

ATTENTION

IN-PERSON AUDIENCES AT CITY COUNCIL MEETINGS HAVE BEEN SUSPENDED UNTIL FURTHER NOTICE

The meetings will continue to be live streamed on the city's website
(<https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings>)

The public can submit comments that will be read at the dais by a staff member to
publiccomment@flagstaffaz.gov.

CITY COUNCIL COMBINED SPECIAL
MEETING/WORK SESSION
TUESDAY
MAY 26, 2020

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
3:00 P.M.

WORK SESSION

1. **Call to Order**

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. **Pledge of Allegiance and Mission Statement**

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life for all.

3. **ROLL CALL**

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

MAYOR EVANS
VICE MAYOR SHIMONI
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY

COUNCILMEMBER ODEGAARD
COUNCILMEMBER SALAS
COUNCILMEMBER WHELAN

4. **Public Participation**

Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

5. **Review of Draft Agenda for the June 2, 2020 City Council Meeting**

Citizens wishing to speak on agenda items not specifically called out by the City Council may submit a speaker card for their items of interest to the recording clerk.

6. **Discussion:** Coordinator for Indigenous Initiatives Work Plan

7. **Discussion:** Pocket Parks

8. **Discussion and Possible Direction:** Upcoming City Permitted Events

9. **Discussion:** Support Letter for Appropriating Funds to Repair and Repave Snowbowl Road

10. **Public Participation**

11. **Adjournment**

SPECIAL MEETING

1. **Call to Order**

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. **Review of the City of Flagstaff Revenue Estimates for Fiscal Year 2020-21.**

3. **Consideration and Adoption of Resolution No. 2020-33:** A resolution of the Flagstaff City Council, Directing the City Manager to implement remedial measures set forth in the 2020 Economic Recession Plan, Significant Stage, and providing of an effective date

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2020-33 by title only
- 2) City Clerk reads Resolution No. 2020-33 by title only (if approved above)
- 3) Adopt Resolution No. 2020-33

4. **Informational Items To/From Mayor, Council, and City Manager; future agenda item requests**

5. **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 _____, 2020.

Stacy Saltzburg, MMC, City Clerk

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rose Toehe, Coordinator for Indigenous Initiatives
Date: 05/13/2020
Meeting Date: 05/26/2020



TITLE

Discussion: Coordinator for Indigenous Initiatives Work Plan

STAFF RECOMMENDED ACTION:

Discussion and provide input.

EXECUTIVE SUMMARY:

As this position is a newly created Full Time Employee (FTE), it will give a summation of focused activities to start. The basic work plan will entail activities which will be worked on for the first 1-2 years. There will be some varying goals for years 3-5. This work plan also serves as a strategic plan in progress, a living document. The work plan will change as goals are met and other priorities are identified.

INFORMATION:

This position was created based on City discussions with the Indigenous community within the City of Flagstaff and surrounding areas and a request from the Indigenous community. The position was long sought through community forums and beyond as Indigenous people and Nations look to Flagstaff for a working and healthy relationship with the City. The position was started as temporary part-time; thereafter, the City Manager's office and Council realized the importance of the work to be accomplished, it was decided and approved by Council for the position to have permanency within the City government.

Attachments: Presentation
Indigenous Initiatives Workplan

Indigenous Initiatives

Rose Toehe, Coordinator



Ya'at'eeh Greetings Mayor Evans and Flagstaff City Council

May 26, 2020



- Land Acknowledgement
- Introduction
- Background Summary

Work Plan

Five Year Plan





1. Indigenous Community Cultural Center



Year One and Two

- Develop a Vision Statement: Completed
- Identify a Location: Mogollon Parks Parcel
 - Indigenous community – Public Participation
 - Submit Proposal; Lock into Site
 - Plan B, work with City or partners – sites
- Administrative Structure
 - AZ Corp Comm; 501(c)(3)/Bylaws; Fiscal Agent
- Funding for Indigenous Community Cultural Center (ICCC)
 - Formulate funding streams



1. Indigenous Community Cultural Center



Year Three – Five

- Administrative Structure
- Funding Sources
- Planning Events and Activities
 - Indigenous Community
 - General Public



2. Indigenous Commission

Year One and Two

- Research in Progress, Best Fit for City & Indigenous Community
 - Present to City Council: Commission, Council, or Committee
 - Council Agenda: Discussion, Direction, and Approval
- Community Interface & Engagement
 - Community accountability
 - City accountability
- Purpose, Composition, and Launch



2. Indigenous Commission

Year Three – Five

- Define Annual Goals
- Community Interface & Engagement – Ongoing
 - Community accountability
 - City accountability



3. Economic Inclusion and Impact

Year One and Two

- Promote and Finance a Study to Quantify Indigenous Contribution to Flagstaff Economy
 - Identify funding source
- Utilize Results to Leverage Positive Outcomes
- Create/Refine Directory and Promote Indigenous Owned Businesses in Flagstaff
- Devise Feasibility Study for Public Artist Marketplace



3. Economic Inclusion and Impact

Year Three – Five

- Create Workgroup from Feasibility Study Results
- Partner with Local and Regional Resources for Collaborative Efforts via Economic Inclusion Impact Study
- Continue to Build Funding Sources for Projects/Events



4. Visibility

Year One and Two

- Build Visibility of Indigenous Presence and Contributions through:
- Public Art, beginning stages
 - Beautification, Arts & Science efforts
- Name or Replace Street and/or Place Names
- Public Advertising of Events
- Determine Support for a Flagstaff Pow Wow
 - Community Listening Sessions



4. Visibility

Year Three – Five

- Continuation of the Established Goals
 - Public Art
 - Name or Replace Street and/or Place Names
 - Public Advertising of Events
 - Depending on Outcome of Community Support for a Flagstaff Pow Wow; Plans will be in place
 - Further Community Input and Determination of Events



5. Education

Year One and Two

- Indigenous History, Culture, and Contributions:
- Work with FUSD and Charter Schools
 - Work has started, examples
- Staff Training – City Employees
 - Strengthen County Relationship and Community Partners
- Community Sharing and Training
 - Truth and Reconciliation Events
 - Native American Heritage Month
 - Indigenous Peoples Day



5. Education

Year Three – Five

- Collect Data on Events and Training from Year One and Two
- Plan Next Steps - Based on data and successes
- Always Connect Indigenous Communities to the City of Flagstaff
 - Ex. storytelling, locality, better messaging
- Continue to Strengthen Relationships



6. Public Safety

Year One and Two

- Police and Fire Departments
- Thoughtful Review of Public Safety
 - Continued Community Conversations and Input
Ex. Navajo Nation Human Rights Commission
 - Recruitment and Hiring
- Education and Training
 - Continue and Review/Update of Cultural Sensitivity Training
- Policy Review and Indigenous Community Input



6. Public Safety

Year Three – Five

- Police and Fire Departments: Continued Collaboration
- Thoughtful Implementation
 - Continued Community Conversations and Input
Ex. Continued joint sessions with Tribal Government
- Education and Training
 - Continue and Review/Update of Cultural Sensitivity Training
- Policy Review and Indigenous Community Input



7. Wellness, 8. Housing, 9. Transportation

Year Two

- Campaign to Identify Community-Based Efforts that Promote Healing for Inter-Generational Traumas; Seek Out Foundational Strengths
 - Protection of the Sacred, Ex. The Peaks; ecosystems
 - Partnerships/sources; Ex. gardens, elder-youth programs
- Address Needs for Affordable Housing
 - Assessments, families, students, and unsheltered relatives
- Solutions to Regional Transportation Deficits for Indigenous People for Work, Health, or Family Needs



7. Wellness, 8. Housing, 9. Transportation

Year Three – Five

- Identify and Strengthen Collaborative Efforts
- Local and Regional Partnerships
- Identify Resources/Funding at Local, Tribal, State and National Levels and Bring to Flagstaff



10. Tribal Nation Meetings, 11. COVID-19



Year One and Two

- Joints Meetings with Hopi, Hualapai, and Havasupai - Reschedule via City Council and CMO
 - Tribal Nations are appreciative of the meetings
- Other Tribal Nations
 - Schedule as City Re-opens
- City Instrumental – Keeping In Contact with Nations and Local Area
- Update to Council on Weekly Basis
- Instrumental in Connecting Organizations & Donations for Relief Efforts

Ahxe'hee
Thank You

Any Questions?



Work Plan – Coordinator for Indigenous Initiatives (CII)

| 1. Indigenous Community Cultural Center (ICCC) Most costly & most articulated. | Year One – Two | Year Three – Five |
|---|--|---|
| 1.1 Develop a Vision Statement - related to ICCC and 501(c)(3) | Completed: The Indigenous Circle of Flagstaff ()is committed to nurturing grassroots Indigenous community driven change using our Ancestral Knowledge, to promote justice, equity, and sustainability for all. | |
| 1.2 Identify a location | <p>Mogollon Parks Parcel located 419 N. Mogollon.</p> <p>City Council will hold <i>Public Hearings</i> at a designated date and time; Coordinator will keep Indigenous community informed so community can participate in the public hearings.</p> <p>Based on the direction of Council regarding this property, Coordinator is assisting ICF in preparation and submittal of a Plan/Proposal. The goal is to lock into this site.</p> <p>There will be a ICF Plan B should Council/Staff not accept ICF proposal; Coordinator will seek to work with City staff to obtain a list of other feasible sites. Partners of City and ICF may play a role in this area.</p> <p>Once locking into a site is accomplished, the remaining steps for Year One and Year Two will encompass devising and implementing plans for renovation, upgrades, floor plan, etc.</p> | |
| 1.3 Administrative Structure | <p>ICF completed/submitted its application to Arizona Corporation Commission and has been accepted. The Articles of Incorporation have been published in the Navajo Hopi Observer for three consecutive weeks. Coordinator is assisting in developing the bylaws. Once completed, bylaws and 501(c)(3) documents will be submitted to the IRS.</p> <p>ICF is poised to obtain one or both: 501 (c)(3) and Fiscal Agent to start. This will be in place to administer oversight of ICCC.</p> | These will be defined by the previous years’ accomplishments, additional funding opportunities, and further/ongoing input from Indigenous community. |
| 1.4 Funding ICCC | <p>Formulate funding ideas with ICF to start basic administering & renovation of ICCC. A list has been compiled by ICF. City Analyst will forward any relevant grants. Coordinator is researching other opportunities to utilize for ICCC needs.</p> <p>Due to City budget shortage forced by COVID-19, Coordinator plans to garner information on funding opportunities for both ICCC and Coordinator tasks, events, and outreach.</p> | As we understand this budget shortage may be with us for more than one budget seasons, this office will continue to garner grants and other funding opportunities for ICCC and Coordinator tasks, events, and outreach. |
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| 2. Indigenous “Commission, Council, Committee” | Year One – Two | Year Three – Five |
|---|---|--|
| 2.1 Research in Progress | Concerning the various status, Commission, Council, or Committee, the Coordinator is compiling information, including the legal aspect, on what would be the best fit for the City and the Indigenous Community. This information will be shared with supervisor, Jessica Drum, City Manager, Greg Clifton, and ICF. Information will be present to City Council in the manner recommended by CMO. | |
| 2.1 Community Interface and Engagement | <p>Assist ICF to formulate discussion and input based on what research reveals. Coordinator will provide information and direction of how input will occur according to City process.</p> <p>ICF and Indigenous Community input where there are questions and answers on community accountability. Put plans together with stakeholders in the community. Ideas and recommendations from community engagement.</p> <p>Form the Group and structure the work plan of the Group based on input.</p> | <p>Define Annual Goals, which will help to build relationships, strengthen partnership, and draw new ideas into City/County government arenas.</p> <p>Community interface and engagement will continue to be an ongoing part of the goals. This includes Community Accountability and City (County) Accountability through the standards set for the Group and its operations.</p> |
| 2.2 Purpose, Composition, and Launch | <p>Coordinator will work with City Manager’s Office to schedule onto City Council work session to start conversation. There should be options to explore. Once presented to City Council, this will migrate to discussion and direction defining the purpose. Approval to move forward, which will include vetting the plan and/or process regarding composition. Form, formalize, and launch the Group as agreed to by Council and Indigenous community.</p> | |
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| 3. Economic Inclusion & Impact | Year One – Two | Year Three – Five |
| 3.1 Promote and Finance a Study to Quantify Indigenous Contribution to Flagstaff Economy | In the last budget cycle, \$30,000 had been budgeted for an Economic Inclusion & Impact Study. Due to COVID-19, these funds may no longer be available. Are the funds still available? Coordinator will work with City and ICF to identify sources & resources to complete this task. This is an important part of the Indigenous community forums and specifically noted in the presentation by ICF to City on October 2017. | Continue to finance and renew this study from time to time. This could become part of the ICF Non-Profit. |
| 3.2 Utilize Results to Leverage Positive Outcomes | Publication of results can provide the Indigenous community an alternative lens in which to see Flagstaff government. This in turn provides more input into government for solutions-oriented participation. Trust building is an important goal on both sides. | Partner with local and regional resources for collaborative efforts as result of Economic Study. Continue to build funding sources for projects & events Work to recruit Indigenous participation on City/County commissions and councils. |
| 3.3 Create/Refine Directory and Promote, Indigenous-owned Businesses in Flagstaff | Coordinator work with City Tax department for business owner list for this purpose and obtain what is legally acceptable; Work with Chamber of Commerce membership; Community outreach to Indigenous community to obtain similar information. | Outreach and efforts to announce and plan for elevating Indigenous owned businesses |
| 3.4 Devise Feasibility Study for Public Artist Marketplace | Outreach to local artists and gather input for questions and response for a feasibility study. Create artist directory, form, and work with a workgroup to formulate the plans for artist marketplace. | Based on findings, the workgroup will create and implement an artist-driven market that will reach focused customers both locally and from outside the city. This may come sooner than the 3 rd year. |

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| 4. Visibility | Year One – Two | Year Three – Five |
| 4.1 Build Visibility of Indigenous Presence and Contributions through: | Public Art: Working with Beautification, Arts & Sciences, Economic Vitality, within City of Flagstaff. The first announcement to recruit Indigenous artists has gone out two weeks ago. There is specific budget funding for further collaboration in this area. Work with Beautification Arts & Sciences to fine tune outreach and process | Continuation of established goals for public art. Continuation of artist involvement. |
| 4.2 Name or Replace Street and/or Place Names | Based on forum input, Councilmember Whelan had introduced a talking point to change Agassiz’s Peak as well as other street/place names in Flagstaff. Keep Indigenous community informed of Council agendas, discussions, and public input. Build support within Indigenous community to participate. | Continue with new buildings and streets. Continue with changing street and place names, clearly with Indigenous community input. |
| 4.3 Public Advertising of Events | Example of an important event: Indigenous Peoples Day (IDP) event. Due to current pandemic situation, there is no guarantee there will be a public in-person event nor will there be City funding to support this. Based on that, IDP planning will be less about celebration and focus more on education through virtual video and educational sessions. Implement Planning Committee and add more members. Further determinations will be made once Planning Committee convenes. | Advertise Artist Marketplace Cultural celebratory events. Community educational cultural events (also as listed under Education). Further community input. Determination of other events. |
| 4.4 Determine Support for a Flagstaff Pow-Wow | Provide community listening sessions through surveys and other means of contacting area Nations. Pool ideas and feedback. | Depending on outcome of community support for a Flagstaff Pow Wow, plans will be in place |
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| 5. Education | Year One – Two | Year Three - Five |
| 5.1 Indigenous History, Culture, and Contributions | Continue work with FUSD and Charter schools to support expanded student curricula on Indigenous histories, cultures, and contributions. This work has started and various ICF members have been in conversations with FUSD, parents, and staff to start projects. | Continue building on these efforts. |
| 5.2 Staff Training for City Employees | Members of ICF and community have been engaged to start these conversations through participation in IPD, Native American Heritage Month, local reoccurring art shows, and City/County leadership academies, and other venues. These will continue and keep track of what has occurred. A broader look at how staff training can occur will be developed through City Manager’s Office with Indigenous community input. Strengthen County relationships and include City partners in these trainings. | Build list of contributing partners. Develop an effective training portfolio. |
| 5.3 Community Sharing and Training | Plans to start storytelling, workshops, presentations through: Truth and Reconciliation/Conciliation Events Native American Heritage month Indigenous Peoples Day Continue to work with County regarding similar objectives | In all these areas, collect data on events and training from Year One and Two. Plan next steps based on data and successes. Connect Indigenous communities & nations to City of Flagstaff through storytelling, locality and better messaging around these. Continue to strengthen relationships. Plan to replicate all these areas throughout the year. |

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| 6. Public Safety | Year One – Two | Year Three - Five |
| 6.1 Police and Fire Departments, Include Criminal Justice | Keep dialogue going with Police Department. Start conversation with Fire Department or other public safety entities within City, including city courts. | Continue collaboration. |
| 6.2 Thoughtful Review of Public Safety | Continue Cultural Sensitivity Training to Flagstaff Police Department. Continue Community Conversations and Input; Ex. Navajo Nation Human Rights Commission Recruitment and Hiring | Thoughtful implementation of changes. Continued Community Conversations and Input. Continued joint sessions with Tribal governments |
| 6.3 Education and Training | Work with ICF and other entities to add/build on to the POST Certified Curriculum for Police Department | Continue and review/update of Cultural Sensitivity Training for all Public Safety. |
| 6.4 Policy Review and Indigenous Input | Plan for outreach to Indigenous community members and surrounding Nations. | Thoughtful implementation of collaborative change |
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| 7. Wellness | Year Two | Year Three – Five |
| 7.1 Campaign to Identify Community-Based Efforts that Promote Healing for Inter-Generational Traumas; Seek Out Foundational Strengths | Protection of the Sacred from unhealthy and harmful treatment. This is a paramount issue of physical, mental, and spiritual health for Native/Indigenous people of Flagstaff and surrounding area. Ex. The Peaks; ecosystems Partnerships/sources; Ex. gardens, elder-youth programs; identify and support Indigenous organizations to build culturally grounded resources to address traumas. | Identify and Strengthen Collaborative Efforts Local and Regional Partnerships Identify Resources/Funding at Local, Tribal, State and National Levels and Bring to Flagstaff |
| | | |
| 8. Housing | Year Two | Year Three – Five |
| 8.1 Address Needs for Affordable Housing | Conduct assessments concerning families, students, and unsheltered relatives. Look for solutions regarding these questions coming out of the forums. How can the City of Flagstaff work with Indigenous organizations to further support affordable housing for Native people? What role can the City play in easing the burden of Flagstaff’s restrictive price levels for housing and utilities? | Identify and Strengthen Collaborative Efforts Local and Regional Partnerships Identify Resources/Funding at Local, Tribal, State and National Levels and Bring to Flagstaff |
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| 9. Transportation | Year Two | Year Three – Five |
| 9.1 Solutions to Regional Transportation Deficits for Indigenous People for Work, Health, or Family Needs | Explore solutions to these deficits that place particular obstacles in the path of Native people who travel between the City and nearby homes or additional family homes for work, shopping, family connections, and health services. | Identify and Strengthen Collaborative Efforts Local and Regional Partnerships Identify Resources/Funding at Local, Tribal, State and National Levels and Bring to Flagstaff |
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| 10. Joint Meetings: City Council and Indigenous/Tribal Councils | Year One – Two | |
| 10.1 Hopi Tribe | Reschedule when directed by CMO & City Council Tribal Nation governments are appreciative of the meetings | |
| 10.2 Hualapai Tribe | Same as above | |
| 10.3 Havasupai Tribe | Same as above | |
| 10.4 Other Tribal Nations | Schedule as City re-opens and direction is provided | |
| | | |
| 11. COVID-19 | Year One – Two | |
| 11.1 Nation Update | City Instrumental – Keeping in contact with Nations and local area Update to Council on weekly basis | |
| 11.2 Donations | Instrumental in connecting Organizations & Donations for Relief Efforts | |
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CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Amy Hagin, Public Works - Parks Manager
Date: 05/12/2020
Meeting Date: 05/26/2020



TITLE

Discussion: Pocket Parks

STAFF RECOMMENDED ACTION:

For discussion purposes only

EXECUTIVE SUMMARY:

This discussion is being brought forward as the result of a FAIR request that was previously approved by Council.

The City of Flagstaff Parks and Recreation Master Plan, adopted in 2013, defines a pocket park as a park that is generally less than two (2) acres in size and may include ball fields, ramadas, sport courts and playgrounds. The City's current park inventory contains ten (10) pocket parks with a variety of amenities. The Master Plan recommended that all existing pocket parks be reclassified as a neighborhood park as the two park types house very similar amenities; in addition, the Master Plan recommends that no additional parks smaller than two acres be developed or accepted into the Parks inventory. The main reason for this is the amount of resources required to maintain the small space is disproportionate to the size of the amenity.

Since the adoption of the Master Plan, no new parks have been developed including what was formally defined as a pocket park; however, recent discussions have sparked both interest and need for small parks in specific location(s) based on current land use and a lack of park amenities in those locations, for example, the Southside neighborhood.

INFORMATION:

The Master Plan serves as a roadmap for future development decisions in a document that is to include analysis, recommendations, and proposals for the City's population, economy, housing, transportation, community facilities, and land use. The Council can direct staff to amend the Master Plan with new guidance or recommendations based on current and future development needs.

Attachments:

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Fobar, Deputy City Clerk
Date: 05/21/2020
Meeting Date: 05/26/2020



TITLE:

Discussion: Support Letter for Appropriating Funds to Repair and Repave Snowbowl Road

DESIRED OUTCOME:

Discussion and direction.

EXECUTIVE SUMMARY:

On Monday, May 18, 2020, Mr. J.R. Murray, Chief Planning Officer of the Arizona Snowbowl, provided a request of the City to provide a support letter to specific members of the Arizona delegation in Washington D.C. to help secure funding for repairs and repavement of the Snowbowl Road, which is a United States Forest Service maintained road. Mr. Murray has also requested and will be provided support letters from the Governor's office, Coconino County, NAIPTA, and others.

INFORMATION:

Arizona Snowbowl has an economic impact of \$58 million for the city of Flagstaff.

Attachments: [Example Draft Support Letter](#)
[Status of Snowbowl Road](#)

DRAFT

DRAFT

DRAFT

DRAFT

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May 13, 2020

Jim Hubbard
Undersecretary of Agriculture, USDA
jim.hubbard@usda.gov

Chris French
Deputy Chief of U.S. Forest Service, USDA
Chris.french@usda.gov

I am writing in support of appropriating funds to repair and re-pave the Snowbowl Road located within the Coconino National Forest near Flagstaff, Arizona. Snowbowl Rd is a USFS level four road that provides access to the western flank of the San Francisco Peaks. Snowbowl Rd was originally paved in 1990, has deteriorated to a condition such that traveler safety is an increasing concern. Snowbowl Rd is used by tens of thousands of hikers, bicyclists, campers, leaf lookers, and tourists in addition to visitors to the Snowbowl ski area. Snowbowl Road is the only access to the higher elevation recreational sites on the Peaks making the condition of road critical for fire prevention and fuel reduction projects, fire suppression, evacuation route for forest users, and tribal religious ceremonies and plant gathering.

In May 2017, the CNF and the Federal Highway Administration conducted a Road Safety Audit. The conclusion of the audit noted the need for a major reconstruction and paving of the Snowbowl Road.

A 2019 independent engineer's evaluation of the road was commissioned. Included were several short term band aid alternatives and recommendation to re-pave the entire length with an estimated cost of \$9 Million.

Arizona Snowbowl, located at the end of the road, provides an annual economic impact of approximately \$58M to the local economy, over 600 jobs, over 300,000 paid visitors, and another 200,000 forest users and tourists using the road.

As northern Arizona seeks to climb out of the COVID 19 economic downturn, safe and secure travel on Snowbowl Road will play a critical role in the local economic recovery.

Therefore, we request the USDA and USFS secure funding and identify the Snowbowl Road as the project recipient through the budget process or future Covid 19 relief appropriations.

Thank you for your efforts regarding this matter.

Sincerely,

J.R. Murray
Chief Planning Officer
Arizona Snowbowl

cc: Sinema
McSally
O'Halleran
Gosar
Kirkpatrick
Biggs

STATUS OF SNOWBOWL ROAD

Official name; USFS Rd #516

May 2020

Snowbowl Road (USFS #516) is a seven mile paved road providing access to the western side of the San Francisco Peaks northwest of Flagstaff, AZ. Snowbowl Rd is used by tens of thousands of hikers, bicyclists, campers, leaf lookers, and tourists in addition to visitors to the Snowbowl ski area. Popular Forest Service hiking trails, including the Humphreys Peak Trail and Kachina Trail, originate from the ski area parking lots. Snowbowl Road is the only access to the higher elevation recreational sites on the Peaks making the condition of road critical for fire prevention and fuel reduction projects, fire suppression, evacuation route for forest users, tribal religious visits and plant gathering, first responder and overall travel safety.

Snowbowl Road has been showing signs of deteriorating conditions for several years and now is at a critical stage as it is rapidly falling apart, creating challenges to drivers and bicyclists, and becoming a safety hazard.

Snowbowl Road was constructed in the mid 1930's by the Civilian Conservation Corps and paved its full length in 1990 by the USFS. After twenty-nine years the road surface has exceeded its useful life and is in dire need of re-paving. Working with the Coconino National Forest, Regional offices in Albuquerque, and Chief's Office in D.C. seeking funding sources, the agency's budget has no funding allocated to this road.

Since 1992 Arizona Snowbowl has been issued a Road Maintenance Permit for plowing snow and performing some maintenance work on the road at a cost of over \$250,000 annually. The permit fee currently is \$36,000 per year and is matched with USFS operating funds used for periodic annual road projects like guard rail repair, striping, replacing signs, crack sealing and drainage work. The funds for annual maintenance do not cover any major repairs or including re-paving.

In May 2017, the CNF and the Federal Highway Administration conducted a Road Safety Audit. The conclusion of the audit noted the need for a major reconstruction and paving of the Snowbowl Road.

A 2019 independent engineer's evaluation of the road was commissioned. Included were several short term band aid alternatives and recommendation to re-pave the entire length with an estimated cost of \$9 Million.

Arizona Snowbowl provides an annual economic impact of approximately \$58M to the local economy, over 600 jobs, over 300,000 paid visitors, and another 200,000 forest users driving the road, it is now critical that funding for the road improvement be sought and secured. The road is the only access for the community, residents of Arizona, and visitors from around the world for access to the San Francisco Peaks, Kachina Peaks Wilderness Area, popular USFS hiking trails, and the Arizona Snowbowl.

The City of Flagstaff, recipient of much of the annual economic impact of the ski area, Coconino County and the State of Arizona have no interest in participating with funding due to lack of funds and liability.

The CNF has stated that they will not entertain a toll or fee for vehicle use. This leaves Snowbowl to seek Federal funding for re-paving the Snowbowl Rd.

EXISTING CONDITION

The existing pavement has ½" to 6" wide transverse cracks throughout its length. There is pavement distress that is indicative of subgrade failure in the area of drainage problems. Potholes are becoming prevalent the entire length. The roadway pavement edge is exhibiting alligator cracking which migrates towards the middle of the road, breaking off in large chunks of asphalt.

PROPOSED ACTION

The goal is to rehabilitate this roadway to a 20 year design life with minimal maintenance to the new pavement structure. The vertical and horizontal alignments are acceptable and should not be modified. Some drainage will need to be modified including cut ditches, shoulder drop offs, and replacing some pipe culverts. Guard rail will be reconstructed and set to proper heights. Design includes the removal of the existing AC pavement by milling and possibly using in new asphalt mix. The subgrade will be rehabilitated or replaced and overlaid with 4" AC (new asphalt paving) and then sealed with chip seal. Estimated total project cost; \$9,000,000.





CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rick Tadder, Management Services Director
Date: 05/18/2020
Meeting Date: 05/26/2020



TITLE

Review of the City of Flagstaff Revenue Estimates for Fiscal Year 2020-21.

STAFF RECOMMENDED ACTION:

Discussion Only.

EXECUTIVE SUMMARY:

This discussion is to inform City Council about current revenue projections for Fiscal Year 2020-21.

INFORMATION:

During the February Council Budget Retreat, staff provided estimates for our major revenues. In mid-February and early March, the Budget Team met with all Divisions of the City and allocated resources based on the most recent revenue estimates for all funds. The discussions completed with a balanced budget for all funds in the organization. Mid-March the COVID-19 pandemic began to have an impact on our community. Staff's primary focus was on the health and safety of our community and staff.

In April, Council adopted an Economic Recession Plan for the organization that provides guidance on measures and is adaptable to address further revenues declines. Staff had administratively implemented the Moderate Stage of the plan in early April. At the April Council Budget Retreat, staff discussed initial thoughts on revenue projections and outlined a balanced budget base on February revenue estimates. Staff explained that adopting a budget at this level allows the City the maximum allowable expenditures for the upcoming fiscal year. Further, we would allow the Economic Recession Plan to guide us should we see material changes to our revenue estimates for the upcoming fiscal year.

The Budget Team has been meeting multiple times per week to discuss all financial and operational issues the organization is experiencing during the COVID-19 pandemic. The team has reviewed revenues frequently and is ready to provide several revenue scenarios for the upcoming fiscal year. These scenarios demonstrate a need to implement the Significant stage of the Economic Recession plan at this time. This action will require Council approval through the adoption of a resolution per the plan. That request will follow this work session item.

Attachments: [Presentation](#)

City of Flagstaff Revenue Updates and Recession Plan

Work Session and
Special City Council Meeting
May 26, 2020



Discussion Framework

Special Council Meeting

May 26, 2020



- Discussion on the City of Flagstaff Economic Recession Plan
- Revenue Updates
- Local Recovery Efforts
- Path Forward
- Potential Measures-Significant Stage



Recession Plan

- Adopted Policy that identifies the action steps to address declining revenues
- Overlays and is independent to the adopted budget
- Adaptable in implementation
- Moving into the Significant stage (or higher) requires Council action
- Council action gives the City Manager direction to apply measures at that level



Revenue Updates

Budget Team focused on reviewing projections

- Continuing multiple meeting each week
- Voice of many perspectives and many economic webinars

Fiscal year 2019-20 estimates

- General Fund revenues estimated at \$1.3M below estimates
- Moderate Stage implemented April 13 administratively
- Projected expenditure reductions \$1.3M
 - Position freeze \$800,000
 - Travel & training freeze \$200,000
 - Other operating savings \$300,000
- Other future resources- Airport CARES grant reduces Airport dependency on General Fund transfer



Revenue Update

Projecting Revenues for Fiscal Year 2020-21

- Developed a multi-scenario approach to estimating
- Estimates are based on month over month projections, not just annual projections



Revenue Update

Projecting Revenues for Fiscal Year 2020-21

- **Scenario 1: Economy returns, but another COVID-19 Impact**
 - Month over month revenues estimated at 70-100% first couple months, recovers Oct-Mar, then similar reductions related to COVID-19
- **Scenario 2: Economy weak early, then recovers stronger**
 - Month over month revenues estimated at 70-100% first couple months, recovers Oct-June
- **Scenario 3: Economy weak longer and slow recovery**
 - Month over month Tourism related revenues start 50% below prior year and slowly recover to only 90%, retail 5% down versus FY2019-20 estimates
- **Scenario 4: Average of Scenario 1-3**



Revenue Update: FY 2020-21



| Category | Budget Adoption | Economy Returns, Then Another COVID | Weak Economy Early, Stronger Recovery | Weak Economy, Slow Recovery | Average of 3 Scenarios | | |
|-----------------------------|-------------------|-------------------------------------|---------------------------------------|-----------------------------|------------------------|-------------------------------|--------|
| | FY 2020-21 Budget | Scenario 1 FY 2020-21 | Scenario 2 FY 2020-21 | Scenario 3 FY 2020-21 | Scenario 4 FY 2020-21 | Scenario 4 Compared to Budget | |
| Sales Taxes Total | \$ 22,018,300 | \$ 20,313,800 | \$ 20,720,900 | \$ 19,614,600 | \$ 20,216,400 | \$ (1,801,900) | -8.2% |
| State Shared Revenues | | | | | | | |
| State Shared Sales Tax | \$ 7,486,400 | \$ 7,190,500 | \$ 7,116,400 | \$ 6,905,000 | \$ 7,070,700 | \$ (415,700) | -5.6% |
| State Shared Urban Revenue | \$ 10,669,600 | 10,700,000 | 10,700,000 | 10,700,000 | 10,700,000 | 30,400 | 0.3% |
| Auto Lieu Tax | \$ 3,540,900 | 3,381,000 | 3,320,000 | 3,201,100 | 3,300,700 | (240,200) | -6.8% |
| State Shared Total | \$ 21,696,900 | \$ 21,271,500 | \$ 21,136,400 | \$ 20,806,100 | \$ 21,071,400 | \$ (625,500) | -2.9% |
| Franchise Fees | \$ 2,471,500 | \$ 2,357,900 | \$ 2,414,100 | \$ 2,414,100 | \$ 2,395,300 | \$ (76,200) | -3.1% |
| Building Permits | 1,702,500 | 1,650,000 | 1,500,000 | 1,250,000 | 1,466,700 | (235,800) | -13.9% |
| Property Taxes | 6,967,500 | 6,967,500 | 6,967,500 | 6,842,500 | 6,925,800 | (41,700) | -0.6% |
| Other GF Revenues | 10,439,932 | 9,353,400 | 9,808,712 | 7,945,121 | 9,035,700 | (1,404,232) | -13.5% |
| | \$ 21,581,432 | \$ 20,328,800 | \$ 20,690,312 | \$ 18,451,721 | \$ 19,823,500 | \$ (1,757,932) | -8.1% |
| Total General Fund Revenues | \$ 65,296,632 | \$ 61,914,100 | \$ 62,547,612 | \$ 58,872,421 | \$ 61,111,300 | \$ (4,185,332) | -6.4% |
| Change vs Prior Estimate | | \$ (3,382,532) | \$ (2,749,020) | \$ (6,424,211) | \$ (4,185,332) | | |
| % Change vs Prior Estimate | | -5.2% | -4.2% | -9.8% | -6.4% | | |



Revenue Update

Other Funds

- BBB Funds down \$1.6M (-17%)
- Transportation Funds down \$1.5M (-7.6%)
- Highway User Tax Fund - 19% decline for March fuel sales
- ParkFlag - Average revenues loss \$105,000/month
- Other funds under review



Local Recovery Efforts

Staff will be providing additional slides for this section.



Path Forward

Lots of work from Leadership and City Staff!

- Budget adoption is needed, maximum allowable
- Leadership, Budget Team and Employee Advisory Committee will need time to develop recommendations
- Shifting expenses important for balancing
 - Airport grant and revenue opportunities, Wildland Fire Mgt
- Continue to use Priority Based Budgeting in decision making
- Monitoring of revenues and expenses
- Adaptable over the FY with quarterly updates



Potential Measures -Significant Stage

Significant Stage= 5%-10% or \$3.4M-\$6.7M Decline

- Maintain measures in Moderate Stage
- Requires strong justification for large purchases, (~\$375K-450K)
- Elimination of expenditures related to travel, meetings, and discretionary training, (~\$450K)
- Deferring a significant number of capital projects, (TBD)
- Implementation of a hiring freeze on all but essential health, safety, and welfare positions (~\$1M-\$1.5M)

Note: Information provided Illustrative Only and are only estimates related to the General Fund.
Actual impacts still to be determined.



Potential Measures-Significant Stage

Significant Stage= 5%-10% or \$3.4M-\$6.7M Decline

- Suspension or reduction of services and programs or decrease level of service in programs that are not deemed essential to the community, (TBD)
- A possible reduction of workforce with initial emphasis upon temporary, part-time, and contract employees, (TBD)
- A possible draw down of reserves may be considered, (1%= \$600,000).
- The City will consider reduction of hours and/or temporary closures of facilities and/or increases in fees to maintain services, (TBD)
- Possible deferral or postponement of salary increases (rezones, merits, COLAs and QSIs) (~\$1.1M)

Note: Information provided Illustrative Only and are only estimates related to the General Fund.

Actual impacts still to be determined.



Action on Resolution



Council Discussion

Thank you.

Questions?



CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rick Tadder, Management Services Director
Co-Submitter: Greg Clifton, City Manager; Budget Team
Date: 05/18/2020
Meeting Date: 05/26/2020



TITLE:

Consideration and Adoption of Resolution No. 2020-33: A resolution of the Flagstaff City Council, Directing the City Manager to implement remedial measures set forth in the 2020 Economic Recession Plan, Significant Stage, and providing of an effective date

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2020-33 by title only
- 2) City Clerk reads Resolution No. 2020-33 by title only (if approved above)
- 3) Adopt Resolution No. 2020-33

Executive Summary:

Staff has provided City Council an update on revenue projections for the fiscal year 2020-21. Projections provided have demonstrated the City will see a significant decline in certain revenues for the upcoming fiscal year. Staff has developed an Economic Recession Plan earlier this year and Council adopted this plan on April 21, 2020. Staff is now recommending the organization move into the Significant stage of the Economic Recession Plan based on updated revenue projections.

Financial Impact:

The adoption of this resolution will allow the City Manager to implement action items within the Significant stage of the Economic Recession Plan. The fiscal impact will align with strategic reductions of expenditures to mitigate estimated revenue reductions.

Policy Impact:

Implementing the Significant stage of the Economic Recession plan allows the City Manager to manage future expenditures within the available revenue resources.

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

Foster a Resilient and Economically Prosperous City: Enhance the organization's fiscal stability and resourcefulness.

Has There Been Previous Council Decision on This:

RESOLUTION NO. 2020-33

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, DIRECTING THE CITY MANAGER TO IMPLEMENT REMEDIAL MEASURES SET FORTH IN THE 2020 ECONOMIC RECESSION PLAN, SIGNIFICANT STAGE, AND PROVIDING FOR AN EFFECTIVE DATE

RECITALS:

WHEREAS, on April 21, 2020 the Flagstaff City Council ("Council") adopted the 2020 City of Flagstaff Economic Recession Plan ("Recession Plan");

WHEREAS, since mid- March 2020, the COVID-19 flu pandemic has caused businesses nationwide to close or limit operations in order to protect public health;

WHEREAS, it is anticipated that City sales tax revenues and other revenues will decline as a result of the pandemic and other economic factors; and

WHEREAS, City staff has prepared revised revenue estimates for Fiscal Year 2020-21 which show that that the City may experience revenue reductions of \$3.4 -6.7 million (5-10%) during Fiscal Year 2020-2021 that will require remedial measures as set forth in the Significant stage of the Recession Plan.

ENACTMENTS:

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

SECTION 1. In General.

The Council hereby:

Finds that based on the financial revenue data available at this time, it is necessary and appropriate to begin implementing the remedial measures set forth in the 2020 Flagstaff Economic Recession Plan, Significant stage.

Directs the City Manager to implement Significant stage remedial measures and to report to Council on a quarterly basis concerning the implementation of the Recession Plan and the financial status of the City.

SECTION 2. Effective Date.

This resolution shall be immediately effective.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 26th day of May, 2020.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

2020 City of Flagstaff

Economic Recession Plan



Purpose

The City and US has seen over ten years of economic growth since the great recession of 2008. We are currently in the longest stretch of economic growth in US history. The chances for economic downturns become more likely as expansion continues. Taking measures to be prepared for economic downturns is critical to how well the City financially responds to a reduction in resources to provide ongoing services to the community. It is imperative to have these strategic measures in place, proactively, in order to plan and prepare for such downturns well in advance. Toward that objective, the formulation of this Plan commenced in the Fall of 2019 with the intention of adoption prior to the 2020-21 Budget Year.

The purpose of this Recession Plan is to provide financial guidance and remedial measures during negative changes in the City's economic status. There are multiple stages of the Plan, that equate to anticipated incremental reduction in available City revenues.

Understanding Indicators and Impacts

Since the City's economy is heavily dependent on discretionary spending of visitors and discretionary purchasing surrounding the tourism, real estate, and construction markets, projecting revenues and expenditures is challenging. Adding to this challenge is our reliance upon many national and regional variables. A plan to manage the financial impacts of economic recession and net revenue shortfalls is paramount.

With those challenges in mind, this Plan, in conjunction with the City's policy on maintaining reserves, can be used to address a variety of economic uncertainties and identify potential corrective actions when revenues or reserves are jeopardized.

- A. Negative Indicators are warnings that potential budget impacts are an increasing probability based on the monitoring of key revenue sources such as sales taxes, building activity, utility usage, and tourism related indicators. Inflation indicators, interest rates, and state and national trends may also be considered. State, national and global issues and crises should also be considered.
- B. Economic downturns can fluctuate in severity and in duration. Implementation of the strategies in this Plan should coincide with the duration of such events, and beyond as may be warranted to ensure full recovery economically.
- C. Stages represent the degree of the economic downturn and serve to classify and communicate the severity of the situation to the City Council, staff, and the public. There are five stages accordingly. As the severity of the economic downturn increases (or are expected to increase in severity) the Plan's tiered approach will guide the City's actions accordingly.

Funds have different Indicators and Impacts

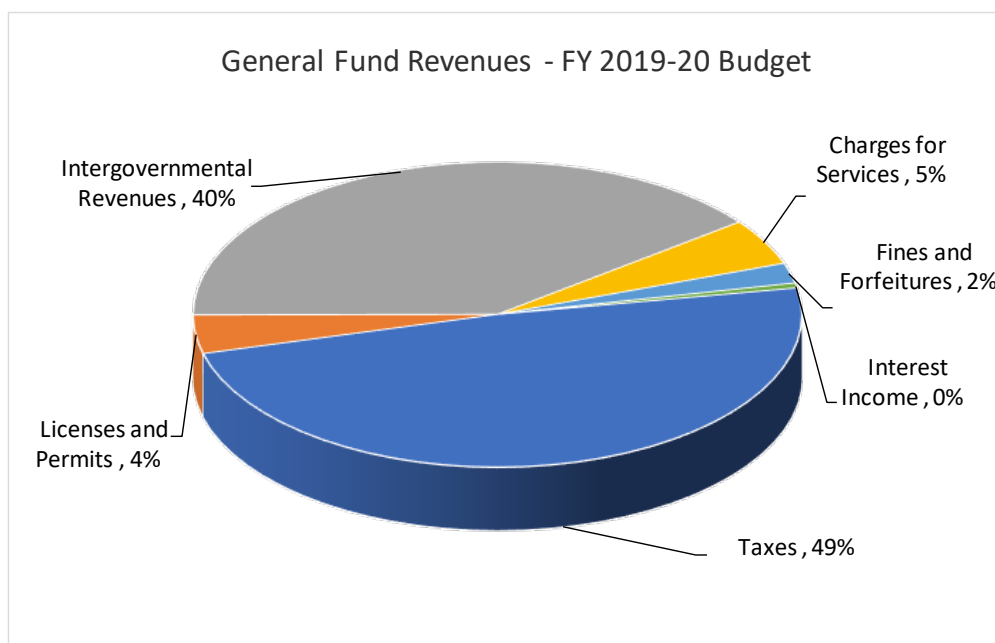
The City has multiple funds which have different revenue streams that have different indicators to be aware of. The largest of the funds is the City's General Fund which is largely used for general City services and labor. Some of the funds operate as enterprise funds premised upon self-sustaining revenues generated through the operation of an enterprise – essentially treated as government-operated businesses. All of the City's funds are summarized in Appendix A.

The indicators as noted above will basically apply to all City funds, noting that some funds, such as the General Fund, may be more vulnerable than other funds to economic fluctuation. Therefore, the Plan places significant focus on the General Fund. All the funds are summarized in Appendix A. In addition, the General fund may need to sustain further cuts to assist other smaller/non self-sufficient funds (such as the Airport and Library Funds).

Below is a table of some of the major revenues in the General Fund that would be impacted during an economic downturn along with the impact based on a percentage of change:

| | | Decline: Up to 2% | Decline: Up to 5% | Decline: Up to 10% | Decline: Up to 20% |
|----------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| 001 : General Fund | Total Budget | | | | |
| Taxes | \$ 32,274,000 | \$ 645,000 | \$ 1,614,000 | \$ 3,227,000 | \$ 6,455,000 |
| Licenses and Permits | 2,707,000 | 54,000 | 135,000 | 271,000 | 541,000 |
| Intergovernmental Revenues | 26,334,000 | 527,000 | 1,317,000 | 2,633,000 | 5,267,000 |
| Charges for Services | 3,267,000 | 65,000 | 163,000 | 327,000 | 653,000 |
| Fines and Forfeitures | 1,420,000 | 28,000 | 71,000 | 142,000 | 284,000 |
| Interest Income | 350,000 | 7,000 | 18,000 | 35,000 | 70,000 |
| Total | \$ 66,352,000 | \$ 1,326,000 | \$ 3,318,000 | \$ 6,635,000 | \$ 13,270,000 |

Excludes: Lease revenues, contributions, miscellaneous, financing resources and transfers.



In the General Fund for FY 2019-20, 81% (\$56.2 Million) of the base ongoing budget is personnel, 14% (\$9.8 Million) is contractual, 3.4% (\$2.4 Million) is commodities and 1.6% (\$1.1 Million) is capital. Most capital purchases are funded with one-time resources or funded with resources outside of the General Fund. Of the total General Fund base budget in FY 2019-20, 57% (\$39.2 Million) is related to public safety (police, fire and court), of which 31% (\$12.3 Million) is public safety pension contributions.

General Fund Unrestricted Fund Balance and Contingencies Play a Role in Economic Financial Planning

A critical part of long-term financial planning is to assure an adequate fund balance is maintained in the General Fund. Outside of economic downturns, the City will strive to have a minimum unreserved fund balance of 20%. During downturns, the City could make strategic reductions in the fund balance. For FY 2019-20, 20% is equal to \$12,500,000. Reduction of fund balance will impact the security of the General Fund and could have an adverse impact on debt ratings.

There are proactive administrative tools that will ensure the maintenance of the 20% fund balance. Such tools include the centralization of various administrative services that may bring about economies by minimizing fragmentation. Cross-training and resource sharing between the divisions and sections should likewise be encouraged.

Revenue streams to fund programs and services that can be made sustainable through sources outside of the General Fund should be explored. Similarly, the General Fund is greatly encumbered by a public safety pension liability and efforts should be explored to see an independent funding stream lessen this burden, thereby making the fund less vulnerable to economic downswings.

Minimum fund balance policy for all other City funds is 10%, except the Highway User Revenue Fund (HURF) which has a minimum 20% fund balance policy and the Water Services Funds which has a minimum 25% fund balance policy.

Taking Remedial Action Based upon Revenue and Fund Balance Reductions

Planning what action steps will be taken positions an organization to proactively and responsibly plan for economic downturns.

The City has designed the following action plan based upon multiple stages of an economic downturn. The five stages set forth below equate to anticipated reductions in available revenues (the higher stages representing more severe reductions) and the resulting measures to be taken in each stage.

Five Stages:

Alert/Minor - An anticipated, unbudgeted, net reduction in available revenues up to 2%, less than \$1.4M

Action: Under this scenario, expenditures will be reduced where reasonably possible. Most services can be maintained without reduction or public impact, but some services may be scaled down. Recruitment for vacant positions may be prolonged for short periods, and unexpended operating appropriations will be diverted back into the General Fund. Efficiencies to reduce expenditures will be pursued with emphasis. Divisions and Sections are responsible for monitoring budgets and reducing expenditures.

Moderate - A projected and unbudgeted reduction in revenues in excess of 2% but less than 5%, \$1.4M to \$3.4M

Action: The City will maintain essential services, but non-essential services may be curtailed and the review of expenditures is intensified to include the deferment of large purchases, cancellation of contracts and consulting services, reduction/postponement of capital expenditures that are not mandatory or urgent, postponement of expenditures related to travel, meetings, and discretionary training, and delaying the recruitment for vacant positions when reasonable, including a partial hiring freeze, or relying upon other strategies to fill current or projected vacancies.

Significant - A projected and unbudgeted reduction in revenues in excess of 5% but less than 10%, \$3.4M-6.7M.

Action: Requires strong justification for large purchases, elimination of expenditures related to travel, meetings, and discretionary training, deferring a significant number of capital projects, implementation of a hiring freeze on all but essential health, safety, and welfare positions, and the suspension or reduction of services and programs or decrease level of service in programs that are not deemed essential to the community. A possible reduction of workforce with initial emphasis upon temporary, part-time, and contract employees. A possible draw down of reserves may be considered. The City will consider reduction of hours and/or temporary closures of facilities and/or increases in fees to maintain services. Possible deferral or postponement of salary increases (rezones, merits, COLAs and QSIs).

Major - A projected and unbudgeted reduction in revenues in excess of 10% but less than 20%, \$6.7M-\$13.3M plus

Action: This phase requires actions aimed at major service cuts, continuation of a total hiring freeze, a reduction of workforce with emphasis upon temporary, part-time, and contract employees, suspend all types of salary increases, and may consider additional employee cost reduction policies, further reductions in capital expenditures, and development of a further reduction in workforce strategy. A draw down of reserves would be required to maintain essential or mandatory services. Longer term closures of non-essential city facilities will occur.

Crisis - This phase assumes that revenues have been almost entirely depleted, with reductions in excess of 20%. The potential for an overall budget deficit is present.

Action: At this point, the City implements its reduction in workforce and employee cost reduction policies, eliminates programs and services, and stops all capital improvement projects and purchasing. Further reductions in reserves will be required.

The initiation of any of these strategies and actions originate with the Budget Team. Implementation of the First and Second Stages (Minor/Moderate) can be performed administratively. Implementation of additional Stages (Significant through Crisis) will require the consent and resolution of the City Council. The subsequent termination or reduction of these actions will be subject to the same approval requirements.

If the conditions leading to implementation of the Economic Recession Plan are likely to continue for multiple years, the cumulative effect of the reduction in revenues or reserves should be considered in determining the appropriate phased response.

Appendix A: Summary of Impact by Funds

| | Revenues | Decline: Up to 2% | Decline: Up to 5% | Decline: Up to 10% | Decline: Up to 20% |
|-----------------------|----------------|----------------------|----------------------|-----------------------|-----------------------|
| General Fund | \$ 66,352,000 | \$ 1,326,000 | \$ 3,318,000 | \$ 6,635,000 | \$ 13,270,000 |
| Special Revenue Funds | | | | | |
| Library | 3,982,000 | 80,000 | 199,000 | 398,000 | 796,000 |
| HURF | 8,635,000 | 173,000 | 432,000 | 863,000 | 1,727,000 |
| Transportation Tax | 27,108,000 | 543,000 | 1,355,000 | 2,710,000 | 5,422,000 |
| BBB Funds | 9,798,000 | 196,000 | 490,000 | 981,000 | 1,960,000 |
| Parking District | 1,480,000 | 30,000 | 74,000 | 148,000 | 296,000 |
| Total Special Revenue | 51,003,000 | 1,022,000 | 2,550,000 | 5,100,000 | 10,201,000 |
| Debt Service Funds | 7,302,000 | 146,000 | 365,000 | 730,000 | 1,460,000 |
| Enterprise Funds | | | | | |
| Water | 17,815,000 | 356,000 | 891,000 | 1,781,000 | 3,563,000 |
| Wastewater | 10,539,000 | 211,000 | 527,000 | 1,054,000 | 2,108,000 |
| Reclaim | 1,040,000 | 21,000 | 52,000 | 104,000 | 208,000 |
| Stormwater | 4,277,000 | 86,000 | 214,000 | 428,000 | 855,000 |
| Solid Waste | 12,236,000 | 245,000 | 612,000 | 1,224,000 | 2,447,000 |
| SEMS | 1,064,000 | 21,000 | 53,000 | 106,000 | 213,000 |
| Airport | 2,219,000 | 44,000 | 111,000 | 222,000 | 444,000 |
| FHA | 1,803,000 | 37,000 | 90,000 | 181,000 | 361,000 |
| Total Enterprise | 50,993,000 | 1,021,000 | 2,550,000 | 5,100,000 | 10,199,000 |
| All other funds | \$ 109,298,000 | \$ 2,189,000 | \$ 5,465,000 | \$ 10,930,000 | \$ 21,860,000 |