Quality Staff

Highlights and Accomplishments:

- Market Based Pay Phase II and minimum wage implemented
- IIU training scheduled thru June 2018
- Hired six Firefighters with SAFER grant
- Expanded Housing Solutions of Northern Arizona contract to include all personnel for Employee Housing Assistance
- PD training budget reinstated
- PD approved for two officers with COPS grant
- PD implemented hiring bonus program

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Personnel

Attract and Retain Quality Staff

- **Council Direction for FY 2019 Budget Priorities**

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Community Outreach

Enhance Public Transparency and Accessibility

FY 2018 Objectives:

- Create greater public access to Council meetings.
- Define the City's public communication program.
- Take a more proactive role in communicating issues and progress on Council Goals and Objectives.
- Develop a social media management plan.
- Build and enhance neighborhood services from the City.

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Community Outreach

Enhance Public Transparency and Accessibility

FY 2018 Budget – New Investments:

\$468,000

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Community Outreach

Enhance Public Transparency and Accessibility

Highlights and Accomplishments:

- Strategic Communications Plan
 - Social Media Best Practices Guidance
 - Social Media advertising and promotion
- Clean Team
- Minimum Wage outreach
- Flagstaff Community Forums
- Winter Recreation Map and outreach

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Community Outreach

Enhance Public Transparency and Accessibility

- **Council Direction for FY 2019 Budget Priorities**

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Town and Gown

Enhance Relationships Between City and Institutions of Higher Education

FY 2018 Objectives:

- Establish a comprehensive internship program through Coconino Community College and Northern Arizona University.

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Town and Gown

Enhance Relationships Between City and Institutions of Higher Education

FY 2018 Budget – New Investments:

\$2,000

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Town and Gown

Enhance Relationships Between City and Institutions of Higher Education

Highlights and Accomplishments:

- Continued joint funding & support for the Neighborhood Liaison Position.
- Enhanced communication between City Council and NAU President.
- Improved coordination of capital projects between the City and NAU through scheduled quarterly team meetings.
- NAU has retooled their internal Internship program to centralize and streamline the process for both the student, the NAU program and for the employer.
 - An Internship IGA between the City and NAU is forthcoming.

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Town and Gown

Enhance Relationships Between City and Institutions of Higher Education

FY 2019 Objectives (Changes/New):

- Coordinate with NAU, CCC and the Arizona Board of Regents (ABOR) in planning for future growth of the student population. (New)

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Town and Gown

Enhance Relationships Between City and Institutions of Higher Education

- **Council Direction for FY 2019 Budget Priorities**

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Code Compliance

Achieve Comprehensive and Equitable Code Compliance

FY 2018 Objectives:

- Review current City Code to align with community expectations.
- Establish proactive enforcement of the City Code.

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Code Compliance

Achieve Comprehensive and Equitable Code Compliance

FY 2018 Budget – New Investments:

\$0

FY 2018-2019

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Code Compliance

Achieve Comprehensive and Equitable Code Compliance

Highlights and Accomplishments:

- Code Compliance meets regularly with neighborhood associations, Downtown Business Alliance and citizens to identify priorities and needs
- Concentrated education and enforcement within Southside
- Created Civil Citation form to improve efficiency and consistency
- Compliance team trained to issue parking tickets for zoning and right-of-way violations

FY 2018-2019

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Code Compliance

Achieve Comprehensive and Equitable Code Compliance

FY 2019 Objectives (Changes/New):

- Establish ~~proactive~~ strategic enforcement of the City Code to maximize compliance.

FY 2018-2019

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Code Compliance

Achieve Comprehensive and Equitable Code Compliance

- **Council Direction for FY 2019 Budget Priorities**

FY 2018-2019

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RETREAT**

December 12, 2017



Public Participation

FY 2018-2019
**FLAGSTAFF
CITY COUNCIL
BUDGET
RETREAT**
December 12, 2017



FY 2019 Council Budget Priorities

FY 2018-2019
**FLAGSTAFF
CITY COUNCIL
BUDGET
RETREAT**
December 12, 2017



FY 2019 Council Budget Priorities

- Recap of Directions Provided
- Parking Lot Review
- Any Additional Items
- Agreement of 4
- Consider Prioritizing or Leave for Budget Team

FY 2018-2019
FLAGSTAFF
CITY COUNCIL
BUDGET
RETREAT
December 12, 2017



FY 2019 Path Forward

FY 2018-2019
**FLAGSTAFF
CITY COUNCIL
BUDGET
RETREAT**
December 12, 2017



FY 2019 Path Forward

- **Council Budget Retreat**
 - February 12th ~ 13th
- **Council Budget Retreat – City Manager Recommended Budget**
 - April 24th ~ 25th
- **Tentative Budget Adoption**
 - June 5th
- **Final Budget Adoption**
 - June 19th

FY 2018-2019
FLAGSTAFF
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December 12, 2017



Council Discussion on Legislative Trips

FY 2018-2019
**FLAGSTAFF
CITY COUNCIL
BUDGET
RETREAT**
December 12, 2017



City of Flagstaff Intergovernmental Relations 2017-18



Adopted by Flagstaff City Council on January 17, 2017

City Council Mission Statement

To protect and enhance the quality of life for all.

City Council Vision Statement

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

Intergovernmental Relations

The City of Flagstaff Intergovernmental Relations Program addresses legislative initiatives at the county, state, and federal levels, which follow annual legislative calendars. The program mission is to develop and advocate for the Flagstaff community by fostering and maintaining relationships with individuals and entities that affect the City's interests. As a member of the League of Arizona Cities and Towns, the City of Flagstaff has assisted in the drafting and development of League resolutions. Council adoption of the League resolutions, our identified priorities, and guiding principles are incorporated as part of our legislative agenda.

The City Manager's Office coordinates an active legislative program focused on protecting the interests of our community and identifying resources available to enhance City services and programs. The City Council and City Manager's Office work closely with our legislative advocates in Washington, D.C., and Phoenix, as well as with the League of Arizona Cities and Towns to influence policy decisions that affect city's local control and local funding.

The 2017 Legislative Priorities provide a framework for the City of Flagstaff's Intergovernmental Program. Adopted annually, the City's Intergovernmental Guiding Principles and Legislative Priorities are the foundation of a focused advocacy strategy and serves as a reference guide for legislative positions and objectives that provide direction for the City Council and staff throughout the year.

Federal and state legislative proposals and policies consistent with the City's Intergovernmental Guiding Principles and Legislative Priorities may be supported by the City. Those policies or proposals inconsistent with this agenda may be opposed by the City.

Guiding Principles

The City's Intergovernmental Relations Program is guided by the following principles:

1. The City of Flagstaff is governed by its Charter, which outlines the City's governmental structure, identifies jurisdiction and provides enabling authority for self-rule. Flagstaff's City Charter and all its amendments have been voted on and approved by a majority of voters.
2. The City of Flagstaff strongly promotes the protection, expansion and restoration of local control for cities and may support or oppose legislation based on whether it advances maximum local control by local governments.
3. The Flagstaff City Council adopts City-wide goals and legislative priorities. Advancing or defending goals of the City Council and adopted legislative priorities in effect during the current legislative session does not require additional Council action.
4. The City of Flagstaff understands it is in the public's interest to have government at all levels that is transparent, deliberative, and accountable to its citizens. The City of Flagstaff also evaluates legislative action based on the City's ability to deliver public services, the impact to Flagstaff citizens and the financial costs to the City.
5. The City's membership in the League of Arizona Cities and Towns is a critical component of Flagstaff's advocacy strategy. The City Council will participate in the League's annual priority-setting process.
6. The City of Flagstaff understands that partnerships help develop and maintain positive intergovernmental relations and are essential for success and vitality of our community. The City supports proposed legislation brought forth by our partners that advance common goals. Regional, state and federal partners may include*:
Regional Partners: Coconino County, Flagstaff Unified School District, Grand Canyon Trust, Greater Flagstaff Forest Partnership, Northern Arizona Council of Governments, Northern Arizona Intergovernmental Public Transportation Authority and Northern Arizona Municipal Water Users Association, Chamber of Commerce;
Statewide Partners: Coconino Community College, Arizona Department of Transportation, Arizona Game and Fish, Arizona State Land Department, Department of Veterans' Services, Greater Arizona Mayors' Association, League of Arizona Cities and Towns, and Northern Arizona University;
National Partners: Conference of Mayors, Federal Aviation Administration, National League of Cities and Towns, National Park Service, U.S. Army Corps of Engineers, U.S. Department of Transportation, U.S. Forest Service and other federal agencies;
Tribal Partners: Including all indigenous groups who reside in or near Flagstaff.

* This is not an exhaustive list of City of Flagstaff partners

State Priorities

Advocate to Expand and Protect Local Control

The City of Flagstaff supports legislation that upholds and restores the principle of local government and reinforces the authority of the elected leaders of Flagstaff to respect and protect the priorities of its citizenry and respond to local challenges.

Advocate to Preserve Local Funding

Protect existing funding and authorities that bring revenue to the City of Flagstaff, which support the quality of life for its residents. Areas may include, the protection of state-shared revenues and opposition to the imposition of new fees and unfunded mandates by any level of government that would increase costs to the City.

Flagstaff projects and legislative priorities

- Pursue a partnership with Northern Arizona University to jointly advocate for funding for the Rio de Flag Flood Control project from the State and Federal government.
- Advocate for state enabling legislation for Commercial Property Accessed Clean Energy, or C-PACE.
- Advocate for investing in forest health treatments on state-owned land in the Flagstaff region.
- Advocate for change in state liquor licensing laws and establish a process for input to allow greater local government control in such areas as hours of operation, size of beverages and saturation. Seek additional funds from the alcohol industry to mitigate the effects alcohol has on the Flagstaff community.
- Advocate for additional funding to the Arizona Department of Transportation to plan, build and maintain projects that affect Northern Arizona.
- Advocate for 100% funding from the state legislature to fully fund and reimburse social service providers for the poor and other vulnerable populations, including those with disabilities.
- Advocate for the state of Arizona to accept consulate cards as valid forms of identification.
- Urge Arizona Department of Environmental Quality (ADEQ) to adopt stronger groundwater monitoring standards for uranium operations.
- Urge ADEQ to require mine specific aquifer protection permits rather than general aquifer protection permits.

- Advocate for state funding and legislation that supports colleges and universities.
- Advocate for stronger gun control legislation and against legislation allowing guns in public facilities.
- Advocate against further sweeps of the State Aviation fund.
- Advocate for removing the \$2.5 million cap, which will allow the State's Housing Trust Fund to be fully funded through unclaimed property proceeds received by the State annually.
- Advocate for restoration and oppose further sweeps of the Highway User Revenue Fund (HURF).
- Repeal Senate Bill 1070, which requires police to determine the immigration status of someone arrested or detained when there is reasonable suspicion they are not in the United States legally.
- Repeal Senate Bill 1487, which withholds shared revenue from cities and towns that are found by the Attorney General to have violated state law. The goal of the repeal is to gain local control of shared funding.

Federal Priorities

Advocate to Expand and Protect Local Control

The City of Flagstaff supports legislation that upholds and restores the principle of local government, and reinforces the authority of the elected leaders of Flagstaff to respect and protect the priorities of its citizenry and respond to local challenges and opportunities.

Advocate to Preserve Local Funding

Protect existing funding and authorities that bring revenue to the City of Flagstaff, which support the quality of life for its residents. Areas included opposition to unfunded mandates by any level of government that would increase costs to the City.

Flagstaff projects and legislative priorities

- Advocate for funding the Rio de Flag Flood Control Project. Fully fund this important community project and qualify for work plan construction funding in future years. Funding priorities for fiscal year 2018 include construction of Lower Reach up to and including the confluence and completion of the BNSF bridge.
- Advocate for funding and building a skilled nursing facility for veterans in Flagstaff by protecting the initial state funding from future legislative sweeps and continuing to encourage the Department of Veterans' Affairs to prioritize the project.

- Advocate for strengthening the laws, regulations and policies that govern uranium mining to ensure protection for public health and safety.
- Urge Arizona Department of Transportation and/or United States Department of Transportation to strengthen uranium transport standards to reduce the possibility of contamination
- Advocate for leveraging the voter approved Flagstaff Watershed Protection Project (FWPP) funding with federal dollars to maximize investments into forest health, including resources for timber sale administration. Ensure that resources and funding continue to flow to important regional projects such as the Four Forests Restoration Initiative (4FRI), NAU's Ecological Restoration Institute (ERI) and other important forest restoration efforts outside of the 4FRI boundaries.
- Advocate against the fee increase proposed by the National Park Service.
- for the National Park Service Advocate for \$11.75 million TIGER grant for the Fourth Street Complete Street Corridor Project in fiscal year 2018 (*this could go away if we get the award this year).
- Advocate for funding projects in the Flagstaff Airport five-year Capital Improvement Program.
- Advocate for increasing the gasoline tax in order help fund transportation improvements.
- Urge the federal government to pass carbon fee and dividend legislation in support of climate change mitigation.
- Oppose the transfer of federal lands to state or municipal governments unless funding has also been provided to effectively manage those lands.
- Support legislative action to ensure full funding of Public Housing, Section 8 Housing Choice Voucher Program and the Community Development Block Grant program.
- Advocate for Deferred Action for Childhood Arrivals (DACA) and other federal immigration policies that help keep families together while supporting their higher education goals.
- Advocate for legislation to reform the Medicaid Institutions for Mental Diseases (IMD) Exclusion.

CITY OF FLAGSTAFF Council Goals

2017-2019

ECONOMIC DEVELOPMENT

Grow and strengthen a more equitable and resilient economy.

AFFORDABLE HOUSING

Support development and increase the inventory of public and private affordable housing for renters and home-owners throughout the community.

SOCIAL JUSTICE

Advance social justice in our community.

TRANSPORTATION AND OTHER PUBLIC INFRASTRUCTURE

Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

BUILDING AND ZONING/ REGIONAL PLAN

Revise the zoning code to remove ambiguities, and ensure it is consistent with community values and the regional plan.

CLIMATE CHANGE

Take meaningful climate change action.

WATER CONSERVATION

Become a national leader in water conservation in all sectors.

ENVIRONMENTAL AND NATURAL RESOURCES

Actively manage and protect all environmental and natural resources.

PERSONNEL

Attract and retain quality staff.

COMMUNITY OUTREACH

Enhance public transparency and accessibility.

TOWN & GOWN

Enhance relationships between the City and institutions of higher education.

CODE COMPLIANCE

Achieve comprehensive and equitable code compliance.



Flagstaff City Hall
211 W. Aspen Ave.
Flagstaff, AZ 86001
flagstaff.az.gov

MAYOR
Coral Evans
VICE MAYOR
Jamie Whelan

COUNCILMEMBERS
Celia Barotz
Jim McCarthy
Charlie Odegaard
Scott Overton
Eva Putzova



CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Co-Submitter: Barbara Goodrich, Deputy City Manager
Date: 12/06/2017
Meeting Date: 12/12/2017



TITLE

Discussion re Reduction of the Engineering Development Fees.

STAFF RECOMMENDED ACTION:

Council direction.

EXECUTIVE SUMMARY:

On June 20, 2017, the Flagstaff City Council voted 5-2 to adopt new Engineering Fees, which became effective August 1, 2017. At the December 5, 2017, Council meeting, a Future Agenda Item Request (F.A.I.R.) from Councilmember Odegaard on a possible reduction in engineering development fees was considered by Council. One additional member of Council supported the placement of Councilmember Odegaard's F.A.I.R. on a future agenda for discussion as soon as possible. Two additional members of Council, bringing the total to four Councilmembers, supported expediting the item's placement on the next possible Council work session agenda for discussion.

INFORMATION:

Staff is developing a short presentation that will address the Cost Recovery policy decision for Engineering services and the potential impact of changing this fee recovery on the City's budget. This information will be available at the work session on December 12, 2017. Agenda items from past discussions on this issue are attached for your information.

Attachments: [02.2017.Budget Retreat](#)
[06.2017.UserFeeAdoption](#)

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rick Tadder, Management Services Director
Date: 02/09/2017
Meeting Date: 02/16/2017



TITLE:

City Council FY 2018 Budget Retreat - February 16, 2017

DESIRED OUTCOME:

To provide City Staff:

- Direction for FY 2018 budget development, Rio de Flag funding, and User Fees
- Finalize the Objectives related to Council Goals

EXECUTIVE SUMMARY:

The budget for the City of Flagstaff is the policy document that reflects the goals and objectives of the City Council. Over the course of several months the Council meets to gather input on major budget issues prior to preparation of the budget.

The February 16th retreat will be the second of three Council budget retreats/work sessions toward the FY 2018 Budget adoption. This retreat will address the financial outlook, review funding options for the Rio de Flag project and provide direction on user fee changes. In addition, the City Council will finalize the Objectives for meeting the Council Goals.

The following is the agenda for the retreat:

- Welcome and Retreat objectives
- Revenue Updates
- Available Revenue and Fixed Costs
- Rio de Flag Funding
- User Fee Presentations for Planning and Development Services, Engineering and Recreation Fees
- Council Goals and Objectives

INFORMATION:

COUNCIL GOALS:

- Economic Development
- Affordable Housing
- Social Justice
- Transportation and Other Public Infrastructure
- Building and Zoning/Regional Plan
- Climate Change

- Water Conservation
- Environmental and Natural Resources

ADMINISTRATIVE GOALS:

- Personnel
- Community Outreach
- Town and Gown
- Code Compliance

Attachments: Budget Retreat Presentation
 Council Objectives



TEAM FLAGSTAFF



Flagstaff City Council

Budget Retreat

February 16, 2017



TEAM FLAGSTAFF



User Fee Discussion



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USER FEES 2017

- Community Development
- Fire
- Recreation

Council Budget Session
February 16, 2017



TEAM FLAGSTAFF



Introduction of User Fees

Presented by: Rick Tadder
Management Services Director



TEAM FLAGSTAFF



What are we asking of Council today?

- Policy Question: High level direction as to what level of recovery is appropriate for the types of Services offered by each Section?

What Direction are we looking for today?

- Consider New Fees
- Recommendation for Cost Recovery Levels
- Confirm/Adjust Public Outreach



Key concepts to distinguish

- Program Fees vs. User Fees
 - User Fees – An outside entity is running the program (i.e., Adult Hockey League runs the program)
 - Program Fees – Internally run (i.e., Co-Ed Hockey run by the City)



TEAM FLAGSTAFF



What is the time-table from this time forward?

- Obtain Council direction on path forward today
- Recalculation of fees based on Council direction
- Community, Commissions and User group presentations
- Obtain Community feedback and share with Staff and Council
- Work Session with Council
- Adoption by Ordinance if fees are modified



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Overview

- MGT of America –
- Level of effort for this project
- Staff Involvement
- Methodology MGT uses
 - Full Cost Calculation
- Subsidy Decisions



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Director & Section Head Presentations

- Community Development Planning – Dan Folke
- Community Development Engineering – Rick Barrett
- Fire – Chief Mark Gaillard
- Recreation – Rebecca Sayers



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Planning & Development Services Section User Fee Discussion

February 16, 2017

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Planning & Development Services Fees

- Planning, Development Services, Building Safety program
- Current fees Adopted October 1, 2013
- 42% increase in all planning fees
- Increased recovery rate from 50% to 71% (based on 2009 study)
- Increases funded new planning position



User Fee Recommendations

- Adopt International Code Council building fee methodology and material valuation
- New fees for existing services
- New categories for zoning map amendments
- Tiered fees: base fee and per acre/lot fee



User Fee Recommendations

- Fee Recovery Range: 10% to 100%
- Straight percent increase on tiered fees
- 100% recovery: fees increase and decrease
- Lower recovery for lighting & concept plan



Planning & Development Services Section Recovery

- Overall Actual Cost Recovery (37%) *:
 - Revenue total: \$615,000
- Overall Cost Recovery per Current Policy (71%)*:
 - Revenue total: \$1,200,000 (+\$585,000)
- Overall Actual Cost Recovery (Staff Recommended) (53%)*:
 - Revenue total: \$895,000 (+\$280,000)
- Overall Cost Recovery if fees at 100%*:
 - Revenue total: \$1,675,000 (+\$1,060,000)

*Excludes Building Plan Review and Building Inspections (Permit Fees)



Discussion

- Is Council interested in establishing new fees where recovery has been 0%?
- What level of staff cost recovery is appropriate?
 - Leave existing fee schedule as is?
 - Adjust fees to prior cost recovery levels?
 - Adjust to Current Policy level to staff recommendation?
 - Establish new Policy level?
- Outreach will be discussed with Engineering
- Questions, comments or concerns?



TEAM FLAGSTAFF



Engineering Section User Fee Discussion

February 16, 2017

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% Recovery Discussion

- Current Policy at 50% Recovery
- 100% Recovery for Materials Testing
- Staff recommends 100% Recovery for users that have progressed through the process to construction plan review and permitting
- Staff Recommends 50% Recovery for users that are still in Site Plan Review
- Staff recommends cost recovery for new services that have been provided at no cost



Engineering Section Recovery

- Overall Actual Cost Recovery (36%):
 - Revenue total: \$540,000
- Overall Cost Recovery per Current Policy (50%):
 - Revenue total: \$750,000 (+\$210,000)
- Overall Cost Recovery Recommendation (100%):
 - Revenue total: \$1,500,000 (+\$960,000)



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Planning & Engineering Sections Outreach

- Planning & Zoning Commission
- Transportation Commission
- Northern Arizona Builders Association
- Chamber of Commerce
- Consultants and Contractors
- Friends of Flagstaff's Future
- Developers & past Applicants
- Downtown Business Alliance
- Current Applicants
- Utility Companies
- Neighborhood Associations
- Any others?



Discussion

- Is Council interested in establishing new fees where recovery has been 0%?
- What level of staff cost recovery is appropriate?
 - Leave existing fee schedule as is?
 - Adjust fees to prior cost recovery levels?
 - Adjust to Current Policy level to staff recommendation?
 - Establish new Policy level?
- Does Council have general direction as to how we proceed with public outreach?
- Questions, comments or concerns?



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Fire Section User Fee Discussion

February 16, 2017

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Development Permits –
(Construction)
Operational Permits
Special Event Permits
Wildfire Management

- Types of FD Fees

User Fees –The Fire Department



Opportunities -Policy Discussion

- Risk vs. Frequency
- One Time Fee vs. Repeat Fee
- City Sponsored Event vs. Non-City Sponsored Event
- Development (Cost Recovery?)
- Operational (Cost Recovery ?)



TEAM FLAGSTAFF



New Construction -Comparison

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Summary of Staff Recommended Changes

- Expansion of our fee system of 15-80 -Permits
- Development Permits- 5-54 –Accurately reflect scope/size of project. Plan Review and Inspections-based on Sq. Ft., #-heads or devices and #-of inspections – 100% Cost Recovery
- Operational Permits –from 6-24 based on risk and new/expanded permits required in 2012 IFC- 40% Cost Recovery
- Special Events from 1-5 –based on increased demand and scope/size of event- 100% Cost Recovery



Fire Section Recovery

- Overall Actual Cost Recovery (24%):
 - Revenue total: \$80,000
- Overall Cost Recovery per Current Policy (28%):
 - Revenue total: \$90,000 (+\$10,000)
- Overall Cost Recovery Recommendation (73%):
 - Revenue total: \$240,000 (+\$160,000)



TEAM FLAGSTAFF



Fire Department –Public Outreach

- Chamber of Commerce
- Northern Arizona Builders Association
- Local Fire Protection Contractors
- Local Special Event Vendors



Discussion

- Is Council interested in establishing new fees where recovery has been 0%?
- What level of staff cost recovery is appropriate?
 - Leave existing fee schedule as is?
 - Adjust fees to prior cost recovery levels?
 - Adjust to Current Policy level to staff recommendation?
 - Establish new Policy level?
- Does Council have general direction as to how we proceed with public outreach?
- Questions, comments or concerns?



TEAM FLAGSTAFF



Recreation Section User Fee Discussion

February 16, 2017

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Recreation Services

Program areas:

- Aquaplex
- Athletics
- Community Events
- Hal Jensen Recreation Center
- Jay L. Lively Activity Center
- Joe C. Montoya Community and Senior Center



Recreation Services

Current policy on direct* costs recovery:

- 50% - youth enrichment events and activities organized by Recreation staff
- 100% - adult enrichment / specialty programs organized by Recreation staff

*Current cost recovery policy is based on Recreation's direct costs

Note: the Flagstaff Aquaplex has an overall cost recovery policy of 70% as set by Council when the facility opened in 2008



Recreation Services

Current policy on direct cost recovery (continued)

- 0% - indoor or outdoor drop-in and self-activated use of parks or recreation centers
- 15-25% - staff organized activities and services typically based out of recreation centers
- 25-50% - specialized facilities such as the ice arena, lighted fields, weight rooms, group ramadas
- 125% - resale / concession sales
- 125% - contracted (third party) operations designed to generate a net profit (e.g. golf)



Recreation Services

- Overall Actual Cost Recovery: 46%
 - Revenue total: \$1,425,000
 - Minimum Wage Impact at \$10/hr = \$75,000
 - Minimum Wage Impact at \$12.25/hr = \$260,000
- Overall Cost Recovery per Current Policy: 62%
 - Revenue total: \$1,920,000 (+\$495,000)
- Overall Cost Recovery Recommendation: 38%
 - Revenue total: \$1,425,000



Recreation outreach efforts

- Parks and Recreation Commission
- Affected user groups as needed (if user fees are changing)



Recreation Discussion

- What level of cost recovery is appropriate?
 - Leave existing fee schedule as is (Staff recommendation)?
 - Larger subsidy by General Fund due to increased expenses
 - Increase fees to meet 46% cost recovery levels?
 - Establish new Policy level?
- Does Council have additional direction as to how we proceed with public outreach?
- Questions, comments or concerns?



TEAM FLAGSTAFF



User Fees Wrap Up

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CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rick Tadder, Management Services Director
Co-Submitter: Mark Gaillard - Fire Chief, Rick Barrett - City Engineer, Dan Folke - Planning Director
Date: 06/14/2017
Meeting Date: 06/20/2017



TITLE:

Consideration and Adoption of Ordinance No. 2017- 16: An ordinance of the City Council of the City of Flagstaff, Arizona amending the Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-10, *User Fees*, to increase or modify fees for Planning, Engineering, and Fire Department services and amending procedures related to annual review and adjustment of fees; amending Title 4, *Building Regulations*, Chapter 4-03, *International Building Code*, to provide for adoption of fees by resolution; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date.

RECOMMENDED ACTION:

- 1) Read Ordinance No.2017-16 by title only for the final time
- 2) City Clerk reads Ordinance No. 2017-16 by title only (if approved above)
- 3) Adopt Ordinance No. 2017-16

Executive Summary:

City staff, with the assistance of MGT America, has completed user fee studies for Planning and Development, Engineering, Fire, and Recreation services. The studies calculate the full cost of providing such services and the current cost recovery. Staff presented an overview of the results to the City Council at the February 15, 2017 Budget Retreat. During the retreat, Staff recommended the following cost recovery: 53% of Planning and Development costs, 100% of Engineering costs, and 73% of Fire costs. Staff recommended that Recreation fees remain the same with a result of a lower overall cost recovery of approximately 38%. Staff has completed the community outreach and is now requesting the adoption of fee changes.

Financial Impact:

The proposed new fee schedules, if adopted, will generate an increase in operating revenues for the General Fund. The proposed new Planning and Development fees (set at 53% cost recovery) will provide an approximate \$280,000 annual increase to revenues. The proposed new Engineering fees (set at 100% cost recovery) will provide an approximate \$960,000 annual increase to revenues. The proposed new Fire fees (set at 73% cost recovery) will provide an approximate \$160,000 annual increase to revenues. The Fiscal Year 2018 Budget includes expenditures that rely on these new revenues. Should the Council decide to adopt user fees at different levels of cost recovery, the City Manager will need to reconsider budget expenditures.

Policy Impact:

Staff recommends that Council adopt user fees based on the cost recovery rates described in this staff report to support policy goals embodied in the Fiscal Year 2018 Budget.

Connection to Council Goal, Regional Plan and/or TeamFlagstaff Strategic Plan:

Increased revenues in the General Fund provides resources to help advance Council Goals, Regional Plan, and the Team Flagstaff Strategic Plan.

Has There Been Previous Council Decision on This:

Staff presented to Council during the February 15, 2017 Budget Retreat.

Options and Alternatives:

- 1) Approve Ordinance 2017-16 with the user fee schedules as presented by staff.
- 2) Amend Ordinance 2017-16 with adjustments to the user fee recovery policy and adjust the schedules accordingly.
- 3) Amend Ordinance 2017-16 by adjusting or deleting specific fees on the schedule.
- 4) Amend Ordinance 2017-16 by phasing in certain user fees increases over a set period of time per Council direction.
- 5) Do not approve Ordinance 2017-16 and provide staff direction regarding the funding of services identified for user fees.

Background/History:

The City of Flagstaff has historically charged user fees for numerous City services. User fees must be related to the costs of providing the service. In Fiscal Year 2015, the City entered into contact with MGT Consulting Group (MGT) to provide a comprehensive user fee study to evaluate Planning and Development Services, Engineering, Fire, and Recreation services fees. MGT is a nationwide professional services firm that delivers a diverse range of services for public sector organizations and has been providing financial services for over 30 years. The company is a leading expert in many financial services including cost analysis and user fee development. The City has used MGT for our annual cost allocation plan and federal indirect rate proposal. The last time the City did a comprehensive user fee study was for these City services was in Fiscal Year 2009.

MGT uses the methodology of Full Cost Calculation to determine the cost of each user fee. This entails including all the costs related to delivering service such as direct staff time and expenditures, Section and Divisional indirect costs, and City wide indirect costs. The study was performed under the general direction of the Finance Section with participation from several key staff members from each affected Division or Section. Staff defined all the services provided as well as determined the costs to provide each service. During this process staff allocated specific level of staff effort to perform each service. Staff not only provided an updated cost of providing service for existing fees, they identified several services that the City has been providing without charging a user fee. Upon completion of the full cost of service plan, staff reviewed the results, discussed the results with MGT and management, and provided recommendations for changes to existing fees as well as new fees for services to Council on February 15, 2017. Below is a summary of results and recommendations.

Planning and Development Services:

The Planning and Development Services Section (Planning) consist of programs for Current Planning, Comprehensive Planning, Building Safety and Code Compliance. Planning staff analyzed all services in the current study and are presenting 49 user fees for consideration which includes 10 new service fees

that were identified. The last complete study of Planning user fees occurred in 2009. Council approved rates based on a 50% cost recovery policy. The new user fee study shows that Planning is currently recovering 37% of service costs.

Planning and Development Services fees fall in two general categories: flat fees and tiered fees. Tiered fees include a flat fee plus either a per acre or per lot fee. All of these fees were last increased in 2013. At that time Planning fees increased by 42% in part to fund an Associate Planner position. The estimated cost recovery was 71% of the costs to provide the service. It should be noted that the current study was much more comprehensive in identifying not only our costs within the Section, but also administrative overhead associated with organization support. So while the costs of providing services has increased, the current study captures costs not previously included.

Planning is recommending a mix of recovery percentages based on the type and purpose of the application. Applications which are required at the beginning of the process and are intended to help an owner decide if they wish to proceed with a project such as concept plan and concept plat have been kept well below the full cost recovery. For several services the sample size for the study year only included one application, which does not reflect an average of several applications. Staff is recommending 100% cost recovery for 16 of the 23 flat fees presented in the study.

There are also a number of tiered fees which include a flat base fee and an additional fee based on the acreage or number of lots of the project. These include zoning map amendments, general plan amendments and subdivisions. After completing the cost analysis for these fees, it became extremely difficult to identify which portion of the fee should be increased, either the base or increment. For this reason, staff is recommending a uniform 20% increase on all tiered fees. The fee table provides examples of projects with a sample acreage size or lot count.

Staff has also identified a number of services which currently have no fee. New fees are shown on the bottom of the spreadsheet and include a fee for the review of lighting permits, temporary uses and home occupations.

Engineering:

The Engineering Section consists of programs for Transportation Engineering, Development Engineering and Construction Inspection & Testing. Engineering staff analyzed all services in the current study and are presenting 11 user fees for consideration of which includes 3 new service fees that were identified. The last complete study of Engineering user fees occurred in 2009. Council approved rates based on a 50% cost recovery policy. The new user fee study shows that Engineering is currently recovering 36% of service costs.

Engineering Section currently has eight (8) fee categories. These fees were established in the last MGT study in 2009 except that the Materials Testing fee was established in FY14 at the time that we eliminated our Laboratory and then contracted these services to private sector. Materials Testing fee is based on 100% recovery of the amount paid to the private sector service provider. All other fees are based on the 50% cost recovery policy established by City Council.

The current MGT study has shown that our actual revenue collected from the established fees is not tracking with the established cost recovery policy and adjustments are required to either target the current cost recovery policy or another level of recovery as directed by City Council. In addition, we have identified three (3) new service fees that will help staff more accurately charge our customers for the services we provide. In the case of the Inspections (capital improvements) we have recognized that a 1% credit is due since Development Engineering Project Managers are not involved with capital projects to the extent they are involved with private development projects. We have created a new Parking Lot Maintenance Permit to help existing businesses comply with current standards for handicapped parking spaces (including van accessibility) and parking stall/isle widths. And, we have formally established an

in-lieu fee for chip seal treatments associated with new pavements. This fee is collected for all new asphalt pavement placed and transferred to the Street Maintenance Program for installation as part of the city-wide annual maintenance projects.

Staff recommends that the cost recovery for fees that are associated with project site plan approval (Traffic Impact Analysis) remain at the current cost recovery policy of 50%. For all other engineering fees, that are associated with construction of public improvements (soils reports, construction plan review, inspections, materials testing and parking lot maintenance permits), staff recommends that a cost recovery of 100% be established so that public funds are not supplementing construction of developments.

Fire:

The Fire Department provides services to the community through the extension of Operations (Emergency Medical Services, Fire Suppression, Special Operations), Wildland Fire Management, Community Risk Reduction, and Emergency Management.

The services for which fees are collected are categorized as follows:

- Development Permits (Construction) which recover costs typically for plan review and inspection of new/modified life safety/fire protection systems.
- Operational Permits which recover costs supporting permit issuance for special fire and life safety risks caused by storage or operations in businesses as identified by the International Fire Code.
- Special Events which recover plan review and inspection costs to ensure minimum Fire and Life Safety Standards are in place for special events.
- Wildfire Management which recover costs associated with plan review, inspections, and services in support of the implementation of the Wildland Urban Interface code.
- Staff/Labor which recover costs of special inspections or standby of emergency response personnel.

The Fire Department fee schedule is expanded significantly to address gaps in the user fee schedule and inequities caused by lack of scale, e.g. the same for plan review/inspections for a 5000 square foot structure and a 250,000 square foot structure. The existing fee schedule is approximately 15 user fees across the range of services listed above. The new study recommends 80 user fees to address the full range of services/permits issued by the fire department while also addressing the issue of scale. The existing policy target for cost recovery for fire department services is established at 30%. The study estimates the Fire Department recovery rate currently is 24%.

Staff recommends a mixed level of cost recovery based upon Council, community, and feedback. The recommendations for cost recovery are as follows:

- Development Permits: 100%
- Operational Permits: 40%
- Special Events: 100%-50% for Non-Profit Events.
- Wildfire Management: 9%
- Staff Labor: 100%

Recreation:

The Recreation Section consist of programs to run four activity centers, adult athletics, and community services/events. The new user fee study shows that Recreation is currently recovering 46% of service costs and cost recovery will be lowered to 38% as a result of new minimum wage requirements. During the February 15, 2017 Budget Retreat, staff recommended to not change any existing user fees. Council agreed with staff's recommendation and therefore no increase is being presented at this time.

Title 4 Amendments:

This ordinance will also address an update to Title 4 as it relates to Building permits and fees. In the past

building permit fees were adopted by motion. The ordinance will provide that building permit fees be adopted by resolution. Proposed increases to building permit fees are being presented in a separate staff report. The ordinance also includes clerical revisions, and removes references to outdated methodology.

Expanded Financial Considerations:

The City is considering the adoption of the FY 2018 budget which includes an incremental revenue increase in the amount of \$670,000 to be generated through new or increased rates of existing user fees. Should the City not adopt these fees, the City Manager will evaluate the continuation of certain program expenditures to keep the City budget balanced.

Community Involvement:

Inform and Involve

On February 15, 2017 the City held a Budget Retreat which was open to the public to attend. On April 6, 2017, the City posted a Notice of Proposed New or Increased Fees on the City website and provided notification through City social media resources. This process is required pursuant to Arizona Revised Statute Section 9-499.15. In addition City staff provided outreach to the community by meeting directly with certain business groups as well as having two open houses with several agencies invited to attend.

Special Events Coordinators (March 14th - Fire)

Fire Protection Contractors (April 4th – Fire)

Northern Arizona Builders Association (April 12th - Fire)

Planning & Zoning Commission (April 26th - Planning/Engineering)

Northern Arizona Builders Association (May 10th - All)

Chamber of Commerce (May 18th – Fire)

Transportation Commission (June 7th)

Open Houses April 27th & May 1st (All) invitees included:

- Northern Arizona Association of Realtors
- Chamber of Commerce
- Consultants and Contractors
- Developers & Applicants
- Utility Companies
- Downtown Business Alliance
- Neighborhood Groups
- Friends of Flagstaff's Future

Attachments:

[Ord. 2017-16](#)

[Fee Change Crosswalk](#)

[User Fee Study](#)

[Planning Outreach Document](#)

[Fire Outreach Document](#)

[Fire Outreach City Comparison](#)

[Engineering Outreach Document](#)

ORDINANCE NO. 2017-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, *BUSINESS REGULATIONS*, CHAPTER 3-10, *USER FEES*, TO INCREASE OR MODIFY FEES FOR PLANNING, ENGINEERING, AND FIRE DEPARTMENT SERVICES AND AMENDING PROCEDURES RELATED TO ANNUAL REVIEW AND ADJUSTMENT OF FEES; AMENDING TITLE 4, *BUILDING REGULATIONS*, CHAPTER 4-03, *INTERNATIONAL BUILDING CODE*, TO PROVIDE FOR ADOPTION OF FEES BY RESOLUTION; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City Council desires to increase fees charged for Planning, Engineering, and Fire Department services to help recoup City administrative costs and expenses;

WHEREAS, the City has posted notice of the proposed fee changes in conformance with A.R.S. § 9-499.15 et seq;

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-08, *User Fees*, is hereby amended repealing Section 3-10-001-001-000, *Planning*, and adopting a new Section 3-10-001-000-0001, *Planning*, to establish updated user fees for Planning effective August 1, 2017 as follows:

3-10-001-0001 Planning

Annexation	\$	2,020
Appeals - Building Fire Code Board of Appeals (Building Official)	\$	2,130
Appeals - Board of Adjustments	\$	1,090
Appeals - Planning Commission and City Council	\$	1,720
Appeals of Dedication and Exactions	\$	500
Comprehensive Sign Program	\$	700
Conditional/Special Use Permit	\$	3,000
Conditional/Special Use Permit – Extensions/Renewals	\$	1,555
Continuance	\$	500

Development Agreement – Major	\$	10,000
Development Agreement – Minor	\$	5,000
Extension of Site Plan	\$	810
General Plan Amendment - Specific Plan	\$	4,290
General Plan Amendment - Specific Plan Per Acre	\$	160
General Plan Map - Major Per Acre	\$	415
General Plan Map Amend – Major	\$	3,340
General Plan Map Amend - With Rezoning (minor)	\$	5,630
General Plan Map Amend - With Rezoning per Acre (minor)	\$	320
Historic Preservation Review	\$	65
Minor Improvement Permit	\$	80
Outdoor Lighting Permit	\$	130
Sign Permit – Permanent Sign/Each Permit	\$	90
Site Plan Review – Concept	\$	420
Site Plan Review – Minor Amendment	\$	345
Site Plan Review – Per Acre	\$	1,553
Site Plan Review – Site	\$	2,550
Subdivision Plats - Boundary Adjustment	\$	175
Subdivision Plats – Concept Plat	\$	440
Subdivision Plats – Development Master Plan	\$	2,014
Subdivision Plats – Development Master Plan/Acre	\$	290
Subdivision Plats – Final Plat Submittal	\$	1,840
Subdivision Plats - Land Split/Combination	\$	565
Subdivision Plats - Map of Dedication	\$	1,440
Subdivision Plats – Preliminary Plat Submittal	\$	5,395
Subdivision Plats – Preliminary Plat/Lot	\$	145
Subdivision Plats - Preliminary Plat Amendment	\$	935
Subdivision Plats - Preliminary Plat Extension	\$	830
Temporary Sign	\$	65
Temporary Use Permit	\$	345
Variance	\$	1,140
Zoning Map Amendment - Large Scale	\$	7,365

Zoning Map Amendment - Large Scale per Acre	\$	155
Zoning Map Amendment - Medium Scale	\$	5,010
Zoning Map Amendment - Medium Scale per Acre	\$	155
Zoning Map Amendment - Multi Phase	\$	7,365
Zoning Map Amendment - Multi Phase per Acre	\$	155
Zoning Map Amendment - Small Scale	\$	3,265
Zoning Map Amendment - Small Scale per Acre	\$	155
Zoning Verification – Letter	\$	190

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-08, *User Fees*, is hereby amended by repealing Section 3-10-001-0002, *Engineering*, and adopting a new Section 3-10-001-0002, *Engineering*, to establish the updated user fees for Engineering effective August 1, 2017:

3-10-001-0002 Engineering

Engineering Fees

Soils Report Review	\$	59	
Public Improvement Plan Review	\$	513	
Inspections (Private Development)		8.00	%
Inspections (Right of Way Permit)	\$	547	
Traffic Impact Analysis Level 1	\$	1,128	
Traffic Impact Analysis Levels 2 & 3	\$	3,785	
Traffic Impact Analysis Levels 4 & 5	\$	10,280	
Materials Testing (Private & Capital)		3.00	%
Inspections (Capital Improvements)		7.00	%
Traffic Impact Analysis (3rd & Subsequent Review)	\$	15,795	
Parking Lot Maintenance Permit	\$	186	
Chip Seal Fee	\$	4.50	Unit
Stormwater-1st – Construction & Grading – Drainage Report	\$	266	
Stormwater-1st – Construction & Grading – Engineering Review, per Sheet	\$	166	

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-08, *User Fees*, is hereby amended repealing Section 3-10-001-0003, *Fire Department*, and adopting a new Section 3-10-001-0003, *Fire Department*, to establish updated user fees for the Fire Department effective August 1, 2017 as follows:

3-10-001-0003 Fire Department

Fire Fees

Special Events

Carnivals and Fairs	\$	114
Exhibits and Trade Shows	\$	114
Open Burning (Fire Pit - see Code for items in this category)	\$	139
Open Flames and Candles – Annual	\$	139
Pyrotechnic Special Effects Material (See Code for specifics)	\$	171
Special Event Inspection	\$	114
Special Event Review Plan Review	\$	46
Temporary Membrane Structures-Tents ≥ 400 sq. ft	\$	90
Temporary Membrane Structures-Tents ≥ 700 sq. ft /Multiple Tents	\$	155
Special Event (Non Profit) Community Organization	\$	50% of Estab Fee

Operational Permits

Blasting	\$	43
Combustible Dust and Fiber Producing Operations	\$	95
Dry Cleaning Plants	\$	84
Firework Sales –Temporary	\$	464
Fuel Dispensing-Operations Inspection	\$	121
Haz Materials Permits (Annual)	\$	74
Hood Inspection-Operations Inspection	\$	19
Hot Work	\$	75
Hotel Inspections	\$	124
Liquid or Gas Fueled Vehicle/Equip in Assembly Bldg.	\$	84
Places of Assembly - Bars and Restaurants	\$	114
Garages/Motor Fuel Dispensing Facilities	\$	189
Sales Tax License Review/Approval	\$	15
Spray Room/Area or Dipping Ops	\$	149

State License (Educational)	\$	34
State License (Institutional) 16 < Patients	\$	100
State License (Institutional)	\$	182
State License/Other	\$	34
Storage - High Piled	\$	46
Storage - Misc Combustible	\$	46
Storage - Scrap Tires/Tire Byproducts	\$	51

New Construction - Plan Review

Alt Extinguishing Sys Plan Review-Specialized Sys 1-5,000 sq ft	\$	85
Alt Extinguishing Sys Plan Review - Additional 5,000 sq ft or fraction thereof	\$	57
Auto Hood Sys Plan Review	\$	43
Fire Alarm Sys Plan Review 1-10,000 sq ft	\$	100
Fire Alarm Sys Plan Review 10,001-50,000 sq ft	\$	130
Fire Alarm Sys Plan Review - Each additional 50,000 sq ft or fraction thereof	\$	85
Fire Sprinkler Sys (TI) Plan Review 21-50 Heads	\$	43
Fire Sprinkler Sys (TI) Plan Review 51-100 Heads	\$	57
Fire Sprinkler Sys (TI) Plan Review 101-500 Heads	\$	85
Fire Sprinkler Sys Comm. Plan Review - 1-10,000 sq ft	\$	100
Fire Sprinkler Sys Comm. Plan Review - 10,001-50,000 sq ft	\$	130
Fire Sprinkler Sys Comm. Plan Review - Each additional 50,000 sq ft or fraction thereof	\$	90
Fire Sprinkler Sys Comm. Plan Review - Each like story above or below first	\$	28
Fire Sprinkler Sys Res Plan Review	\$	43
Plan Reviews – Additional	\$	77

New Construction – Inspections

Alt Extinguishing Sys New Install - Specialized Sys 1-5,000 sq ft	\$	188
Alt Extinguishing Sys New Install - Additional 5,000 sq ft or fraction thereof	\$	142
Auto Hood Sys New Install and Inspection - Single Sys	\$	90
Auto Hood Sys - Mods and Inspection to Existing Hood Sys	\$	90
Auto Hood Sys New Install and Inspection - Each Add'l System	\$	66
Fire Alarm Sys Mod./TI - Panel or Monitoring Mod.	\$	90

Fire Alarm Sys Mod./TI 1-5 Devices	\$	71
Fire Alarm Sys Mod./TI > 5 Devices	\$	100
Fire Alarm Sys New Install 1-2000 sq ft	\$	62
Fire Alarm Sys New Install 2,001-10,000 sq ft	\$	76
Fire Alarm Sys New Install 10,001-50,000 sq ft	\$	100
Fire Alarm Sys New Install - Each additional 50,000 sq ft or fraction thereof	\$	100
Fire Pumps or Sys-New Install/Mod - Mod. to existing fire pump	\$	242
Fire Pumps or Sys-New Install/Mod - Single Pump	\$	500
Fire Pumps or Sys-New Install/Mod - Additional Pumps	\$	242
Fire Sprinkler Sys (TI) Install 1-20 Heads Inspection	\$	57
Fire Sprinkler Sys (TI) Install 21-100 Heads Inspection	\$	85
Fire Sprinkler Sys (TI) Install 101-500 Heads Inspection	\$	114
Fire Sprinkler Sys Comm. Install 5,000-10,000 sq ft Inspection	\$	162
Fire Sprinkler Sys Comm. Install 10,001-50,000 sq ft Inspection	\$	209
Fire Sprinkler Sys Comm. Install - Each additional 50,000 sq ft or fraction thereof Inspection	\$	162
Fire Sprinkler Sys Res Install - Rough In/Insulation Inspection	\$	71
Fire Sprinkler Sys Res Install - Final Inspection	\$	71
Fire Sprinkler Sys Res Install - Final (Over to 5,000 sq ft) Inspection	\$	81
Standpipes-New Install/T.I. - Mod. to existing standpipe Inspection	\$	255
Standpipes-New Install/T.I.- Initial Install 1-4 Standpipes 1 Inspection	\$	171
Standpipes-New Install/T.I. - Additional Standpipes	\$	279
Underground Fire Line - Test/flush, per 100 ft Inspection	\$	116

Staff -Labor Costs

Fire Watch - Per Person Per Hour	\$	52
Inspection – Repeat	\$	186
Inspections - Additional Inspection (Hourly Rate)	\$	71
Inspections - Repeat Inspection (Non- compliance)	\$	71
Standby Personnel (per person/hour)	\$	52

Wildfire Management

Fuel Management Operation	\$	400
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Fuel Management Plan Review	\$	50
Environmental Clearance Letter	\$	50

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-08, *User Fees*, Sections 3-10-001-0009 and 3-10-001-0010 are hereby amended by adopting procedural changes as set forth below (redlines reflect additions and deletions):

3-10-001-0009 Annual Adjustments; ADOPTION; VERIFICATION.

THE CITY COUNCIL MAY INCREASE OR ESTABLISH NEW USER FEES AFTER PUBLICATION OF NOTICE OF THE PROPOSED NEW OR INCREASED FEES PURSUANT TO A.R.S. § 9-499.15. ADDITIONAL NOTICE AND PUBLIC HEARING REQUIREMENTS MAY APPLY TO CERTAIN KINDS OF FEES, INCLUDING BUT NOT LIMITED TO UTILITY FEES, AND DEVELOPMENT IMPACT FEES, AND THE CITY ATTORNEY SHALL BE CONSULTED TO CONFIRM APPLICABLE REQUIREMENTS PRIOR TO ADOPTION. THE FEES SHALL BE ADOPTED BY ORDINANCE (WHICH SHALL THEN BE SET FORTH IN THE CITY CODE) OR BY RESOLUTION (WHICH SHALL THEN BE POSTED ON THE CITY WEBSITE AND SHALL BE AVAILABLE UPON REQUEST FROM THE CITY CLERK). IT SHALL BE THE RESPONSIBILITY OF USER TO VERIFY THE CURRENT FEES. IN THE EVENT CITY STAFF CHARGES THE INCORRECT FEE(S) IN ERROR, UPON DISCOVERY THE CITY WILL PROMPTLY ISSUE AN INVOICE WITH THE CORRECTION AND USER SHALL PAY ANY BALANCE DUE WITHIN THIRTY (30) DAYS OR SUCH LONGER PERIOD OF TIME APPROVED BY THE CITY FINANCE DIRECTOR.

The Flagstaff City Code, Title 4, *Building Regulations*, Chapter 4-03, *International Building Code*, Section 4-01-001-0005, *Amendments, Additions, and Deletions*, are hereby amended in part by adopting changes as set forth below (redlines reflect changes to amendments to the standard codes set forth in the City Code; IRC refers to International Residential Code, IBC refers to International Building Code):

Amend Sections R109.5 IRC and 109.5 IBC, Related Fees, by adding:

The CITY COUNCIL WILL ADOPT A RESOLUTION ESTABLISHING fee scheduleS FOR APPLICABLE BUILDING AND PERMITTING FEES, AFTER PUBLICATION OF NOTICE OF ANY PROPOSED NEW OR INCREASED FEE PURSUANT TO A.R.S. § 9-499.15.

SECTION 2. Penalties.

Any person convicted of a violation of this ordinance is guilty of a misdemeanor and shall be fined a sum not to exceed two thousand five hundred dollars (\$2,500.00) and may be sentenced to confinement in jail for a period not to exceed ninety (90) days for any one offense, all in accordance with the Flagstaff City Code Chapter 1-04. Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

SECTION 3. Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed.

SECTION 4. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. Effective Date.

This ordinance shall become effective August 1, 2017.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of June, 2017.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

S:\Legal\Civil Matters\2017\2017-151 CD and Fire Services Fee Increases\Ord 2017-16 v1 (3).doc

City of Flagstaff
Ordinance No. 2017-16
Fee Change Crosswalk

Yellow = New Fee

Description	Current Fees	Proposed Fees August 1, 2017
PLANNING FEES		
CUP Cond./Special Use Permit — Non-Residential	\$ 1,891	\$ -
CUP Cond./Special Use Permit — Schools, Public Buildings, Religious-Churches	\$ 2,258	\$ -
Engineering Public Improvement Plan Check	\$ -	\$ -
IDS/Site Plan Review — > 1 Acre	\$ 1,062	\$ -
IDS/Site Plan Review — P&Z Review/Appeal	\$ 2,408	\$ -
Rezoning — Commercial	\$ 4,175	\$ -
Rezoning — Commercial per Acre	\$ 118	\$ -
Rezoning — Industrial	\$ 4,175	\$ -
Rezoning — Industrial per Acre	\$ 125	\$ -
Sign Permit — ROW or Illegal Sign Removal	\$ 40	\$ -
Subdivision Plats — IDS Formal Submission	\$ 1,081	\$ -
Subdivision Plats — Preliminary Plat Extension (a)	50%	0%
Subdivision Plats — Preliminary Plat Revision After Approval (a)	25%	0%
Subdivision Plats — Tentative Plat per Lot	\$ 120	\$ -
Variance — Non-Profit	\$ 670	\$ -
Variance — Non-Residential	\$ 670	\$ -
Variance — Residential	\$ 670	\$ -
Zoning Verification — Liquor License	\$ 63	\$ -
Annexation	\$ 1,788	\$ 2,020
Appeals - Bldg Building Fire Code Board of Appeals (Building Official)	\$ -	\$ 2,130
Appeals — Board of Adjustments	\$ 995	\$ 1,090
Appeals — Planning Commission and City Council	\$ 1,056	\$ 1,720

City of Flagstaff
Ordinance No. 2017-16
Fee Change Crosswalk

Yellow = New Fee		
Description	Current Fees	Proposed Fees August 1, 2017
Appeals of Dedication and Exactions		\$ 500
Sign Permit — Comprehensive Sign Program Review	\$ 700	\$ 700
CUP Conditional/Special Use Permit — Residential	\$ 1,135	\$ 3,000
Conditional/Special Use Permit – Extensions/Renewals (a)		\$ 1,555
Continuance	\$ 457	\$ 500
Development Agreement - Major		\$ 10,000
Development Agreement - Minor		\$ 5,000
Rezoning — Extension Extension of Site Plan	\$ 809	\$ 810
Gen. Plan Amend — Specific Plan/Text General Plan Amend - Specific Plan	\$ 3,576	\$ 4,290
Gen. Plan Amend — Specific Plan/Text per Acre General Plan Amend - Specific Plan Per Acre	\$ 133	\$ 160
Gen. Plan Amend — Land Use per Acre General Plan Map - Major Per Acre	\$ 334	\$ 415
Gen. Plan Amend — Land Use General Plan Map Amend - Major	\$ 2,782	\$ 3,340
Gen. Plan Amend — w/Rezoning per Acre General Plan Map Amend - With Rezoning (minor)	\$ 4,692	\$ 5,630
Gen. Plan Amend — w/Rezoning per Acre General Plan Map Amend - With Rezoning per Acre (minor)	\$ 266	\$ 320
Historic Preservation Review (EV) — Cert. of Appropriateness	\$ 40	\$ 65
Zoning Permit Minor Improvement Permit	\$ 75	\$ 80
Outdoor Lighting Permit		\$ 130
IDS /Site Plan Review – Concept	\$ 355	\$ 420
IDS /Site Plan Review – Revisions Minor Amendment	\$ 295	\$ 345
IDS /Site Plan Review – Per Acre	\$ 1,294	\$ 1,553
IDS/Site Plan Review — < 1 Acre Site Plan Review - Site	\$ 2,124	\$ 2,550
Subdiv. Plats — Lot Split Subdivision Plats - Boundary Adjustment	\$ 81	\$ 175
Subdivision Plats — IDS Concept Plat	\$ 355	\$ 440

City of Flagstaff
Ordinance No. 2017-16
Fee Change Crosswalk

Yellow = New Fee

Description	Current Fees	Proposed Fees August 1, 2017
Subdivision Plats – Development Master Plan	\$ 1,678	\$ 2,014
Subdivision Plats – Development Master Plan/ per Acre	\$ 241	\$ 290
Subdivision Plats – Final Plat Submittal	\$ 1,244	\$ 1,840
Subdiv. Plats – Minor Land Division- Subdivision Plats - Land Split/Combination	\$ 892	\$ 565
Subdivision Plats - Map of Dedication		\$ 1,440
Subdivision Plats – Preliminary Plat Submittal	\$ 4,496	\$ 5,395
Subdivision Plats – Preliminary Plat/ per Lot	\$ 121	\$ 145
Subdivision Plats - Prem Plat Amendment		\$ 935
Subdivision Plats - Prem Plat Extension		\$ 830
Temporary Sign		\$ 65
Temporary Use Permit		\$ 345
Variance – Single Family Residential	\$ 670	\$ 1,140
ZMA Zoning Map Amendment- Large Scale Rezoning – High Density- Residential	\$ 6,137	\$ 7,365
ZMA Zoning Map Amendment- Large Scale per Acre Rezoning – High Density- Residential – Per Acre	\$ 129	\$ 155
Rezoning – Medium Density Residential- ZMA Zoning Map Amendment- Medium Scale	\$ 4,175	\$ 5,010
Rezoning – Medium Density Residential – Per Acre ZMA Zoning Map Amendment - Medium Scale per Acre	\$ 129	\$ 155
ZMA Zoning Map Amendment - Multi Phase	\$ 6,137	\$ 7,365
ZMA Zoning Map Amendment - Multi Phase per Acre	\$ 129	\$ 155
Rezoning – Low Density Residential- ZMA Zoning Map Amendment- Small Scale	\$ 2,718	\$ 3,265
Rezoning – Low Density Residential – Per Acre ZMA Zoning Map Amendment- Small Scale per Acre	\$ 129	\$ 155
Zoning Verification – Letter	\$ 234	\$ 190
Sign Permit – Standard Sign Permanent Sign/Each Permit	\$ 307	\$ 90

City of Flagstaff
Ordinance No. 2017-16
Fee Change Crosswalk

Yellow = New Fee

Description	Current Fees	Proposed Fees August 1, 2017
ENGINEERING FEES		
Public Improvement Inspection — Road	1.55%	0.00%
Public Improvement Inspection — Drainage	4.71%	0.00%
Public Improvement Inspection — Sewer	3.31%	0.00%
As-Built — Revisions to Original Plans	0.24%	0.00%
Soils Report Review	\$ 59	\$ 59
Public Improvement Plan Check — Road/Drainage/Water/Sewer Review	\$ 395	\$ 513
Public Improvement Inspection — Water Inspections (private development)	2.57%	8.00%
General ROW Permit Inspections (ROW Right of Way Permit)	\$ 275	\$ 547
Traffic Impact Analysis — 0 and Level 1	\$ 469	\$ 1,128
Traffic Impact Analysis — 2M Levels 2 & 3	\$ 8,456	\$ 3,785
Traffic Impact Analysis — 2L + 2 Multi Levels 4 & 5	\$ 11,387	\$ 10,280
Materials Testing as a Percentage of the Public (private & capital) Improvement Construction Cost	2.15%	3.00%
Inspections (Capital Improvements)	2.23%	7.00%
Parking Lot Maintenance Permit		\$ 186
Chip Seal Fee	\$ 4.50	\$4.50/Unit
Stormwater-1st — Construction & Grading — Drainage Report	\$ 266	\$ 266
Stormwater-1st — Construction & Grading — Engineering Egr Review, per Sheet	\$ 166	\$ 166

City of Flagstaff
Ordinance No. 2017-16
Fee Change Crosswalk

Yellow = New Fee

Description	Current Fees	Proposed Fees August 1, 2017
FIRE DEPARTMENT		
Special Events		
Carnivals and Fairs	\$ 60	\$ 114
Exhibits and Trade Shows		\$ 114
Open Burning (Fire Pit - see Code for items in this category)	\$ 50	\$ 139
Open Flames and Candles - Annual	\$ 50	\$ 139
Pyrotechnic Special Effects Material (See Code for specifics)		\$ 171
Special Event Inspection		\$ 114
Special Event Review Plan Review		\$ 46
Temporary Membrane Structures-Tents ≥ 400 sq. ft	\$ 50	\$ 90
Temporary Membrane Structures-Tents ≥ 700 sq. ft /Multiple Tents	\$ 50	\$ 155
Special Event (Non Profit) Community Organization		50% of Estab Fee
Operational Permits		
Blasting		\$ 43
Combustible Dust and Fiber Producing Operations		\$ 95
Dry Cleaning Plants		\$ 84
Fireworks Temporary structure such as a stand, tent, or canopy used for the purpose of retail display or sale of consumer fireworks to the public Firework Sales -Temporary	\$ 197	\$ 464
Fireworks Permanent building or structure	\$ 1,453	
Fuel Dispensing-Operations Inspection	\$ 70	\$ 121
Haz Materials Permits (Annual)		\$ 74
Kitchen Hood Inspections Hood Inspection-Operations Inspection	\$ 60	\$ 19
Hot Work		\$ 75
Hotel inspections	\$ 100	\$ 124
Liquid or Gas Fueled Vehicle/Equip in Assembly Bldg.		\$ 84
Bar Inspection Places of Assembly - Bars and Restaurants	\$ 100	\$ 114
Fuel Management Plan Review	\$ 50	\$ 50
Auto Repair Inspection Repair Garages/Motor Fuel Dispensing Facilities	\$ 70	\$ 189
Sales Tax License Review/approval		\$ 15
Spray Room/Area or Dipping Ops	\$ 70	\$ 149
State License (Educational)		\$ 34
State Commercial Health State License (Institutional) 16 < Patients	\$ 100	\$ 100
State License (Institutional)	\$ 100	\$ 182
State License/Other	\$ 100	\$ 34
Storage - High Piled		\$ 46
Storage - Misc Combustible		\$ 46
Storage - Scrap Tires/Tire Byproducts		\$ 51
New Construction - Plan Review		
Alt Extinguishing Sys Plan Review - Specialized Sys 1-5,000 sq ft		\$ 85
Alt Extinguishing Sys Plan Review - Additional 5,000 sq ft or fraction thereof		\$ 57

City of Flagstaff
Ordinance No. 2017-16
Fee Change Crosswalk

Yellow = New Fee

Description	Current Fees	Proposed Fees August 1, 2017
Auto Hood Sys Plan Review	\$ 60	\$ 43
Fire Alarm Sys Plan Review 1-10,000 sq ft	\$ 70	\$ 100
Fire Alarm Sys Plan Review 10,001-50,000 sq ft	\$ 70	\$ 130
Fire Alarm Sys Plan Review - Each additional 50,000 sq ft or fraction thereof		\$ 85
Sprinkler Plan Review Fire Sprinkler Sys (TI) Plan Review 21-50 Heads	\$ 100	\$ 43
Fire Sprinkler Sys (TI) Plan Review 51-100 Heads	\$ 100	\$ 57
Fire Sprinkler Sys (TI) Plan Review 101-500 Heads	\$ 100	\$ 85
Fire Sprinkler Sys Comm. Plan Review - 1-10,000 sq ft	\$ 100	\$ 100
Fire Sprinkler Sys Comm. Plan Review - 10,001-50,000 sq ft	\$ 100	\$ 130
Fire Sprinkler Sys Comm. Plan Review - Each additional 50,000 sq ft or fraction thereof		\$ 90
Fire Sprinkler Sys Comm. Plan Review - Each like story above or below first	\$ 60	\$ 28
Fire Sprinkler Sys Res Plan Review	\$ 100	\$ 43
Plan Reviews - Additional		\$ 77
New Construction - Inspections		
Alt Extinguishing Sys New Install - Specialized Sys 1-5,000 sq ft		\$ 188
Alt Extinguishing Sys New Install - Additional 5,000 sq ft or fraction thereof		\$ 142
Auto Hood Sys New Install and Inspection - A Single Sys		\$ 90
Auto Hood Sys - Mods and Inspection to existing hood Sys		\$ 90
Auto Hood Sys New Install and Inspection - Each Add'l System		\$ 66
Fire Alarm Sys Mod./TI - Panel or monitoring Mod.		\$ 90
Alarm System Install Fire Alarm Sys Mod./TI 1-5 devices	\$ 90	\$ 71
Fire Alarm Sys Mod./TI > 5 devices	\$ 90	\$ 100
Fire Alarm Sys New Install 1-2000 sq ft	\$ 90	\$ 62
Fire Alarm Sys New Install 2,001-10,000 sq ft	\$ 90	\$ 76
Fire Alarm Sys New Install 10,001-50,000 sq ft	\$ 90	\$ 100
Fire Alarm Sys New Install - E) Each additional 50,000 sq ft or fraction thereof		\$ 100
Fire pumps or Sys-New Install/Mod - Mod. to existing fire pump		\$ 242
Fire pumps or Sys-New Install/Mod - Single Pump		\$ 500
Fire pumps or Sys-New Install/Mod - Additional Pumps		\$ 242
Sprinkler Install Inspection Fire Sprinkler Sys (TI) Install 1-20 Heads Inspection	\$ 60	\$ 57
Fire Sprinkler Sys (TI) Install 21-100 Heads Inspection	\$ 120	\$ 85
Fire Sprinkler Sys (TI) Install 101-500 Heads Inspection	\$ 120	\$ 114
Fire Sprinkler Sys Comm. Install 5,000-10,000 sq ft Inspection	\$ 120	\$ 162
Fire Sprinkler Sys Comm. Install 10,001-50,000 sq ft Inspection	\$ 120	\$ 209
Fire Sprinkler Sys Comm. Install - Each additional 50,000 sq ft or fraction thereof Inspection		\$ 162
Fire Sprinkler Sys Res Install - Rough In/Insulation Inspection	\$ 60	\$ 71

City of Flagstaff
Ordinance No. 2017-16
Fee Change Crosswalk

Yellow = New Fee

Description	Current Fees	Proposed Fees August 1, 2017
Fire Sprinkler Sys Res Install - Final Inspection	\$ 60	\$ 71
Fire Sprinkler Sys Res Install - Final (Over to 5,000 sq ft) Inspection	\$ 60	\$ 81
Standpipes-New Install/T.I. - Mod. to existing standpipe Inspection		\$ 255
Standpipes-New Install/T.I.- Initial Install 1-4 Standpipes 1 Inspection		\$ 171
Standpipes-New Install/T.I. - Additional Standpipes		\$ 279
Underground Fire line - Test/flush, per 100 ft Inspection		\$ 116
Staff -Labor Costs		
Fire Watch - Per Person Per Hour	\$ 35	\$ 52
Inspection - Repeat		\$ 186
Inspections - Additional Inspection (Hourly Rate)		\$ 71
Inspections - Repeat Inspection (Non- compliance)		\$ 71
Standby Personnel (per person/hour)	\$ 35	\$ 52
Environmental clearance letter	\$ 50	\$ 50
Fuel Management work Operation	\$ 400	\$ 400



Cost Of Services Study

EXECUTIVE SUMMARY



May, 2017

EXECUTIVE SUMMARY

Introduction

MGT Consulting Group (MGT) is pleased to present City of Flagstaff with this summary of findings for the cost of services study for fee-related activities.

City of Flagstaff has a long history of reviewing its fees and charges. The last detailed review was conducted in 2009. At the time, the City felt it important to accurately report the true full cost of providing various fee-related services, and exploring the possibilities of modifying current fees to better reflect cost. Since that initial study, the City has annually reviewed individual departmental user fee levels as needed. However, as city operating costs and department processes changed year to year, it was clear that the cost to provide services changed as well and a more thorough study was needed to reflect those changes in cost. In 2015 it was determined that a new full review of user fee services in specific departments was necessary to maintain confidence in the accuracy of fees. The City contracted with MGT to perform an updated cost analysis using 2014 fiscal year expenditures, staffing information and the fee schedules currently in place.

MGT has conducted hundreds of user fee studies throughout the United States and therefore has access to quality data and best practices, which guided this fee study process. MGT employed a defensible and transparent calculation methodology, and intuitive and powerful spreadsheet calculation models, which are fully customized for the City and can be used by City staff for future fee updates.

This report is the culmination of a collaborative effort between MGT and City staff. This study took place over the course of many months and involved multiple site visits to meet with program management and staff in order to design the study, collect data, review MGT's analysis, and finally to develop recommendations for fee adjustments for the Council's review. MGT would like to take this opportunity to acknowledge all City staff who participated on this project for their efforts and coordination. Their responsiveness and continued interest in the outcome of this study contributed greatly to its success.

Study Scope and Objectives

This study included a review of fee-for-service activities within the following departments/divisions:

- ◆◆ Community Development
 - Planning and Development
 - Engineering
- ◆◆ Fire
- ◆◆ Recreation

The study was performed under the general direction of the City Management Services Department. The primary goals of the study were to:

- ◆◆ Define what it costs the City to provide various fee-related services.
- ◆◆ Determine whether there are any opportunities to implement new fees.

- ◆◆ Identify service areas where the City might adjust fees based on the full cost of services and other economic or policy considerations.
- ◆◆ Develop revenue projections based on recommended increases (or decreases) to fees.

The information summarized in this report, and the detail departmental charts submitted under separate cover, addresses each of these issues and provides City of Flagstaff with the tools necessary to make informed decisions about possible fee adjustments and the resulting impact on general fund revenues.

Study Findings

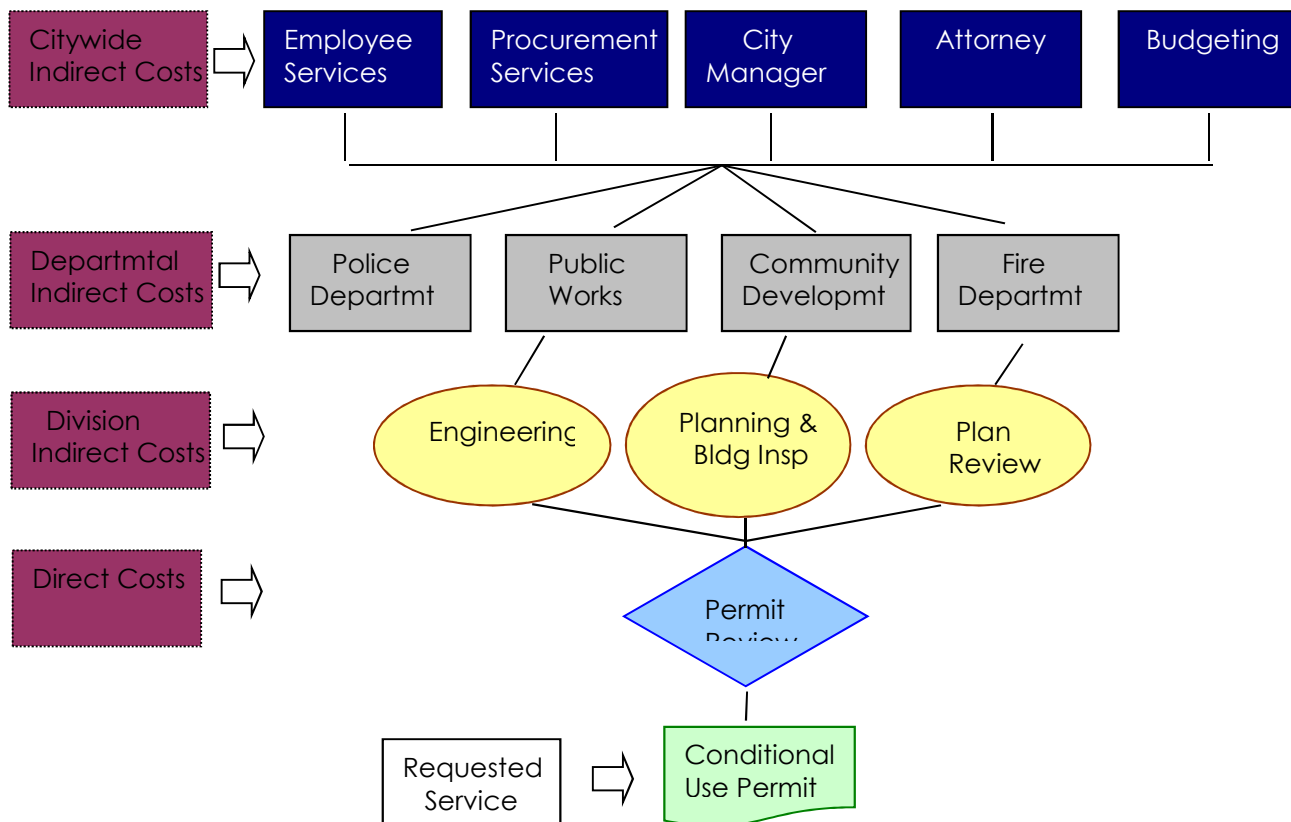
While the purpose of this study is to identify the cost of fee-related activities, one of the outcomes of the analysis is to provide a complete picture of the full cost of all services offered. It is necessary to identify *all* costs, whether fee-related or not, so that there is a fair and equitable distribution of all indirect or overhead costs (discussed in a later section of this report) across all activities, thereby ensuring a definitive relationship between the cost of the service and the fee that is charged. No service should be burdened with costs that cannot be directly or indirectly linked to that service. Therefore, the first task in this study is to separate the fee-for-service activities from the non-fee activities. Some non-fee related activities are appropriately funded by discretionary general fund monies, such as public health or safety services, public information, and long range planning analysis. The costs of these other services are not built into the proposed cost recovery models for user fee services.

The exhibit below displays a summary of the study's findings and recommendations:

DEPARTMENT	CURRENT RECOVERY LEVEL	RECOMMENDED RECOVERY LEVEL	INCREASE IN RECOVERY
Planning & Dev	71%	53%	\$280,000
Engineering	50%	100%	\$960,000
Fire	28%	73%	\$160,000
Recreation	38%	38%	\$0
TOTAL:			\$1,400,000

Methodology

The diagram below illustrates the full cost analysis the city followed in the calculation of cost for user fee related services. Using a conditional use permit, issued by a planning department as an example, all layers of cost are shown.



In any city organizational structure there are several layers of cost. Using the example above, the process of providing a member of the public a conditional use permit requires support from the entire city structure. In this example four layers of support are shown.

Citywide Indirect Costs: The highest levels of city support are allocated throughout the city structure using the city's citywide cost allocation plan. This document uses allocation base ratios to spread high level administrative support to all operations in the city.

Departmental Indirect Costs: Department administrative staff and corresponding costs are also allocated to departmental functions and services.

Divisional Indirect Costs: The layer of support within divisions are also reflected when the full cost of a city service is calculated.

Direct Cost: The cost of city staff who directly interacts with the public is also included in the full cost calculation. Together, these four layer of cost are all recognized and included in the cost of providing a conditional use permit.

After recognizing and accounting for all layers of support, the cost of services study uses two basic pieces of data to formulate the cost calculation:

- ◆◆ Hourly rates of staff providing the service.
- ◆◆ Time spent to provide the service.

The product of the hourly rate calculation times the time spent yields the cost of providing the service.

Hourly Rates

The hourly rate methodology used in this study builds indirect costs into City staff hourly salary and benefit rates to arrive at fully burdened hourly rates. Fully burdened hourly rates are a mechanism used to calculate the total cost of providing services. Total cost is generally recognized as the sum of the direct cost together with a proportionate share of allowable indirect costs. The proper identification of all costs (including labor, operating expense, department administration and City wide support) as "direct" or "indirect" is crucial to the determination of the total cost of providing services.

Direct costs are typically defined as those that can be attributed specifically to a particular function or activity, including labor, and possibly materials or supplies. Indirect costs are those that support more than one program area and are not easily attributable to specific activities. Examples of indirect costs are departmental administrative and support staff, training and education time, public counter and telephone time, some service and supply costs, and City wide overhead costs from outside of the department as identified in the City 's cost allocation plan.

MGT's hourly rate calculation methodology includes the following:

Personnel Services Analysis – each staff classification within the service area is analyzed in the study. The first burden factor is comprised of compensated absences such as vacation/holidays/sick leave days taken in a year's time. Staff classifications are then categorized as either direct (operational) or indirect (administrative or supervisory) labor. In some cases, a classification will have both direct and indirect duties. The total indirect portion of staff cost is incorporated into hourly overhead rates.

Indirect Cost Rate – a ratio of indirect cost to direct labor (salaries plus benefits) is established. There are three elements of indirect cost incorporated, including:

- ◆◆ Indirect Labor – includes compensated absences, administrative and supervisory staff costs.
- ◆◆ Other Operating Expenses – most services and supplies are included as a second layer of indirect cost. There are some service and supply expenses classified as "allowable direct"; these expenditures are not part of the indirect cost rate but will be included as directly supporting specific program areas.
- ◆◆ External Indirect Allocations – this represents City wide overhead (from the City 's cost allocation plan).

Cost Allocation Plan (*described earlier*). Many of the costs that support all City programs and services are budgeted in centralized activities such as 1) Finance related functions, which provide payroll, budgeting, accounting and financial reporting, 2) Human Resources, which provides services in support of the City's workforce, and 3) City Administration, which provides administrative oversight to all City operations. The costs of these activities and other centralized services are considered indirect overhead that support fee-for-service activities, as well as other programs and functions within the City.

Fully Burdened Hourly Rates – incorporates all the elements that comprise the hourly rates used in this cost analysis.

- ◆◆ Each direct or operational staff classification is listed, together with the average annual salary.
- ◆◆ The hourly salary rate is calculated by the taking annual salary and dividing by 2,080 available productive hours in a year.
- ◆◆ The benefit rate reflects the average benefit rate multiplied against the salary rate.
- ◆◆ The overhead rate is derived by multiplying the internal and external indirect cost rates against the salary plus benefit rates.

The total combines the salary, benefits and overhead rates. This is the fully burdened rate for each staff classification.

Time Spent

Once fully burdened hourly rates were developed for City staff, the next step in the process was to identify staff time spent directly on each of the user fee activities. Each staff person involved in the user fee services identified time spent to complete each task associated with all user fee services. Annual volume statistics were also gathered in order to develop total annual workload information.

Fee Calculations and Revenue Projections

Given this information, MGT was able to calculate the cost of providing each service, both on a per-unit and total annual basis (per-unit cost multiplied by annual volume equals total annual cost). As mentioned above, costs were calculated by multiplying average time data or per-unit time calculations by the hourly labor rates; additional operating expenses directly associated with certain services were also added in.

Finally, if other divisions provided support into certain user fee activities, this time was accounted for and added into the analysis as a crossover support activity. Full costs are then compared to current fees and revenues collected, and subsidies (or over-recoveries) are identified.

Legal, Economic & Policy Considerations

Calculating the true cost of providing City services is a critical step in the process of establishing user fees and corresponding cost recovery levels. Although it is an important factor, other factors must also be given consideration. City decision-makers must also consider the effects that establishing fees for services will have on the individuals purchasing those services, as well as the community as a whole. The following legal, economic and policy issues help illustrate these considerations.

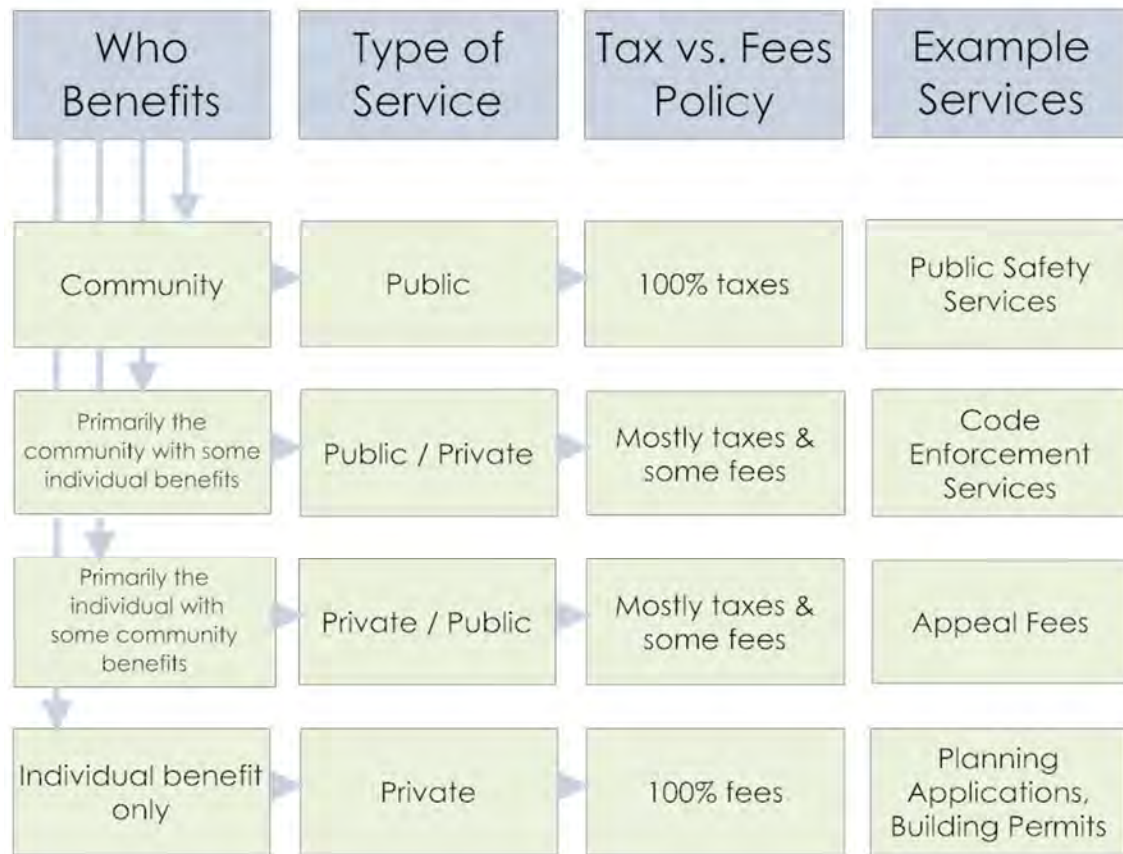
- ◆◆ **State Law** - In most cases, user fees are limited to the "estimated reasonable cost of providing a service." In considering what level of fee to charge, local governments will begin by calculating the full cost (indirect and direct) of user fee related services, review what is currently being charged for those services, survey what is being charged by other local governments, and then present all the available information to the local

government decision makers for final fee adjustment determinations. The following are examples of these additional fee making policy considerations:

- ♦♦ **Economic barriers** - It may be a desired policy to establish fees at a level that permits lower income groups to use services that they might not otherwise be able to afford.
- ♦♦ **Community benefit** - If a user fee service also benefits the community as a whole (at least to some extent), it is appropriate to subsidize a portion of the fee. Many animal control and library fees have very moderate, or no cost recovery levels.
- ♦♦ **Private benefit** - If a user fee primarily benefits the fee payer, the fee is typically set at, or close to 100% full cost recovery. Development related fees generally fall into this category, however exceptions are sometimes made for services such as appeal fees or fees charged exclusively to residential applicants.
- ♦♦ **Service driver** - In conjunction with the third point above, the issue of who is the service recipient versus the service driver should also be considered. For example, code enforcement activities benefit the community as a whole, but the service is driven by the individual or business owner that violates City code.
- ♦♦ **Managing demand** - Elasticity of demand is a factor in pricing certain City services; increasing the price of some services results in a reduction of demand for those services, and vice versa.
- ♦♦ **Competition** - Certain services may be provided by neighboring communities or the private sector, and therefore demand for these services can be highly dependent on what else may be available at lower prices. Furthermore, if the City's fees are too low, demand enjoyed by private-sector competitors could be adversely affected.
- ♦♦ **Incentives** - Fees can be set low to encourage participation in a service, such as dog licenses or water heater permits.
- ♦♦ **Disincentives** - Penalties can be instituted to discourage undesirable behavior. Examples include fines for construction without a building permit and fines for excessive false alarms within a one-year period.

The flow chart on the following page helps illustrate the economic and policy considerations listed above.

DECISION-MAKING FLOW CHART



Recommendations Going Forward

MGT recommends that the City build on its investment in this cost-of-service analysis by continuing to analyze its fees and charges. Once the commitment is made to understand the full cost of providing services, it is important to review and update the analysis in order to keep pace with changes in service delivery, staffing changes, and demand levels.

Most of our agencies ask us at the conclusion of the study: how often should this type of study be undertaken? Our advice is to undergo this detailed analysis at least every three but not more than five years, with minor adjustments in the non-study years (to keep pace with economic factors). Some of our clients undergo these studies every other year, some have opted to split the study over the course of three years (i.e. a subset of departments gets studied every year, with each department's fees being analyzed once every three years), and finally we have other clients who have chosen to review fees every fourth or fifth year.

Virtually every client has set up for minor adjustments (typically using CPI percentages) in the off years, to mitigate any significant increases that may occur when the detailed cost analysis is undertaken in future years. This is particularly helpful once an agency has chosen to adopt a cost recovery policy – whether 100% of cost or something less – in order to keep fees at the desired level.

PLANNING FEES					
	Current Fee	Cost of Service Based on New Study (Full Cost)	Staff Recommended Percentage Cost Recovery	Staff Recommended Cost Recovery per Unit (Cost Study 2016)	Fee per Unit at 100% (Cost Study 2016)
<u>EXISTING FLAT FEES</u>	Current Fee				
Appeals - Bd of Adjustments	\$ 995	\$ 1,453	75%	\$ 1,090	\$ 1,453
Appeals - Plan Comm & City Council	\$ 1,056	\$ 2,295	75%	\$ 1,720	\$ 2,295
CUP - Residential	\$ 1,135	\$ 3,189	100%	\$ 3,000	\$ 3,189
CUP - Non-Residential	\$ 1,891	\$ 3,795	80%	\$ 3,000	\$ 3,795
CUP - Schools, Public Bldgs, Religious	\$ 2,258	\$ 2,930	100%	\$ 3,000	\$ 2,930
Extension of Site Plan	\$ 809	\$ -	100%	\$ 810	\$ 809
Sign Permit - Perm Sign/Each Permit	\$ 307	\$ 90	100%	\$ 90	\$ 90
Comprehensive Sign Program	\$ 700	\$ -	100%	\$ 700	\$ -
Site Plan Review - Concept	\$ 355	\$ 4,190	10%	\$ 420	\$ 4,190
Site Plan Review - Minor Amendment	\$ 295	\$ 1,154	30%	\$ 345	\$ 1,154
Subdivision Plats - Concept Plat	\$ 355	\$ 4,372	10%	\$ 440	\$ 4,372
Subdivision Plats - Final Plat Submittal	\$ 1,244	\$ 9,196	20%	\$ 1,840	\$ 9,196
Subdivision Plats - Land Split/Combination	\$ 892	\$ 562	100%	\$ 565	\$ 562
Subdivision Plats - Boundary Adjustment	\$ 81	\$ 1,730	10%	\$ 175	\$ 1,730
Variance	\$ 670	\$ 11,410	10%	\$ 1,140	\$ 11,410
Annexation	\$ 1,788	\$ 1,345	150%	\$ 2,020	\$ 1,345
Minor Improvement Permit	\$ 75	\$ 106	75%	\$ 80	\$ 106
Zoning Verification Letter	\$ 234	\$ 191	100%	\$ 190	\$ 191
Continuance	\$ 457	\$ -	75%	\$ 500	\$ 500
Historical Preservation Review (EV)	\$ 40	\$ 130	50%	\$ 65	\$ 130
Bldg Fire Code Board of Appeals (Building Official)	\$ -	\$ 2,836	75%	\$ 2,130	\$ 2,836
<u>NEW FLAT FEES</u>	Estimate				
Appeals of Dedication and Exactions	None	\$ 501	100%	\$ 500	\$ 501
CUP - Extensions/Renewals	None	\$ 1,555	100%	\$ 1,555	\$ 1,555
Temporary Sign	None	\$ 66	100%	\$ 65	\$ 66
Subdivision Plats - Prem Plat Amendment	None	\$ 933	100%	\$ 935	\$ 933
Subdivision Plats - Prem Plat Extension	None	\$ 828	100%	\$ 830	\$ 828
Subdivision Plats - Map of Dedication	None	\$ 1,439	100%	\$ 1,440	\$ 1,439
Development Agreement - Major	None	\$ 10,074	100%	\$ 10,000	\$ 10,074
Development Agreement - Minor	None	\$ 10,074	50%	\$ 5,000	\$ 10,074
Outdoor Lighting Permit	None	\$ 261	50%	\$ 130	\$ 261
Temporary Use Permit	None	\$ 344	100%	\$ 345	\$ 344

PLANNING FEES					
	Current Fee	Cost of Service Based on New Study (Full Cost)	Staff Recommended Percentage Cost Recovery	Staff Recommended Cost Recovery per Unit (Cost Study 2016)	Fee per Unit at 100% (Cost Study 2016)
COMBINED FLAT FEE & PER ACRE (Tiered Fees)	Estimate				
GP Map Amend - Major	\$ 2,782		Inc Fee 20%	\$ 3,340	\$ -
GP Map - Major Per Acre	\$ 334		Inc Fee 20%	\$ 400	\$ -
Total Fee - GP Map - Fee + Per Acre (300 acres)	\$ 102,982		Inc Fee 20%	\$ 123,340	\$ -
GP Amend - Specific Plan	\$ 3,576		Inc Fee 20%	\$ 4,290	\$ -
GP Amend - Specific Plan Per Acre	\$ 133		Inc Fee 20%	\$ 160	\$ -
Total Fee - GP Amend - Fee + Per Acre (5 acres)	\$ 4,241		Inc Fee 20%	\$ 5,090	\$ -
GP Map Amend - With Rezoning (minor)	\$ 4,692		Inc Fee 20%	\$ 5,630	\$ -
GP Map Amend - With Rezoning per Acre (minor)	\$ 266		Inc Fee 20%	\$ 320	\$ -
Total Fee - GP Map Amend (Minor + Per Acre) (5 acres)	\$ 6,022		Inc Fee 20%	\$ 7,230	\$ -
ZMA - Small Scale	\$ 2,718		Inc Fee 20%	\$ 3,265	\$ -
ZMA - Small Scale per Acre	\$ 129		Inc Fee 20%	\$ 155	\$ -
Total Fee - ZMA - Small Scale + per Acre (0.5 acres)	\$ 2,782		Inc Fee 20%	\$ 3,343	\$ -
ZMA - Medium Scale	\$ 4,175		Inc Fee 20%	\$ 5,010	\$ -
ZMA - Medium Scale per Acre	\$ 129		Inc Fee 20%	\$ 155	\$ -
Total Fee - ZMA - Medium + Per Acre (5 acres)	\$ 4,820		Inc Fee 20%	\$ 5,785	\$ -
ZMA - Large Scale	\$ 6,137		Inc Fee 20%	\$ 7,365	\$ -
ZMA - Large Scale per Acre	\$ 129		Inc Fee 20%	\$ 155	\$ -
Total Fee - ZMA - Large Scale + Per Acre (20 acres)	\$ 8,717		Inc Fee 20%	\$ 10,465	\$ -
ZMA - Multi Phase	\$ 6,137		Inc Fee 20%	\$ 7,365	\$ -
ZMA - Multi Phase per Acre	\$ 129		Inc Fee 20%	\$ 155	\$ -
Total Fee - ZMA - Multi Phase + Per Acre (100 acres)	\$ 19,037		Inc Fee 20%	\$ 22,865	\$ -
Site Plan Review - Site	\$ 2,124		Inc Fee 20%	\$ 2,550	\$ -
Site Plan Review - per Acre	\$ 1,294		Inc Fee 20%	\$ 1,553	\$ -
Total Fee - Site Plan Review - Site + Per Acre (1 acre)	\$ 3,418		Inc Fee 20%	\$ 4,130	\$ -
Subdivision Plats - Dev Master Plan	\$ 1,678		Inc Fee 20%	\$ 2,014	\$ -
Subdivision Plats - Dev Master Plan / Acre	\$ 241		Inc Fee 20%	\$ 290	\$ -
Total Fee - Site Plan Review - Site + Per Acre (20 acres)	\$ 6,498		Inc Fee 20%	\$ 7,814	\$ -
Subdivision Plats - Prelim Plat Submittal	\$ 4,496		Inc Fee 20%	\$ 5,395	\$ -
Subdivision Plats - Prelim Plat/Lot	\$ 121		Inc Fee 20%	\$ 145	\$ -
Total Fee - Site Plan Review - Site + Per Acre (100 lots)	\$ 16,596		Inc Fee 20%	\$ 19,895	\$ -



FLAGSTAFF FIRE DEPARTMENT

211 W. Aspen Avenue
Flagstaff, AZ 86001

Phone 928-213-2500
Fax 928-213-2599

FFD - USER FEE COMPARISON

Special Events	New Fee	Previous Fee
Carnivals and Fairs	\$114	\$60
Exhibits and Trade Shows	\$114	
Open Burning (Fire Pit - see Code for items in this category)	\$139	\$50
Open Flames and Candles - Annual	\$139	\$50
Pyrotechnic Special Effects Material (See Code for specifics)	\$171	
Special Event Inspection	\$114	
Special Event Review Plan Review	\$46	
Temporary Membrane Structures-Tents \geq 400 sq. ft	\$90	\$50
Temporary Membrane Structures-Tents \geq 700 sq. ft /Multiple Tents	\$155	\$50
Special Event (Non Profit) Community Organization	50% of Established Fee	
Operational Permits	New Fee	Previous Fee
Blasting	\$43	
Combustible Dust and Fiber Producing Operations	\$95	
Dry Cleaning Plants	\$84	
Firework Sales -Temporary	\$464	\$197
Fuel Dispensing-operations Inspection	\$121	\$70
Haz Materials Permits (Annual)	\$74	
Hood Inspection-Operations Inspection	\$19	\$60
Hot Work	\$75	
Hotel inspections	\$124	\$100
Liquid or Gas Fueled Vehicle/Equip in Assembly Bldg.	\$84	
Places of Assembly - Bars and Restaurants	\$114	\$100
Repair Garages/Motor Fuel Dispensing Facilities	\$189	\$70
Sales Tax License Review/approval	\$15	
Spray Room/Area or Dipping Ops	\$149	\$70
State License (Educational)	\$34	
State License (Institutional) 16 < Patients	\$100	\$100
State License (Institutional)	\$182	\$100
State License/Other	\$34	\$100
Storage - High Piled	\$46	
Storage - Misc Combustible	\$46	
Storage - Scrap Tires/Tire Byproducts	\$51	

New Construction - Plan Review	New Fee	Previous Fee
Alt Extinguishing Sys Plan Review - Specialized Sys 1-5,000 sq ft	\$85	
Alt Extinguishing Sys Plan Review - Additional 5,000 sq ft or fraction thereof	\$57	
Auto Hood Sys Plan Review	\$43	\$60
Fire Alarm Sys Plan Review 1-10,000 sq ft	\$100	\$70
Fire Alarm Sys Plan Review 10,001-50,000 sq ft	\$130	\$70
Fire Alarm Sys Plan Review - Each additional 50,000 sq ft or fraction thereof	\$85	
Fire Sprinkler Sys (TI) Plan Review 21-50 Heads	\$43	\$100
Fire Sprinkler Sys (TI) Plan Review 51-100 Heads	\$57	\$100
Fire Sprinkler Sys (TI) Plan Review 101-500 Heads	\$85	\$100
Fire Sprinkler Sys Comm. Plan Review - 1-10,000 sq ft	\$100	\$100
Fire Sprinkler Sys Comm. Plan Review - 10,001-50,000 sq ft	\$130	\$100
Fire Sprinkler Sys Comm. Plan Review - Each additional 50,000 sq ft or fraction thereof	\$90	
Fire Sprinkler Sys Comm. Plan Review - Each like story above or below first	\$28	\$60
Fire Sprinkler Sys Res Plan Review	\$43	\$100
Plan Reviews - Additional	\$77	
New Construction - Inspections	New Fee	Previous Fee
Alt Extinguishing Sys New Install - Specialized Sys 1-5,000 sq ft	\$188	
Alt Extinguishing Sys New Install - Additional 5,000 sq ft or fraction thereof	\$142	
Auto Hood Sys New Install and Inspection - A Single Sys	\$90	
Auto Hood Sys - Mods and Inspection to existing hood Sys	\$90	
Auto Hood Sys New Install and Inspection - Each Add'l System	\$66	
Fire Alarm Sys Mod./TI - Panel or monitoring Mod.	\$90	
Fire Alarm Sys Mod./TI 1-5 devices	\$71	\$90
Fire Alarm Sys Mod./TI > 5 devices	\$100	\$90
Fire Alarm Sys New Install 1-2000 sq ft	\$62	\$90
Fire Alarm Sys New Install 2,001-10,000 sq ft	\$76	\$90
Fire Alarm Sys New Install 10,001-50,000 sq ft	\$100	\$90
Fire Alarm Sys New Install - Each additional 50,000 sq ft or fraction thereof	\$100	
Fire pumps or Sys-New Install/Mod - Mod. to existing Fire Pump	\$242	
Fire pumps or Sys-New Install/Mod - Single Pump	\$500	
Fire pumps or Sys-New Install/Mod - Additional Pumps	\$242	
Fire Sprinkler Sys (TI) Install 1-20 Heads Inspection	\$57	\$60
Fire Sprinkler Sys (TI) Install 21-100 Heads Inspection	\$85	\$120
Fire Sprinkler Sys (TI) Install 101-500 Heads Inspection	\$114	\$120
Fire Sprinkler Sys Comm. Install 5,000-10,000 sq ft Inspection	\$162	\$120

Fire Sprinkler Sys Comm. Install 10,001-50,000 sq ft Inspection	\$209	\$120
Fire Sprinkler Sys Comm. Install - Each additional 50,000 sq ft or fraction thereof Inspection	\$162	
Fire Sprinkler Sys Res Install - Rough In/Insulation Inspection	\$71	\$60
Fire Sprinkler Sys Res Install - Final Inspection	\$71	\$60
Fire Sprinkler Sys Res Install - Final (Over to 5,000 sq ft) Inspection	\$81	\$60
Standpipes-New Install/T.I. - Mod. to existing standpipe Inspection	\$255	
Standpipes-New Install/T.I.- Initial Install 1-4 Standpipes 1 Inspection	\$171	
Standpipes-New Install/ T.I.- Additional Standpipes	\$279	
Underground Fire line - Test/flush, per 100 ft Inspection	\$116	
Staff -Labor Costs	New Fee	Previous Fee
Fire Watch - Per Person Per Hour	\$52	\$35
Inspection - Repeat	\$186	
Inspections - Additional Inspection (Hourly Rate)	\$71	
Inspections - Repeat Inspection (Non- compliance)	\$71	
Standby Personnel (per person/hour)	\$52	\$35
Wildfire Management	New Fee	Previous Fee
Fuel Management Operations	\$400	
Fuel Management Plan Review	\$50	
Environmental -Clearance Letter	\$50	



FLAGSTAFF FIRE DEPARTMENT

211 W. Aspen Avenue
Flagstaff, AZ 86001

Phone 928-213-2500
Fax 928-213-2599

FIRE SERVICE FEE COMPARISON - Other Jurisdictions

	Flagstaff	Prescott Valley	Bullhead City	NCFD	MTN VISTA
Special Events	New Fee				
Carnivals and Fairs	\$114	\$150	\$50	\$200	\$102
Exhibits and Trade Shows	\$114	\$100	\$50	\$150	
Open Burning (Fire Pit - see Code for items in this category)	\$139		\$50	\$50	\$136
Open Flames and Candles - Annual	\$139		\$50	\$50	\$136
Pyrotechnic Special Effects Material (See Code for specifics)	\$171	\$150	\$50	\$525	\$416
Special Event Inspection	\$114	\$100	\$50	\$100 min	\$68 / HR
Special Event Review Plan Review	\$46	\$100	\$50		\$68 / HR
Temporary Membrane Structures-Tents ≥ 400 sq. ft	\$90		\$50	\$300	\$205
Temporary Membrane Structures-Canopies ≥ 700 sq. ft	\$155		\$50	\$300	\$205
Special Event (Non Profit)	50%	Est Fee			
Operational Inspections	New Fee				
Blasting	\$43	\$50	\$50	\$300	\$68
Combustible Dust and Fiber Producing Operations	\$95			\$250	\$68
Dry Cleaning Plants	\$84			\$250	\$68
Fireworks Sales - Temporary	\$464	\$150	\$50	\$525	
Fuel Dispensing-operations Inspection	\$121	\$100		\$150	\$68
Haz Materials Permits (Annual)	\$74			\$250	\$68
Hood Inspection-Operations Inspection	\$19				\$68
Hot Work /Welding Operations	\$75		\$50	\$100	\$136
Hotel inspection	\$124			\$75	\$68
Liquid or Gas Fueled Vehicle/Equip in Assembly Bldg.	\$84			\$150	\$68
Places of Assembly - Bars and Restaurants	\$114			75-250	\$68
Repair Garages/Motor Fuel Dispensing Facilities	\$189	\$100		\$75	\$68
Sales Tax License Review/approval	\$15			\$10-- then per bed	\$68
Spray Room/Area or Dipping Ops	\$149	\$150		\$200	\$68
State License (Educational)	\$34				\$68
State License (Institutional) 16< Patients	\$100			\$10-- then per bed	\$68 + \$10.00 per bed
State License (Institutional)	\$182				
State License/Other	\$34				\$68
Storage - High Piled	\$46			\$75	\$68
Storage - Misc Combustible	\$46			\$75	\$68
Storage - Scrap Tires/Tire Byproducts	\$51			\$75	\$68

	Flagstaff	Prescott Valley	Bullhead City	NCFD	MTN VISTA
New Construction - Plan Review	New Fee				
Alt Extinguishing Sys Plan Review - Specialized Sys 1-5,000 sq ft	\$85	\$200	\$200	\$125	\$136
Alt Extinguishing Sys Plan Review - Additional 5,000 sq ft or fraction thereof	\$57	\$200	\$200	\$50	
Auto Hood Sys Plan Review	\$43	\$150		\$100	\$136
Fire Alarm Sys Plan Review 1-10,000 sq ft	\$100	\$250 min .02 sq ft	1-5 Dev \$150	\$250	\$273
Fire Alarm Sys Plan Review 10,001-50,000 sq ft	\$130	\$250 min .02 sq ft	16-20 Dev \$450	\$275	
Fire Alarm Sys Plan Review - Each additional 50,000 sq ft or fraction thereof	\$85	.02 sq ft	>20 Dev \$550	\$125	
Fire Sprinkler Sys (TI) Plan Review 1-20 Heads	\$28	150		\$50	\$136
Fire Sprinkler Sys (TI) Plan Review 21-50 Heads	\$43	\$150		\$90	\$136
Fire Sprinkler Sys (TI) Plan Review 51-100 Heads	\$57	\$150		\$137	\$136
Fire Sprinkler Sys (TI) Plan Review 101-500 Heads	\$85	\$150		\$162	\$136
Fire Sprinkler Sys Comm. Plan Review - 1-10,000 sq ft	\$100	\$300 min .02 sq ft		\$212	\$273
Fire Sprinkler Sys Comm. Plan Review - 10,001-50,000 sq ft	\$130	\$300 min .02 sq ft		\$250	\$273
Fire Sprinkler Sys Comm. Plan Review - Each additional 50,000 sq ft or fraction thereof	\$90	.02 sq ft		\$250	
Fire Sprinkler Sys Comm. Plan Review - Each like story above or below first	\$28	\$50 per HR		\$125	
Fire Sprinkler Sys Res Plan Review	\$43	\$150		450 for all	\$68
Plan Reviews - Additional	\$77	\$50 / HR		\$50 / HR	\$68 / HR
New Construction - Inspections	New Fee				
Alt Extinguishing Sys New Install - Specialized Sys 1-5,000 sq ft	\$188	200	0-12K sqft \$500	\$250	
Alt Extinguishing Sys New Install - Additional 5,000 sq ft or fraction thereof	\$142	200		\$75	
Auto Hood Sys - Mods and Inspection to existing hood Sys	\$90	150	\$150	\$200	\$123
Auto Hood Sys New Install and Inspection - A Single Sys	\$90	150	\$200	\$200	\$273
Auto Hood Sys New Install and Inspection - Each Additional System	\$66	150	\$150	\$100	\$157
Fire Alarm Sys Mod./TI - Panel or monitoring Mod.	\$90	100		\$150	\$116
Fire Alarm Sys Mod./TI 1-5 devices	\$71	\$100	\$150	\$150	\$116
Fire Alarm Sys Mod./TI > 5 devices	\$100	\$100	\$150	\$200	\$150
Fire Alarm Sys New Install 1-2000 sq ft	\$62			\$350	\$382
Fire Alarm Sys New Install 2,001-10,000 sq ft	\$76			\$500	
Fire Alarm Sys New Install 10,001-50,000 sq ft	\$100			\$550	\$450
Fire Alarm Sys New Install - E) Each additional 50,000 sq ft or fraction thereof	\$100		device>20 \$550	\$250	\$75

Fire pumps or Sys-New Install/Mod - Additional Pumps	\$242	250		\$350	\$348
Fire pumps or Sys-New Install/Mod - Mod. to	\$242	250	\$500	\$550	\$245
	Flagstaff	Prescott Valley	Bullhead City	NCFD	MTN VISTA
Fire pumps or Sys-New Install/Mod - Single Pump	\$500	250	\$500	\$550	\$518
Fire Sprinkler Sys (TI) Install 1-20 Heads Inspection	\$57		\$150	\$100	\$123
Fire Sprinkler Sys (TI) Install 21-50 Heads Inspection	\$85			\$185	\$225
Fire Sprinkler Sys (TI) Install 51-100 Heads Inspection	\$85			\$275	
Fire Sprinkler Sys (TI) Install 101-500 Heads Inspection	\$114			\$325	\$313
Fire Sprinkler Sys Comm. Install 5,000-10,000 sq ft Inspection	\$162		\$200	\$425	\$382
Fire Sprinkler Sys Comm. Install 10,001-50,000 sq ft Inspection	\$209		\$400	\$500	\$450
Fire Sprinkler Sys Comm. Install - Each additional 50,000 sq ft or fraction thereof Inspection	\$162		\$200	\$500	\$123
Fire Sprinkler Sys Res Install - Rough In Inspection	\$71		1k-5k \$150	450 one time	\$259
Fire Sprinkler Sys Res Install - Final Inspection	\$71			one time	
Fire Sprinkler Sys Res Install - Final (Over to 5,000 sq ft) Inspection	\$81			one time	\$361 >6000sqf
Standpipes-New Install/tenant improvement - A) Mod. to existing standpipe Inspection	\$255	120		\$250	\$252
Standpipes-New Install/tenant improvement - B) Initial Install 1-4 Standpipes (1-inspection)	\$171	120		\$250	\$143
Standpipes-New Install/tenant improvement - C) Additional Standpipes	\$279	120		\$75	\$130
Underground Fire line - Test/FlushPer 100 ft Inspection	\$116	120	\$400 0-6 Hyd	\$200	\$273
Staff -Labor Costs	New Fee				
Fire Watch - Per Person Per Hour	\$52	\$50 / hr x2		\$100.00 / hr	\$170 -2 Hr min
Inspection - Repeat	\$186	\$50 / hr x2	\$90 / hr	\$100.00 / hr	\$170 / Hr
Inspections - Additional - Inspections over 2 hours	\$71	\$50 / hr x2	Include Staff	\$100.00 / hr	\$170 / Hr
Inspections - Additional Inspection	\$71	\$50 / hr x2	and Vehicle	\$100.00 / hr	\$170 / Hr
Inspections - Repeat Inspection	\$71	\$50 / hr x2		\$100.00 / hr	\$170 / Hr
Standby Personnel (per person/hour)	\$52	\$50 / hr x2		\$100.00 / hr	\$85 / hr

Engineering Section
User Fee Analysis

ENGINEERING FEES (CURRENT)	Fee (ACTUAL)	%Recovery (ACTUAL)	Annual Recovery (ACTUAL)	Fee (CURRENT POLICY)	%Recovery (CURRENT POLICY)	(\$reduced)/\$increased (CURRENT POLICY)	Fee (RECOMMENDED)	%Recovery (RECOMMENDED)	(\$reduced)/\$increased (RECOMMENDED)
Soils Report Review	\$59/each	117%	\$885	\$30/each	50%	(\$439)	\$59/each	100%	\$8
Public Improvements Plan Review	\$395/sheet	91%	\$86,900	\$255/each	50%	(\$30,127)	\$513/sheet	100%	\$26,646
Inspections (private development)	varies	34%	\$107,700	4%	50%	\$79,326	8.00%	100%	\$266,351
Inspections (ROW Permit)	\$275/each	78%	\$27,225	\$274/each	50%	(\$6,557)	\$547/each	100%	\$63,172
Traffic Impact Analysis Level 1	\$469/each	25%	\$2,814	\$1,128/each	50%	\$3,988	\$1,128/each	50%	\$3,988
Traffic Impact Analysis Levels 2 & 3	\$8,456/each	132%	\$16,912	\$3,785/each	50%	(\$9,305)	\$3,785/each	50%	(\$9,305)
Traffic Impact Analysis Levels 4 & 5	\$11,387/each	65%	\$11,387	\$10,280/each	50%	(\$1,053)	\$10,280/each	50%	(\$1,053)
Materials Testing (private & capital)	2.15%	78%	\$152,000	3.00%	100%	\$79,895	3.00%	100%	\$152,000
ENGINEERING FEES (NEW)									
Inspections (capital improvements)	varies	31%	\$133,300	3.50%	50%	\$120,543	7.00%	100%	\$387,143
Parking Lot Maintenance Permit	n/a	0%	\$0	\$186/each	n/a	\$0	\$186/each	100%	\$934
Chip Seal Fee (not part of MGT's Study)	\$4.50/square yard	100%	?	\$4.50/square yard	100%	?	\$4.50/square yard	100%	?

\$539,123

\$236,271
\$775,394

\$969,275
\$1,508,398

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Josh Copley, City Manager
Date: 12/08/2017
Meeting Date: 12/12/2017



TITLE:

Consideration and Adoption of Ordinance No. 2017-32: An ordinance of the City Council of the City of Flagstaff, adjusting the salaries of future City Council members by amending Section 1-07-001-0005, *Salaries*, of the Flagstaff City Code.

RECOMMENDED ACTION:

At the December 12, 2017, Special Council Meeting:

- 1) Read Ordinance No. 2017-32 by title only for the first time
- 2) City Clerk reads Ordinance No. 2017-32 by title only (if approved above)

At the December 19, 2017, Council Meeting:

- 3) Read Ordinance No. 2017-32 by title only for the final time
- 4) City Clerk reads Ordinance No. 2017-32 by title only (if approved above)
- 5) Adopt Ordinance No. 2017-32

Executive Summary:

In accordance with Flagstaff City Code Section 1-07-001-0005(B), pertaining to the periodic review of councilmember salaries, the City Manager has convened a five-member citizen committee comprised of the chairs of city commissions to review and provide a recommendation with respect to council members salaries. This review occurs every fourth year, before an election year. The Committee has requested, and received, salary comparisons with other cities and pertinent cost of living information. No sitting member of Council is eligible to receive any salary increase that may be voted upon but would be if he or she is re-elected to office at the next general election. This Committee met on November 16 and December 7, and approved its recommendation as follows:

- 1) Adjust the annual salary of the Mayor from the current \$36,000 to \$38,500, effective upon the beginning of the term of the new Mayor after the next general election in November of 2018.
- 2) Adjust the annual salaries of councilmembers from the current \$24,000 to \$25,500, effective upon the beginning of the terms of newly elected councilmembers after the next general election in November 2018. (Incumbent councilmembers who are in the middle of their current term of office will not be eligible to receive this salary adjustment unless re-elected to office in the general election of November 2020.)

Additionally, the Committee made the following recommendations regarding the travel allowance and travel budgets of councilmembers:

- 1) Increase the Travel Allowance of the Mayor from the current annual amount of \$2,520 to \$3,000 effective July 1, 2018.

- 2) Increase the Travel Allowance of councilmembers from the current annual amount of \$1,800 to \$1,992 effective July 1, 2018.
- 3) Increase the City Travel Budget Account for the Mayor from the current annual amount of \$2,478.57 to \$4,125 effective July 1, 2018.
- 4) Increase the City Travel Budget Account for councilmembers from the current annual amount of \$2,478.57 to \$2,750 effective July 1, 2018.

Recommendations 1 and 2 above are reflected in the attached ordinance; recommendations 3 and 4 will be considered during the FY2019 budget process.

Financial Impact:

The funds required for these council salary adjustments and increases to the council travel allowance and city travel budgets will be addressed in the City Manager's FY2019 budget recommendation.

Connection to Council Goal and/or Regional Plan:

COUNCIL GOALS:

- 1) Invest in our employees and implement retention and attraction strategies.
- 8) Improve effectiveness of notification, communication, and engagement with residents, neighborhoods and businesses and about City services, programs, policies, projects and developments.

Previous Council Decision on This:

None.

Options and Alternatives:

- 1) Implement the recommendations of the citizens commission;
- 2) Not implement the recommendations of the citizens commission and maintain status quo.

Community Involvement:

Inform
Consult

Attachments: Ord. 2017-32

ORDINANCE NO. 2017-32

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING SECTION 1-07-001-0005, SALARIES, OF THE FLAGSTAFF CITY CODE

RECITALS:

WHEREAS, Section 1-07-001-0005 of the Flagstaff City Code outlines a process for periodic review of the Mayor and City Council salaries; and

WHEREAS, as directed in said section of the City Code, the City Manager created a citizen commission to review said salaries and make recommendations to the City Council; and

WHEREAS, the citizen commission is fully authorized under Section 1-07-001-0005 of the Flagstaff City Code to make recommendation re salary adjustments for the Mayor and Council; and

WHEREAS, said citizen commission met on November 16, 2017, and December 7, 2017, to review said salaries and after studying information made available regarding other cities in Arizona and the history in Flagstaff, said commission hereby makes the following recommendations.

ENACTMENTS:

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS
FOLLOWS:**

SECTION 1

1-07-001-0005 SALARIES:

- A. Effective upon the commencement of terms of office for those persons elected to the office of Mayor or Councilmember of the City of Flagstaff in City elections of ~~2008~~ **2018** and thereafter, the salary of the Mayor shall be ~~thirty-six thousand dollars (\$36,000)~~ **THIRTY-EIGHT THOUSAND, FIVE HUNDRED DOLLARS (\$38,500)** per year ~~payable at three thousand dollars (\$3,000) per month~~; the salary of Councilmembers shall be ~~twenty-four thousand dollars (\$24,000)~~ **TWENTY-FIVE THOUSAND FIVE HUNDRED DOLLARS (\$25,500)** per year ~~payable at two thousand dollars (\$2,000) per month.~~
- B. Upon recommendation of a five-member citizen commission, the aforesaid salaries shall be reviewed and may be adjusted every other odd-numbered year (every fourth year) prior to an election year. The citizen commission shall be appointed one year, more or less, prior to the election year by the chairs of those city commissions that meet monthly and who are called together for the purpose of appointing the citizen commission by the City Manager, or his or her designee, who shall staff the meeting of the commission chairs, but shall have no vote. The citizen commission shall forward its recommendation to the City Council in the same year prior to the election year and by no later than August of the same year. The City Council shall immediately consider the recommendation of the citizen

commission, and may adopt an ordinance raising the salaries of the Mayor and Council which shall take effect for those persons elected to the office of Mayor and Councilmember in the next succeeding election.

- C. A like salary shall be paid to any person appointed to fill a vacancy in the office of Mayor or Councilmember for the balance of any term commencing in ~~June, 2008~~, **DECEMBER 2018** or thereafter.
- D. Any person elected or appointed to the office of Mayor or Councilmember may, prior to commencement of their duties, elect to receive a lesser salary than herein provided if the salary provided herein imposes a hardship on that person by either disqualifying that person from receiving social security, pension, or retirement benefits or payments, or the like, or reducing the amount of such benefits or payments that person would otherwise receive. The City Manager, or his or her designee, shall determine if a hardship exemption applies in the particular circumstances.
- E. In addition to the salaries above, the Mayor shall receive ~~\$210.00 PER MONTH~~ **\$3,000.00 PER YEAR, EFFECTIVE JULY 1, 2018**; and Councilmembers shall receive ~~\$150.00 per month~~ **\$1,800.00 PER YEAR** to cover the expense of routine travel and meals, **EFFECTIVE JULY 1, 2018**. The Mayor and Councilmembers are eligible for employee and dependent health care insurance provided by the City on the same terms and conditions as any other City employee.

SECTION 2. This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of December, 2017.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY